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## Apple Blossom Time in the Annapolis Valley 1880-1957

The Annapolis Valley apple industry has been the subject of considerable academic scrutiny. During the heyday of the apple era, Willard V. Longley wrote a doctoral thesis for the University of Minnesota focusing, appropriately, on production and marketing trends in the industry.<sup>1</sup> When the apple export market collapsed after the Second World War, N.H. Morse, in another doctoral thesis, chronicled the history of apple growing in the Valley.<sup>2</sup> Not surprisingly, since that ubiquitous student of staple industries, University of Toronto Professor Harold Innis, was Morse's supervisor, the Innisian influence is obvious in Morse's detailed study. More recently, historians and sociologists interested in class structures and social movements have looked to the Annapolis Valley apple industry in order to understand the weakness of cooperative structures and third party movements in Atlantic Canada.<sup>3</sup> While the wise student might conclude from this that the topic has been sufficiently analyzed, recent work by David Alexander suggests that there is one aspect that merits closer attention. Alexander argues that Canadian policy after the Second World War "lumbered overseas export industries with an impossible burden". Because federal authorities were mesmerized by the American market, their policies, Alexander maintains, resulted in foreign domination of east coast fisheries and indirectly forced a painful and futile relocation of the under-employed outport population.<sup>4</sup> At the risk of being accused of comparing apples and cod fish, this paper proposes to show that the Annapolis Valley apple industry had much in common with the Newfoundland salt fish trade in the first half of the twentieth century and that, however generous, federal policies were short-sighted, if not deliberately perverse, in the period immediately following

- 1 Willard V. Longley, "Some Economic Aspects of the Apple Industry in Nova Scotia" (PhD thesis, University of Minnesota, 1931). The thesis was published as Bulletin No. 113 of the Nova Scotia Department of Agriculture (Halifax, 1932).
- 2 N.H. Morse, "An Economic History of the Apple Industry of the Annapolis Valley in Nova Scotia" (PhD thesis, University of Toronto, 1952).
- 3 Ian MacPherson, "Appropriate Forms of Enterprise: The Prairie and Maritime Co-operative Movements, 1900-1955", *Acadiensis*, VIII (Autumn 1978), pp. 77-96; R. James Sacouman, "The Differing Origins, Organization and Impact of Maritime and Prairie Co-operative Movements to 1940", in Robert J. Brym and R. James Sacouman, eds., *Underdevelopment and Social Movements in Atlantic Canada* (Toronto, 1979), pp. 37-58; Robert J. Brym, "Political Conservatism in Atlantic Canada", in *ibid.*, pp. 59-79.
- 4 David Alexander, *The Decay of Trade: An Economic History of the Newfoundland Saltfish Trade, 1935-1965* (St. John's, 1977), pp. viii, 163.

the Second World War. Moreover, the "shabby dignity" which was the consolation prize awarded to charter members of Confederation in the form of federal agricultural policy in the 1950s had implications as potentially disruptive for Valley people as the great resettlement plan did for Newfoundland's outport population.<sup>5</sup>

The Annapolis Valley of Nova Scotia is one of the most productive agricultural areas in the Atlantic region. Highlands to the north and south, reaching elevations of seven and eight hundred feet respectively, shut out the maritime fogs and northwest winds, giving the Valley more hours of sunshine and a longer growing season than most localities in the Atlantic Provinces.<sup>6</sup> Because of the fertility of the soil, the temperate climate and the relative accessibility of the area by sea, the Annapolis Valley was one of the first areas in Canada to produce a surplus of agricultural products for export. Both the Acadians and the New England Planters who succeeded them were noted for their productive farms, where fruit, vegetables, cattle and grains grew in abundance.<sup>7</sup> Apples had been a product of the Valley since the early days of French settlement, but the perishable nature of the fruit made them a risky export in the era of the sailing ship.<sup>8</sup> Although "gentlemen" farmers experimented with new varieties and growing techniques, lack of near-by markets and efficient transportation prior to the mid-nineteenth century prohibited further development of the fruit industry. As R.W. Starr, one of the pioneers of the apple industry, remarked in 1886, the 'old days' were not conducive to developing a market for Valley apples: "Prices were low. The markets of Saint John and Halifax were easily glutted; the fruit, itself carelessly harvested, badly packed and then transported for long distances over wretched roads or else in the hold of a small schooner with potatoes and turnips for two or perhaps four weeks, was apt to arrive [at] market in a condition better imagined than described".<sup>9</sup>

The completion of a railway from Halifax to Windsor in 1858 and to Annapolis Royal by 1869 marked the beginning of a new era for the farmers of

5 David Alexander, "Economic Growth in the Atlantic Region, 1880-1940", *Acadiensis*, VIII (Autumn 1978), p. 76.

6 Andrew Hill Clark, *Acadia: The Geography of Early Nova Scotia to 1760* (Madison, 1968), ch. 2; J.W. Goldthwait, *Physiography of Nova Scotia* (Ottawa, 1924).

7 Clark, *Acadia*, pp. 230-61; John Robinson and Thomas Rispin, *Journey Through Nova Scotia*, reprinted in *Report of the Public Archives of Nova Scotia, 1944-45*, pp. 26-7; Joseph Howe, *Western and Eastern Rambles: Travel Sketches of Nova Scotia*, edited by M.G. Parks (Toronto, 1973), pp. 81-3.

8 For an outline of the early history of apple growing in the Annapolis Valley see Morse, "An Economic History of the Apple Industry", ch. 2; F.G.J. Comeau, "The Origins and History of the Apple Industry in Nova Scotia", *Collections of the Nova Scotia Historical Society* (1936), pp. 15-40; R.W. Starr, "A History of Fruit Growing in Kings County", *Nova Scotia Fruit Growers Association, Annual Report*, 1886, pp. 153-60.

9 Starr, "A History of Fruit Growing in Kings County", p. 155.

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the Annapolis Valley. In the early 1860s Haligonians — anxious to wrest their hinterland from the clutches of Saint John — began showing an increased interest in Valley produce. In 1862 a committee sponsored by the provincial government and under the secretaryship of Robert Grant Haliburton (son of the famous author and one of Nova Scotia's most ambitious native sons) offered prizes for the best specimen of fruit and vegetables to represent Nova Scotia in the International Exhibition and Horticultural Society Show held in London. Although Nova Scotia produce made a good impression generally, its apples were especially well received. The *Times* enthusiastically reported that "the beauty of the apples beats anything we have ever seen".<sup>10</sup>

Success in the British market did not follow immediately. Shipments from Annapolis Royal and Halifax in the early 1860s proved financial failures, despite the efforts of one enterprising shipper to prevent the fruit from spoiling by using frozen lumber to reduce the temperature in the ship's hold. R.W. Starr attributed the initial difficulties of marketing Nova Scotia apples in the United Kingdom to the problem of "cargoes arriving in bad order from long passages and want of ventilation" and the "prohibitory" costs of steam freight.<sup>11</sup> There was also stiff competition in the British market from continental fruit which did not experience the transportation costs and quality deterioration imposed by the long North Atlantic voyage. However, by the 1880s improved steamship service and reduced freight rates from Halifax to Britain permitted regular shipments of apples to arrive in satisfactory condition. When the McKinley Tariff of 1890 virtually excluded Nova Scotia apples from the American market,<sup>12</sup> Britain was already absorbing an increasing volume of the Valley output. As Dr. Henry Chipman observed in a paper he delivered to the Fruit Growers Association in 1887, the British market had "solved the problem of profitable agriculture in the whole Valley".<sup>13</sup>

By 1914 the apple industry had transformed agriculture in the Annapolis Valley. Increased orchard acreage was brought into production, warehouses to protect the fruit from frost sprang up along the railroad, and "speculators" representing British brokers combed the area for commission-earning consign-

10 Duncan Campbell, *Nova Scotia in its Historical, Mercantile and Industrial Relations* (Montreal, 1873), pp. 418-21. According to Campbell, the apples were arranged in flat trays with partitions, packed in bran and arrived in excellent condition.

11 Starr, "A History of Fruit Growing in Kings County", p. 159.

12 A tariff of 63¢ a barrel imposed by the McKinley legislation resulted in a decline in exports of Nova Scotia apples to the United States from 44,000 barrels in 1890 to 1000 in 1891. Morse, "An Economic History of the Apple Industry", p. 15. Regarding this problem, see also J.W. Longley, "Fruit Growing in the Annapolis Valley", *Canadian Magazine* (1893), pp. 621-7. The American market never returned except when the American crop was small, as in 1919 and 1921. See Longley, *Some Economic Aspects of the Apple Industry in Nova Scotia*, pp. 125-6.

13 Cited in Morse, "An Economic History of the Apple Industry", p. 19.

ments.<sup>14</sup> Individual farmers experimented with grafting, spraying and fertilizing techniques and, at the urging of the Nova Scotia Fruit Growers Association (NSFGA), a provincially-funded horticultural school associated with Acadia University was established in Wolfville to bring scientific methods to bear on fruit growing. When the provincial government moved the school to Truro in 1905, the Fruit Growers Association successfully petitioned for a federally-funded Experimental Farm located in Kentville to assist them in improving the quantity and quality of their fruit.<sup>15</sup> The large volume of apple exports also enabled Valley farmers to secure favourable rates from rail and shipping cartels. By 1911-12, when the Valley produced a bumper crop of over one million barrels of apples, the transportation costs had been sufficiently reduced — from \$1.00 a barrel in the 1880s to 60¢ in 1912 — to put the Valley product in a favourable competitive position with respect to its European and North American rivals in the British market.<sup>16</sup> Production costs also benefited from the relative ease with which Valley growers could find labour and supplies. The nearby subsistence farms and fishing villages, locked into their own seasonal rhythms, supplied labour at harvest time and quality barrels crafted during the winter months for the multi-million dollar industry.<sup>17</sup>

Orchards planted prior to the First World War came into peak production in the 1920s and 1930s, resulting in huge crops (see Table I). During the 1930s Nova Scotia produced over 40% of the Canadian apple output and was a major supplier of the British market, which in most years absorbed over three-quarters of Nova Scotia's total commercial crop and over 90% of the apples exported.<sup>18</sup>

14 *Ibid.*, pp. 19-30.

15 J. Fred Hockey, *Agricultural Research in the Annapolis Valley, 1909-1960* (Ottawa, 1967), pp. 1-3.

16 Morse, "An Economic History of the Apple Industry", pp. 157-61. According to Morse, rates from Halifax to Britain were as low as 60¢ a barrel in the 1912-13 season and although prohibitively high during the First World War, they were gradually reduced to 90¢ in 1924-25 where they stayed until the 1930s when they were as low as 54¢. Part of the reason why shipping cartels caved in to grower demands in the 1930s was the decision on the part of George Chase and others to ship directly from Port Williams, by-passing the Halifax lines, Furness Withy and White Star.

17 T.A. Meister, *The Apple Barrel Industry in Nova Scotia* (Halifax, n.d.). Harold Innis was particularly impressed by the extent to which the apple industry was an integral part of the Nova Scotia economy: "Fertilizer comes from the Cape Breton mines, cooperage from the lumber industry, labour from the fisheries. And in its turn the beauty of the Valley from blossom time to harvest has contributed to the profit of the tourist business". Cited in J. Holland Rose *et al.*, eds., *The Cambridge History of the British Empire*, vol. VI (New York, 1930), p. 669. Although no study has yet been done of the overall impact of the apple industry on the economy of the Annapolis Valley, one commentator, in 1930, estimated that Valley growers annually spent \$1 million for containers and \$3/4 million for labour. See United Fruit Companies, *Minutes and Proceedings of Annual Meetings* (Kentville, 1930), p. 6.

18 Morse, "An Economic History of the Apple Industry", pp. 175-6; Longley, *Some Economic Aspects of the Apple Industry in Nova Scotia*, p. 123.

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Table I

### Disposition of Nova Scotia Apple Production 1880-1938\*

Year	Production	Export		Processed		Fresh Sales	Canada
	'000 Bu.	'000 Bu.	% of Crop	'000 Bu.	% of Crop	'000 Bu.	% of Crop
1938	6,572	5,316	80.9	753	11.4	503	7.7
1937	6,458	3,905	60.5	1,754	27.1	799	12.4
1936	4,967	2,468	49.7	1,715	34.5	784	15.8
1935	5,418	4,125	76.1	858	15.8	435	8.1
1934	6,425	4,000	62.3	1,356	21.1	1,069	16.6
1933	8,288	6,803	82.1	1,273	15.4	212	2.6
1932	3,647	2,661	73.0	787	21.5	199	5.5
1931	4,534	3,657	80.6	551	12.2	325	7.2
1930	3,517	2,979	84.7	254	7.2	284	8.1
1929**	5,959	4,219	70.8	1,195	20.1	545	9.1
1928	3,285	2,097	63.8	454	13.9	734	22.3
1927	2,811	1,816	64.6	428	15.2	567	20.2
1926	2,649	1,883	71.1	317	12.0	449	16.9
1925	3,742	2,326	62.1	1,073	28.7	343	9.2
1924	4,413	3,380	76.6	584	13.2	449	10.2
1923	5,389	4,364	81.0	339	6.3	686	12.7
1922	5,096	3,603	70.7	615	12.1	878	17.2
1921	5,508	3,691	67.0	769	14.0	1,048	19.0
1920	3,502	2,737	78.2	204	5.8	561	16.0
1919	4,899	1,953	40.7	1,290	26.9	1,556	32.4
1918	1,884	833	44.2	259	13.7	792	42.1
1917	2,234	41	1.8	496	22.2	1,697	76.0
1916	2,044	1,250	61.1	195	9.6	599	29.3
1915	1,842	1,250	67.9	60	3.2	532	28.9
1910-14 av.	2,810	2,238	79.7	n.a.	n.a.	572	20.3
1905-09 "	1,746	1,467	84.0	n.a.	n.a.	297	17.0
1900-04 "	1,185	928	78.3	n.a.	n.a.	257	21.7
1895-99 "	1,113	785	70.6	n.a.	n.a.	328	29.4
1890-94 "	534	336	62.9	n.a.	n.a.	198	37.1
1885-89 "	428	244	57.0	n.a.	n.a.	184	43.0
1880-84 "	284	31	32.0	n.a.	n.a.	193	68.0

\*Three bushels = one barrel

\*\*Figures for 1880-1929 do not include estimates of farm consumption.

Source: W.V. Longley, *Some Aspects of the Apple Industry in the Annapolis Valley in Nova Scotia* (Halifax, 1932), p. 115; N.H. Morse, "An Economic History of the Apple Industry of the Annapolis Valley in Nova Scotia" (PhD thesis, University of Toronto, 1952), p. 310.

Although apple growing became popular all over the province, most of the commercial crop originated in the Valley counties of Annapolis, Kings and Hants. While apples in the 1930s represented only about 10% of the gross value of Nova Scotia farm production, in Kings County the apple crop accounted for nearly one-half of the income derived from agriculture and helped to make the Valley farms the most valuable in the province.<sup>19</sup> It was a source of great pride to the inhabitants of Kings county that, within a 25-mile radius of the shire town of Kentville, 75% of all Nova Scotia apples grown for export were produced.<sup>20</sup> Even the Valley's political orientation was influenced by the apple industry. The strong imperial sentiment which characterized much of English-speaking Canada in the first half of the twentieth century, was given substance in the Valley by the close economic ties with the 'Mother Country'. In the 1911 federal election, for example, Kings County voters, who had long sought a renewal of reciprocity with the United States and had supported the Liberal Party since Confederation, were now so confident in their alternative markets that they elected Conservative candidates who campaigned on the slogan, "no truck or trade with the Yankees".<sup>21</sup>

The success of the British market imposed structural constraints on the Valley industry that were to last until the Second World War. Prior to 1939 the competitive position of Valley apples depended on their price, not their quality. Late-keeping, medium-quality, cooking apples — Ben Davis, Russets, Starks, Gano, Baldwins — suitable for the barrel trade were produced rather than the more expensive dessert apples — McIntosh, Delicious, Cortland — packed in boxes.<sup>22</sup> Such was the dominance of the United Kingdom outlet for apples that

19 *Seventh Census of Canada, 1931*, vol. VIII, pp. 86-7.

	Gross Value of farm products	Fruits and Maple Products	Average Value of Farms per acre
Annapolis	\$2,294,788	\$457,040	\$30.29
Hants	2,522,884	225,112	24.94
Kings	5,152,308	2,312,385	60.25
Nova Scotia	32,582,206	3,399,377	24.61

20 Charles C. Colby, "An Economic Analysis of the Apple Industry of the Annapolis-Cornwallis Valley", *Economic Geography*, I (1925), pp. 174-5.

21 Between 1867 and 1911 Kings County returned only one Conservative to the Commons, D.B. Woodworth, who sat for one term, 1882-87. *Parliamentary Guide* (Ottawa, 1955), p. 302. In the only detailed study of the 1911 federal election in Nova Scotia, the author concludes that the expansion of trade with Britain and the prosperity that resulted was the major cause for the Conservative sweep of the Valley constituencies. A. Gordon Brown, "Nova Scotia and the Reciprocity Election of 1911" (MA thesis, Dalhousie University, 1971).

22 The common culinary varieties produced for the British trade included Ben Davis, Gano, Stark, Baldwin and Wagener. Golden Russet, Ribston, King, Blenheim, Spy, Cox Orange, Cortland and the much favoured early variety, Gravenstein, were suitable for both cooking and eating out of hand. McIntosh, primarily a dessert apple, also ranked among the top 10 varieties in number of trees by 1939. See Morse, "An Economic History of the Apple Industry", p. 71.

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domestic markets, including that of Nova Scotia itself, were almost completely ignored. Although attempts had been made early in the century to break into the western and central Canadian markets, these were more easily filled by orchardists in British Columbia, Ontario and Quebec. Shipments of Nova Scotia apples also were sent to continental Europe and the United States in years when these areas experienced a shortfall in their crop. However, the almost unlimited demand of the largest apple consuming nation in the world and Nova Scotia's favourable geographical position to fill that demand made the vigorous pursuit of alternative markets unnecessary.<sup>23</sup>

The continuing expansion of the apple industry in the interwar years enabled the Annapolis Valley to avoid the worst effects of the 1930s Depression. In 1933, for example, Valley growers produced 2,762,700 barrels of apples (48% of the Canadian output), the bulk of which was sold in the United Kingdom for over \$4 million. This was the largest crop and the biggest financial return yet recorded in the "orchard of the British Empire".<sup>24</sup> Only a year before, the federal government, bowing to pressures from Canadian growers, had secured a preference for Canadian apples in the increasingly protective British market. So powerful were the apple mandarins that J.L. Ilsley, federal Liberal member for the Valley riding of Kings-Hants, felt compelled to vote in favour of the 1932 British-Canadian trade treaty negotiated by the Conservative government of R.B. Bennett.<sup>25</sup> The local authorities were equally respectful of their Annapolis Valley constituents. Provincial Minister of Agriculture O.P. Goucher, with an eye to the upcoming election in August 1933, made a Spring announcement that the government planned a new dehydration plant for the Valley.<sup>26</sup> At a time when many Canadian communities were experiencing the trough of the Great Depression, Valley farmers and the many who depended on the apple industry for their livelihood, were in an expansive frame of mind. They celebrated their good fortunes by inaugurating the annual Apple Blossom Festival, a document to the influence of the apple on the economic well-being of the Annapolis Valley.<sup>27</sup>

By the 1930s the Valley apple industry had undergone major structural changes since the beginning of the century. In 1900 independent farmers had barrelled their crop, "tree run", and consigned it to British brokers for disposal at auction or by private sale, primarily in London, Liverpool, Glasgow and Manchester.<sup>28</sup> This arrangement proved less than satisfactory since the growers

23 Longley, *Some Economic Aspects of the Apple Industry in Nova Scotia*, pp. 114-26, 131.

24 Morse, "An Economic History of the Apple Industry", p. 175.

25 *Ibid.*, p. 198; H. Blair Neatby, *William Lyon Mackenzie King*, vol. III, 1932-39: *The Prism of Unity* (Toronto, 1976), p. 26; Ian M. Drummond, *Imperial Economic Policy, 1919-39* (Toronto, 1974), chs. 5-6.

26 *Wolfville Acadian*, 11 May 1933.

27 *Ibid.*

28 Longley, *Some Economic Aspects of the Apple Industry in Nova Scotia*, pp. 8-9, 123.



felt that shippers and brokers reaped an inordinate proportion of the profits realized by the industry. In 1911, the United Fruit Companies was incorporated, the culmination of a decade of discussion on the merits of cooperative marketing. For several years prior to the First World War it seemed as if the whole industry would become dominated by the aggressive cooperative organizations whose main aim was to wrest control of the industry from the shippers and brokers. However, the cooperative thrust was blunted by the disruption of British markets during wartime and in the 1920s Valley cooperatives faced stiff competition from corporate shipping organizations, particularly the British Canadian Fruit Association, W.H. Chase and Herbert Oyler, financed by local and British capital. These corporate shippers, organized in the Nova Scotia Shippers Association in 1919, enhanced their position *vis à vis* the cooperatives by operating a 'truck system' as effective as any exercised by the St. John's merchants in the salt fish trade. W.V. Longley, in 1931, described how the system 'worked':

All three of these organizations have found it necessary to finance many individual growers. They furnish them with supplies in the way of fertilizers and spray materials, also tend to furnish them with sufficient funds to enable them to carry through to the marketing season. They, however, bind the growers so financed so that their crop must be sold through their organizations. Thus it is, that a considerable number of growers have during the difficult years of the post-war period become involved and have found it necessary to be so financed. The result is, these organizations have a certain quantity of the crop assured ahead of picking season. Financially on such risks these organizations have been much better protected than the cooperatives.<sup>29</sup>

By taking on the bad risk farmers, the "big three" also "found it necessary to take over a certain number of farms".<sup>30</sup> Thus, the shippers, operating their own warehouses, their own supply outlets and sometimes even their own shipping operations also acquired the orchards of bankrupt farmers. In the 1930s the big three handled over 50% of the Valley apple crop.<sup>31</sup> As with the salt fish trade the structure of the apple industry favoured "highly individualistic buccaneers" at the export end with the losses forced on the producers.<sup>32</sup> Moreover, the shippers, with an eye to short run profits, were more concerned with volume than with the quality of the exported product, unless it was from their own orchards. They (as well as many of the growers) tended to oppose regulations which would improve

29 *Ibid.*, pp. 43-4.

30 *Ibid.*, p. 44.

31 Nova Scotia Fruit Growers Association, *Annual Report* (Kentville, 1951), pp. 82-3.

32 Alexander, *The Decay of Trade*, p. 21.

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the quality and unit price of the fruit at the expense of quantity and they feared bureaucratic organizations that might favour the growers over the real or imagined interests of the shippers.<sup>33</sup>

Given the strength of the independent shippers, the United Fruit Companies (UFC) and other cooperative organizations in the interwar years became little more than vehicles by which small and medium scale growers could reduce the charges of middlemen in the export process and reap the economies of scale with suppliers of sprays, fertilizer and equipment necessary for the industry. The UFC, which by 1930 represented 51 of the 60 cooperatives in the Valley, usually handled less than 40% of the Valley apple crop prior to 1939 and had little control over its affiliates.<sup>34</sup> Members of the UFC were inclined to withdraw their support if independent action in any given year seemed more advantageous and they refused to submit to a pooled pack. This made any strategy to stabilize the marketing process difficult to implement. Although in 1931 the UFC established a finance company to help make its services more attractive to capital-starved farmers and also invested in processing plants designed to use the lower grades for vinegar, dried apples and concentrates, the cooperative organization was able only with difficulty to hold the line in competition with the independent shippers prior to 1939.<sup>35</sup> As long as overseas markets dominated the industry, and especially after George Chase single-handedly reduced shipping charges by exporting directly from Port Williams after 1928, the independent shippers were a force to be reckoned with in the Annapolis Valley.<sup>36</sup>

33 Morse, "An Economic History of the Apple Industry", pp. 205-20.

34 *Report of the Royal Commission Appointed to Investigate the Fruit Industry of Nova Scotia* (Halifax, 1930), pp. 33-4.

35 United Fruit Companies of Nova Scotia Limited, *Minutes and Proceedings of Annual Meeting* (Kentville, 1921-38).

36 W.H. Chase of Port Williams in 1926 sold his line warehouses to the British Canadian Fruit Association with G.A. Chase continuing the Port Williams operations. Facilities established by the Chases at Port Williams in 1928-29 resulted in shipments of 250,000 to 500,000 barrels a year from that port during the 1930s. The BCFA was backed by the British firm of J. and H. Goodwin and was operated by Valley managers with its headquarters at Kentville. When the BCFA was reorganized in the 1930s, R.W. DeWolfe Limited of Wolfville developed some of its properties and became an important shipper. The firm of H. Oyler was based in Kentville. In 1951 it was purchased by Minas Pulp and Power Company, the empire of R.A. Jodrey of Wolfville and Hantsport. Other large "independents" included E.S. Elliott, W.B. Burgess, E.D. Haliburton, F.S. Hewitt, Manning Ells, F.A. Parker and Sons, G.N. Reagh and Son, R. and D. Sutton, A.R. Stirling and other smaller concerns, numbering, according to Morse, up to 150 shippers. Morse, "An Economic History of the Apple Industry", p. 85. It is significant that the industry remained primarily in the control of Valley growers and shippers both before and after the war. Little biographical data is available on these "captains" of the apple industry although a recent biography of R.A. Jodrey is a useful case study of a Valley entrepreneur who got his start selling apples. See Harry Bruce, *R.A.: The Story of R.A. Jodrey, Entrepreneur* (Toronto, 1979). A 1939 survey showed that there were 2509 apple growers in Nova Scotia, 33 of whom had over 60 acres of orchards, while 85% owned less than 20 acres. Clearly, the majority of growers

It was within this context that the Annapolis Valley apple industry struggled to maintain its competitive position in the British market during the interwar years. Although improvements had been made in grading, packing and handling techniques by the 1920s, there was still room for improvement. Valley growers tended to export a large number of varieties, a wide range of quality and an unevenly graded product. As early as 1922, Professor W.S. Blair of the Kentville Experimental Farm had returned from a trip to the United Kingdom convinced that Valley growers would have to improve the quality of their product to compete with exports from Australia, the United States, British Columbia and Ontario, where increasing emphasis was being placed on red dessert varieties and the box pack. Moreover, British growers were organizing to capture their domestic market which was being swamped by the cheap North American product.<sup>37</sup> Such was the uncertainty in the industry during the 1920s that the provincial government established a Royal Commission in 1930 to report on problems facing Nova Scotia's apple growers.<sup>38</sup> The commission's findings were by no means flattering. Valley growers were criticized for refusing to upgrade their orchards, for selling a bad pack — "good top and bottom and poor in the middle" — and for intimidating officials whose job it was to grade and inspect the product for export.<sup>39</sup> The commission report also expressed alarm at the extent of indebtedness of the apple growers and argued that extensive changes were necessary if the Nova Scotia product was to remain competitive in the international market:

Poor and ill-kept orchards must be eliminated; varieties of apples must be grown that the modern market requires; modern practices with regard to spraying and fertilization must be intensified; methods of packing and shipping must be done under conditions meeting modern requirements; the pack must be made dependable; the last word which science can give must be obtained and applied; but not least, the Valley, which by its very nature forms a single industrial unit, must consolidate its interests for marketing purposes.<sup>40</sup>

The cooperative principle and centralized marketing, panaceas of the era,<sup>41</sup> were seen as the salvation of an industry suffering from excessive individualism.

pursued mixed farming operations with fruit-growing as a side-line. This may help to explain the difficulty in arriving at a consensus on growing and shipping practices. *Ibid.*, pp. 73-4.

37 NSFGA. *Annual Report*, 1922, pp. 90-4.

38 *Report of the Royal Commission Appointed to Investigate the Fruit Industry of Nova Scotia* (Halifax, 1930).

39 *Ibid.*, p. 70.

40 *Ibid.*, p. 41.

41 For a similar assessment of the Newfoundland saltfish trade see Alexander, *The Decay of Trade*, pp. 25-6.

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Unfortunately, the commission's recommendations served only to interject more venom in the already heated debate over marketing organization and quality control. The Nova Scotia Fruit Growers Association, an organization representing large and small growers as well as shippers, was unable to establish a consensus on the major recommendations of the royal commission and individual farmers were left to their own devices in improving their orchard practices.<sup>42</sup> However, events in Britain transpired to produce the desired effect. In 1931 the British government passed an Agricultural Marketing Act, a piece of legislation designed to regulate the chaotic domestic market for the benefit of local producers.<sup>43</sup> The act did not authorize control of imported products but it was an omen for the future. That omen was temporarily forgotten in 1932 when Bennett "blasted" his way into the British market by securing a preferential tariff for Canadian apples and other natural products at an imperial trade conference held in Ottawa. This gave Nova Scotia growers exactly what they wanted, since the tariff was sufficiently high to partially exclude apple imports from the United States which was the biggest competitor for the Valley product.<sup>44</sup>

Although various leading lights (including the ubiquitous Lord Beaverbrook)<sup>45</sup> had been proposing an empire preference since the turn of the century, British producers were less than enthusiastic about the Ottawa agreements. In 1933 the British government responded to their pressure by passing a second marketing act aimed at regulating imported natural products that competed with the domestic output.<sup>46</sup> This threw Nova Scotia growers into a tail spin for, under the new legislation, Britain threatened to put an embargo on Canadian shipments of early varieties and low grade fruit. The Nova Scotia government reacted immediately by sending their Minister of Agriculture, former NSFGA President, John A. McDonald, to Britain to investigate the situation. The British government agreed to call an Imperial Fruit Conference in June 1934 at which time an Empire Fruit Council was established to regulate voluntarily the volume of fruit exports to the United Kingdom.<sup>47</sup> Meanwhile, the Canadian Horticultural Council, of which Nova Scotia growers were members and which represented British Columbia and Ontario apple growers who also had a stake

42 NSFGA, *Annual Report*, 1931, pp. 11-12.

43 *Ibid.*, 1933, pp. 20-1.

44 Drummond, *Imperial Economic Policy, 1919-1939*, ch. 6. The Nova Scotia growers had reason to be grateful for the preference. Canadian apple exports to the United Kingdom increased 48% in the 1933-36 period over 1929-32 while in the same years U.S. and other foreign sources of apples for the British market dropped 45% and 50% respectively. NSFGA, *Annual Report*, 1937, p. 57.

45 Ian Drummond, *British Economic Policy and the Empire, 1919-1939* (London, 1972), pp. 31-5; A.J.P. Taylor, *Beaverbrook* (New York, 1972), chs. 11-13.

46 NSFGA, *Annual Report*, 1933, pp. 20-1.

47 *Ibid.*, 1934, pp. 9ff.

in the British market, pressed the Bennett government for marketing legislation that would impose order on what threatened to be a chaotic situation in the Canadian apple industry. Bennett complied with this and other similar requests by passing the Natural Products Marketing Act (NPMA) in 1934. Canadian apple growers were the first to apply for a control board under the provisions of this act and the Fruit Export Board (FEB) began operations in the Fall of 1934.<sup>48</sup>

Under the regulations of the FEB, anyone wishing to export apples from Canada had to apply for a license at one of the three FEB offices in Kentville, Ottawa and Kelowna. No early varieties and only limited quantities of "Domestic" or "C" grade apples were to be shipped to Britain. The Board also determined when shipments could most profitably be placed on the British market. Inspectors were stationed at Vancouver, Montreal and Halifax to ensure that only quality fruit was exported and other officials inspected the fruit upon its arrival in Britain.<sup>49</sup> From the point of view of quality control the system worked well. S.B. Marshall who inspected Nova Scotia apples at the British end of the export process was enormously enthusiastic about the results. In December 1935 he reported to the annual meeting of the NSFGA that "there is no pack on the markets of the United Kingdom superior to that now being sent over. . .and the very highest market prices are being realized both at auction and private treaty".<sup>50</sup> As proof of the new confidence in Nova Scotia apples, Marshall cited the fact that buyers at auctions no longer demanded that sample barrels be dumped out to ensure a consistent pack.

Despite the improved reputation of Nova Scotia fruit in Britain, all was not well with the FEB and the Nova Scotia committee established by the NSFGA to advise the parent board. Some of the shippers objected to the 1¢ a barrel levy imposed to pay for the new bureaucratic structure and they complained, with some justification, that FEB activities were more restrictive and costly than was required by the British regulations.<sup>51</sup> At the December 1935 meeting of the NSFGA, the long-standing tension between growers and shippers erupted in a free-wheeling debate over the FEB report which passed by a divided vote of 183-86.<sup>52</sup> The rift also poisoned attempts to create a local marketing board designed to control domestic shipments. H.E. Kendall, Chairman of the Nova Scotia Marketing Board (NSMB) which was finally created in 1935, described the nature of the cleavage:

The shippers claimed that being the more experienced and having large vested interests at stake they should have the predominating voice. In

48 *Ibid.*

49 *Ibid.*, 1935, pp. 39-40.

50 *Ibid.*, p. 64.

51 *Ibid.*, pp. 41-2.

52 *Ibid.*, pp. 43-7.

other words, that if it was a Board of five — there should be three shippers and two growers. Your Organization on the other hand contended that as the Grower always “pays the shot” when things go wrong they should have the last word in decisions. This view prevailed with the Parent Board at Ottawa and our Board was set up as it exists with three elected by the Growers Association and two by the Shippers Association. That the position has not been a comfortable one is obvious.<sup>53</sup>

The shippers registered their protest against the NSMB by boycotting the domestic market in 1935 and by withdrawing from the NSFGA. Their position was vindicated and they were the first to stop paying tolls when the NPMA was declared *ultra vires* in 1936.<sup>54</sup> Thereafter, a Voluntary Export Advisory Council composed of four growers, four shippers and a chairman continued to regulate exports to meet British standards but it stuck to the letter of the law and could do little to influence the direction of the Nova Scotia apple industry.<sup>55</sup>

It is difficult to ascertain to what extent a rigidly controlled marketing system would have spared the Nova Scotia growers the crisis that descended upon them in the 1940s. It had become obvious well before the Second World War that British buyers were increasingly impatient with the unreliability of the Nova Scotia product and that British orchardists were beginning to protect their domestic market for culinary apples under the shelter of national marketing legislation. The President of the NSFGA warned his listeners in 1934 that they must look to the day when Great Britain would be “self-sufficient in cooking apples” and that “only our quality apples” would sell.<sup>56</sup> Many growers were taking such warnings to heart and upgrading their orchards. On the other hand, the generalized uncertainty generated by the Depression made many willing to cash in on short term profits in an effort to squeeze the last penny out of old orchards; and, given the depressed prices of the period, it seemed unwise to do more than reinforce past successes in marketing behaviour. Such activities, however, would not long go rewarded.

With the outbreak of the Second World War, the British market closed abruptly as capital and shipping capacity were diverted to the military effort. This blow to the Valley apple industry was softened temporarily by federal government action. At the request of both growers and shippers, Ottawa established regional marketing boards to dispose of surplus Canadian apples. What could not be sold on the domestic market was sent to processing plants and any overseas markets that might become available (see Table II). Since the volume of the Nova Scotia output was sufficient to disrupt Canadian markets and prices, the

53 *Ibid.*, p. 47.

54 *Ibid.*, p. 23; 1936, p. 9.

55 *Ibid.*, 1936, pp. 9, 13, 31ff.

56 *Ibid.*, 1934, p. 9.

Table II  
Disposition of Nova Scotia Apple Production  
1938-1970

Year	Production	Export		Processed		Fresh Sales Canada	
	'000 Bu.	'000 Bu.	% of Crop	'000 Bu.	% of Crop	'000 Bu.	% of Crop
1970	2,800	136	4.8	1,858	66.4	806	28.8
1969	3,050	240	7.9	2,034	66.7	776	25.4
1968	2,790	197	7.1	2,047	73.4	546	19.5
1967	3,500	283	8.1	2,561	73.2	656	18.7
1966	2,962	257	8.7	2,095	70.7	610	20.6
1965	3,100	328	10.6	2,232	72.0	540	17.4
1964	2,430	259	10.6	1,669	68.7	502	20.7
1963	3,180	368	11.6	2,265	71.2	547	17.2
1962	2,461	390	15.9	1,667	67.7	404	16.4
1961	3,151	638	20.2	1,921	61.0	592	18.8
1960	2,243	335	14.9	1,326	59.1	582	26.0
1959	2,260	470	20.8	1,352	59.8	438	19.4
1958	1,455	171	11.8	873	60.0	411	28.2
1957	2,918	935	32.0	1,537	52.7	446	15.3
1956	2,206	220	10.0	1,506	68.3	480	21.7
1955	3,250	471	14.5	1,573	48.4	1,206	37.1
1954	2,157	80	3.7	1,505	69.8	572	26.5
1953	1,087	113	10.4	564	51.9	410	37.7
1952	1,626	157	9.7	704	43.3	765	47.0
1951	1,539	203	13.2	971	63.1	365	23.7
1950	2,250	87	3.9	1,429	63.5	734	32.6
1949	3,742	1,583	42.3	1,303	34.8	856	22.9
1948	2,291	—	—	1,417	61.9	874	38.1
1947	3,631	—	—	2,661	73.3	970	26.7
1946	6,020	1,920	31.9	3,059	50.8	1,041	17.3
1945	1,087	76	7.0	575	52.9	436	40.1
1944	5,262	500	9.5	3,985	75.7	777	14.8
1943	4,846	483	10.0	3,308	68.2	1,055	21.8
1942	3,918	—	—	3,124	79.7	788	20.1*
1941	3,444	304	8.8	2,124	61.7	912	26.5*
1940	3,453	—	—	1,726	50.0	729	21.0*
1939	5,953	108	18.1	3,672	61.7	517	8.7*
1938	6,572	5,316	80.9	753	11.4	503	7.7

\*Volume reduction due to shrinkage, dumping or return to growers.

Source: Nova Scotia, Department of Agriculture and Marketing, *Agricultural Statistics, 1971* (Halifax, 1972), p. 59; N.H. Morse, "An Economic History of the Apple Industry of the Annapolis Valley in Nova Scotia" (PhD thesis, University of Toronto, 1952), pp. 394-5.

country was zoned and the sale of fresh apples from Nova Scotia was confined to the Maritimes and Newfoundland. Although zoning restrictions were relaxed somewhat in 1940, Nova Scotia fruit movements still were carefully regulated to prevent chaos in other regions of the country. Such harsh restrictions seemed justified in view of the expectation that the British market would re-open after the war and given that the federal government was willing to make deficiency payments to growers who were forced to sell their crops at a loss to processors.<sup>57</sup>

The Nova Scotia Apple Marketing Board (NSAMB), created in 1939 by the federal government under the War Measures Act, was placed under the general management of R.J. Leslie, a long-time proponent of centralized marketing.<sup>58</sup> As was the case with the FEB, the NSAMB, under Leslie's direction, interpreted its mandate as broadly as possible. In addition to disposing of the yearly crop and distributing various subsidies,<sup>59</sup> the NSAMB encouraged the building of processing plants and cold storage facilities; advocated the use of the box pack and stricter grading standards; and urged the upgrading of orchards through grafting and tree-pulling programs.<sup>60</sup> Although initial arrangements for deficiency payments did not enable growers to cover the costs of production, as the war reached its end, they were receiving higher overall returns than in the pre-war period (see Table III). The balance of power in the industry also changed. Since the shippers were temporarily eclipsed by events, the UFC, of which Leslie was president after 1944, witnessed a marked increase in popularity.<sup>61</sup> So pleased were Valley growers with the operation of the NSAMB that in 1944 they voted overwhelmingly to extend cooperative marketing into peacetime.<sup>62</sup>

By the end of the war, the Valley apple industry had been considerably revitalized. In 1946, one third of the unusually large Nova Scotia crop was shipped to British markets where it fetched a good return. It seemed only a matter of time

57 Morse, "An Economic History of the Apple Industry", pp. 290-308.

58 *Ibid.*, p. 293.

59 In the 12 years of its operation, the NSAMB distributed \$19,000,000 in the form of price supports, subsidies to processors and tree-pulling programs. During the period in which the Valley was experiencing a reduction in output, British Columbia was increasing its apple production. In 1939 British Columbia produced fewer apples than did Nova Scotia. By 1950 the British Columbia output was three times that of Nova Scotia. British Columbia, with its larger Canadian market, was also able to weather the wartime restrictions in markets better than the British oriented Maritimers and required only \$5 million in aid from Ottawa during the war. A.E. Britnel and V.C. Fowke, *Canadian Agriculture in War and Peace, 1935-50* (Stanford, 1962), pp. 326-7.

60 NSFCA, *Annual Report*, 1951, p. 13; Nova Scotia Apple Marketing Board, *Office Reports* (Kentville, 1940-51).

61 Morse, "An Economic History of the Apple Industry", pp. 364, 456. Nearly 50% of the apple crop was handled by the UFC in 1945, and over 60% by 1950.

62 NSAMB, *Office Reports*, 1944-5, p. 3; 81.3% of the 74% of the growers who voted were in favour of continuing centralized marketing.



Table III

Value of Nova Scotia Apple Production, 1931-1960

Year	Production '000 Bushels	Farm Price Current Values \$ per bushel	Farm Price* Constant Values \$ per bushel	Total Farm Values Current Values \$ '000	Total Farm Values* Constant Values \$ '000
1960	2,243	.82	.58	1,839	1,310
1959	2,260	.64	.46	1,446	1,046
1958	1,455	.63	.47	917	680
1957	2,918	.66	.50	1,926	1,456
1956	2,206	.76	.59	1,677	1,305
1955	3,250	.40	.32	1,294	1,045
1954	2,157	.98	.80	2,114	1,716
1953	1,087	1.37	1.14	1,489	1,238
1952	1,626	1.00	.84	1,626	1,357
1951	1,539	0.77	.68	1,185	1,039
1950	2,250	0.68	.66	1,530	1,484
1949	3,742	0.62	.62	2,316	2,316
1948	2,291	0.84	.87	1,926	2,004
1947	3,631	0.72	.85	2,629	3,086
1946	6,020	0.94	1.21	5,689	7,322
1945	1,087	1.08	1.42	1,178	1,548
1944	5,262	0.92	1.24	4,872	6,548
1943	4,846	0.89	1.23	4,314	5,975
1942	3,918	0.83	1.19	3,252	4,666
1941	3,444	0.77	1.15	2,652	3,976
1940	3,453	0.61	.98	2,106	3,408
1939	5,953	0.43	.73	2,560	4,332
1938	6,572	0.80	1.35	5,258	8,837
1937	6,458	0.53	.89	3,423	5,743
1936	4,967	0.57	.98	2,831	4,881
1935	5,418	0.79	1.41	4,280	7,616
1934	6,425	0.58	1.04	3,726	6,666
1933	8,288	0.50	.91	4,144	7,507
1932	3,647	0.59	1.05	2,152	3,822
1931	4,534	0.67	1.08	3,038	4,892

\*Series deflated by Gross National Expenditure Index (1949 = 100)

Source: Nova Scotia, *Agricultural Statistics, 1967* (Halifax, 1968), p. 56; Nova Scotia, *Agricultural Statistics, 1971* (Halifax, 1972), p. 58.

before the 'good old days' were re-established, providing, of course, that Valley growers continued to upgrade the quality of their fruit and the reliability of their pack. Two developments intervened to destroy such delusions. The first spanner in the works was a mysterious breakdown in Valley apples which caused them to deteriorate at an alarming rate. Storage problems, soil culture, and chemical fertilizers and sprays were blamed for the difficulty, which only could be remedied, Leslie told the NSFGA in 1946, by careful management.<sup>63</sup> The second obstacle was more difficult to overcome. Europe's post-war recovery proved less rapid than had originally been hoped. In August 1947 Britain was forced to suspend sterling convertibility which had been made a condition of Allied post-war planning. For the foreseeable future Britain's purchases in dollar countries such as Canada would be severely restricted.<sup>64</sup>

As David Alexander has explained, historically, Canada earned large trade surpluses overseas in order to balance trade deficits in North America. In other words, overseas exports were a means of earning dollars to acquire goods and services produced in North America. The key to this "financial operation" was the convertibility of sterling. When sterling convertibility was suspended indefinitely in 1947, a new national strategy was necessary. Unfortunately it was not forthcoming, or rather, it developed by default with uneven repercussions on regions and industries in Canada.<sup>65</sup> Since the long-term restriction of American imports into Canada was unthinkable, it was obvious that alternative dollar-earning markets had to be found. Rather than seeking markets in the wider context of international trade, Ottawa focused on improving sales of Canadian primary products in the United States. While this may have been a suitable solution for some primary industries, nothing would be more difficult for Valley apple growers than an invasion of American apple markets — except perhaps the conquest of the Canadian market. Oriented since the turn of the century to the British trade, Valley apples were virtually excluded from the North American market not only by their quality, which was rapidly being improved, but also by the very way they were packaged. Although Ottawa officials had been reluctant to continue war-time assistance to Valley growers, the events of 1947 convinced them that extraordinary measures were necessary. The NSAMB, which from 1939-45 had operated under the War Measures Act

63 *Ibid.*, 1945-46, pp. 6-7.

64 On the exchange crisis see Donald Creighton, *The Forked Road: Canada 1939-57* (Toronto, 1976), pp. 122-7; A.F.W. Plumptre, *Three Decades of Decision* (Toronto, 1977), ch. 4; C.L. Barber, "Canada's Post-War Monetary Policy, 1945-54", *Canadian Journal of Economics and Political Science*, XXIII (1957), pp. 349-62; J.D. Gibson, "Post-war Economic Direction and Policy in Canada", *ibid.*, XX (1954), pp. 439-54; J.R. Petrie, "The Impact of the Sterling-Dollar Crisis on the Maritime Economy", *ibid.*, XIV (1951), pp. 347-52; Robert Cuff and J.L. Granatstein, "The Rise and Fall of Canadian-American Free Trade, 1947-8", *Canadian Historical Review*, LVIII (1977), pp. 459-82.

65 Alexander, *The Decay of Trade*, pp. 39-44.

and in 1946-47 under the National Emergency Transitional Powers Act, was allowed to continue under the Agricultural Prices Support Act of 1944.<sup>66</sup>

The December 1947 Annual Meeting of the Nova Scotia Fruit Growers Association was conducted in an atmosphere of crisis and confusion. NSFGA President E.D. Haliburton offered an urgent plea for the fruit growers in the "horse and buggy era" to "get on with" changing their varieties and marketing techniques to meet the North American consumer demand, but R.J. Leslie's report hinted at problems which a revitalized Nova Scotia apple industry would face. A brief to the Transport Commission requesting lower freight rates for Nova Scotia apples sent to Canadian markets had not been acted upon.<sup>67</sup> Even more alarming was the bureaucratic ineptitude exhibited in Ottawa. In 1947 federal officials had secured an agreement which would allow Canadians to sell their apples on the American market. However, while this diplomatic coup was well publicized, it was less well known that permission to sell did not necessarily mean that markets were guaranteed and were in fact non-existent. To make matters worse, barrels were unwelcome in the North American trade and the boxes required for the American market had to be imported, tariff and all, from the United States.<sup>68</sup>

The 1947 crisis prompted the NSFGA executive to sponsor a panel on "Orchard Reconstruction Policy". R.J. Leslie opened the discussion by pointing out that the British market was gone for the foreseeable future and that government aid was essential for an orchard rehabilitation program. For those interested in staying in the apple industry, he warned, both crop specialization and centralized marketing were necessary. While even E.D. Haliburton, champion of the independent operators, conceded that "we no longer have a choice", he was reluctant to go all the way with controls. Central selling might be necessary, he concluded; centralized packing perhaps was not. George Chase, representing the large shipping interests, was the only panelist to question the validity of the federal government agreement not to ship to sterling countries: "if exchange could be arranged", he maintained, the British "would welcome our total crop of Starks and Ben Davis, as well, of course, our dessert varieties".<sup>69</sup>

In 1948, R.D. Sutton, an apple grower whose brother was Liberal member of the provincial legislature for Kings County, headed what was becoming the perennial pilgrimage to Ottawa. Opposition to aid for Nova Scotia growers from Ontario and Quebec made a subsidy arrangement particularly difficult to negotiate. Only the intervention of the Nova Scotia premier, Angus L.

66 Morse, "An Economic History of the Apple Industry", pp. 447-8. In 1949 the federal government bowed to pressure from agricultural groups and passed the Agricultural Products Marketing Act, which had the effect of protecting the regional markets and therefore making Central and Western Canadian markets less accessible to Maritime produce.

67 NSFGA, *Annual Report*, 1947, pp. 81-4.

68 *Ibid.*, pp. 2, 81-4.

69 *Ibid.*, pp. 118-25.

Macdonald and his Minister of Agriculture, A.W. Mackenzie, produced a price support agreement satisfactory to Valley growers.<sup>70</sup> But the receipt of price support payments of \$1,443,808 in 1948 was only a temporary solution to the absolute loss of overseas markets and the dim prospects of alternative ones. Nor was it sufficient to produce new varieties, improve grading standards and modify packing techniques to meet North American standards. It was also necessary to find buyers for fresh fruit in a North American apple market that was already over supplied and contracting under the assault of vigorous citrus fruit competition and the restricting sterling markets.<sup>71</sup> The processing route also had its limitations. Return from sales to processors rarely covered costs of production although for the less marketable varieties, it was a welcome alternative to letting the crop rot on the trees. Unfortunately, by 1948 Nova Scotia-produced apple sauce, pie filling and juice had already saturated their market potential, leaving the processors with unsold surpluses.<sup>72</sup> In the face of this bleak outlook, farmers all over the Valley, who had hung on until the expected return to normal conditions after the war, finally decided to uproot their orchards, some turning to the production of poultry, cattle or vegetables, others deserting the farm completely.<sup>73</sup>

The political scene in the Annapolis Valley reflected the economic chaos. In 1948 J.L. Ilsley, exhausted by his wartime role as Minister of Finance and frustrated by the endless litany of complaints from his constituents,<sup>74</sup> decided to resign his commons seat of 22 years for a more secure position on the bench.<sup>75</sup> The December 1948 by-election in Digby-Annapolis-Kings became a forum for the pent-up anger of Valley producers and, not surprisingly, the Progressive Conservative Party represented by UFC and NSAMB solicitor George Nowlan captured the Valley seat.<sup>76</sup> On the day following the by-election, President E.D. Haliburton announced to the NSFGA membership that since the Federal government was responsible for British policies which had ruined the overseas market, it should subsidize a tree pulling program to "buy us off their

70 *Ibid.*, 1948, p. 37.

71 *Ibid.*, 1957, pp. 51-3, 107. Between 1909 and 1956 per capita consumption of apples in North America dropped from 75 lbs. a year to 25 lbs. a year.

72 NSAMB, *Office Reports*, 1948-49, pp. 5-6. By 1949, 33% of Canadian apple sauce was produced in the Annapolis Valley, *ibid.*, 1949-50, p. 6.

73 See H.A. Blackmer, "Agricultural Transformation in a Regional System: the Annapolis Valley, Nova Scotia" (PhD thesis, Stanford University, 1976), for a detailed discussion of this process.

74 E.S. Elliott reported to the Nova Scotia Fruit Growers in 1947 that Mr. Ilsley remarked "more than once": "When shall this thing end?" Nova Scotia Fruit Growers Association, *Annual Report*, 1947, p. 121.

75 From 1926 to 1935 J.L. Ilsley represented Kings-Hants. After 1935 Ilsley sat for the constituency of Digby-Annapolis-Kings.

76 Margaret Slauenwhite Conrad, "George Nowlan and the Conservative Party in the Annapolis Valley, Nova Scotia, 1925-1965" (PhD thesis, University of Toronto, 1979), pp. 207-24.

necks once and for all". General Manager of the Nova Scotia Apple Marketing Board, R.J. Leslie, enraged by the radio publicity given to Haliburton's remarks, warned farmers that they should be doing much more than destroying apple trees. He outlined a five-year plan oriented around centralized marketing to rehabilitate the industry.<sup>77</sup>

The federal Minister of Agriculture, James Gardiner, announced early in June 1949 that the Canadian government had worked out a plan with the British Food Ministry for the purchase of Canadian apples under the Marshall Plan. Nova Scotia's share of the quota would be approximately half a million barrels.<sup>78</sup> This sudden overture, described by R.J. Leslie as a "political" transaction, was a one-shot deal, not an indication of a new national marketing policy for Nova Scotia apples.<sup>79</sup> The agreement perhaps helped fruit grower Angus A. Elderkin to regain the Valley seat for the Liberal Party in the general election of June 1949, but Gardiner could not pressure Britain to continue allocating her limited dollars for apples, even if it meant losing a government member of the House. In a letter to the NSFGA in September 1949, he reminded Valley growers that in his meeting with them, he had "made it very plain that the time had arrived when the [Nova Scotia] growers should make a real attempt to sell their own apples without depending in any way upon the Federal Government either to merchandise them or to assist in financing".<sup>80</sup> Despite this communication, Gardiner belatedly authorized a grant of \$500,000 to compensate growers for losses on their 1949 crop. This and previous grants, Gardiner explained, were the result of Nova Scotia's unique position "with its historical relationship to external markets, particularly that in the United Kingdom". But, he warned, no further assistance would be provided on that account.<sup>81</sup> This statement was read into the Commons debates by Gardiner's Parliamentary Assistant, Robert McCubbin, on 3 April 1950. It did little to impress Valley voters who proceeded to return a Progressive Conservative to fill the Valley seat left vacant when the 1949 election was successfully challenged in the courts.<sup>82</sup> Although \$300,000 was

77 NSFGA, *Annual Report*, 1948, pp. 10-1, 112-3.

78 *Ibid.*, 1949, pp. 95-6.

79 NSAMB, *Office Report*, 1949-50, p. 3.

80 Printed in NSFGA, *Annual Report*, 1949, p. 98.

81 Gardiner's letter to the NSFGA of 31 March 1950, read in the House on 3 April 1950, is printed in *ibid.*, p. 71.

82 Conrad, "George Nowlan and the Conservative Party in the Annapolis Valley, Nova Scotia, 1925-65", ch. V. Had Valley growers commanded a solid block of seats in the House of Commons, a third party alternative may very well have appealed to voters. However, with only one seat sprawling over the whole apple growing area, the most effective way of punishing Ottawa was by supporting the governing party's major rival. It is this powerlessness rather than any indigenous conservatism which has made third party politics so weak not only in the Valley but in the Atlantic Region generally. In this I would support Robert J. Brym's argument as articulated in "Political Conservatism in Atlantic Canada", in Brym and Sacouman, *Underdevelopment and Social Movements in Atlantic Canada*, pp. 59-79.

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granted in deficiency payments for the 1950 crop, Angus L. Macdonald was sent a "most definite note of finality". This time Gardiner meant it. To make matters worse, Sir Andrew Jones of the British Food Mission let it be known in 1950 that Britain would not accept any Nova Scotia apples since the 1949 shipment had arrived in such a bad condition. The latter objection was overcome by a small shipment of fancy grade apples in 1950 but this did nothing to restore the former volume of trade with Great Britain.<sup>83</sup>

Given this impasse, the Apple Marketing Board, blamed by many growers for the difficulties experienced in the apple industry, was disbanded by a majority vote of its members in 1951. A.R. Stirling probably reflected the feeling of most of the growers when he argued that the NSAMB had been useful for negotiations with Ottawa and distributing federal subsidies but not for marketing.<sup>84</sup> Thus the NSAMB which was perfectly situated (if for no other reason than it had managed for the first time in Valley history to gather all growers under one jurisdiction) to ease the transition in Valley apple production was allowed, in fact encouraged, to pass into limbo. The debate over centralized marketing which accompanied its collapse was really a bogus one — a kind of familiar Greek chorus to the general tragic drama — since without markets it mattered little how the growers grouped themselves or, indeed, how rapidly they modernized their industry.<sup>85</sup>

Had lucrative markets been available, Valley growers would almost certainly have made the necessary adjustments to meet the demand. Indeed, by 1951, the changes wrought in the industry in the previous decade had given Nova Scotia the most modern cold storage facilities on the continent, a quality box pack and a promising proportion of dessert varieties.<sup>86</sup> Only the continued reliance on processing outlets in the 1950s halted the transformation begun under the auspices of the Nova Scotia Apple Marketing Board. For the Nova Scotia apple industry to have continued at its pre-war level, federal authorities needed either to arrange to sell a larger volume of Nova Scotia's new dessert varieties in other regions of North America or to find markets in emerging Third World countries. Neither of these alternatives seemed worth the political manoeuvring that would have been necessary to secure the desired result. The best prospects from the point of view of government officials and, indeed, of many of the growers themselves, was to send the surplus apple crop to processors while developing other areas of specialization in the Annapolis Valley. In the short run there was little else that could have been done. The real tragedy of the situation

83 NSFGA, *Annual Report*, 1950, pp. 91, 99-100; NSAMB, *Office Reports*, 1950-51, pp. 9-11.

84 NSFGA, *Annual Report*, 1950, pp. 99-100.

85 See Alexander, *The Decay of Trade*, pp. 136-9 for parallels with the salt fish marketing agency, the Newfoundland Associated Fish Exporters Limited (NAFEL).

86 NSAMB, *Office Reports*, 1948-9, pp. 10-1; *A Second Census of Apple Orchards in Nova Scotia* (Halifax, 1950) indicated that the number of trees had been reduced 30% in the decade between 1939 and 1949 and that dessert varieties had increased from 16.7% to 32.3% in the same period.

in the 1950s was less that the Nova Scotia apple industry experienced a crisis but that the crisis was used as a justification for crippling an industry with considerable long-term potential for the Atlantic Region — and for Canada which by the mid-1950s was importing nearly a half million bushels of apples annually from the United States.<sup>87</sup> Of course, the Annapolis Valley was not the only area where farmers experienced difficult times in the 1950s. Moreover, a number of the apple growers actually managed to make very successful transitions to other areas of agricultural production. Still it was heart-breaking for those who had invested heavily in orchards to watch their horizons contract while producers in Ontario, the United States and Commonwealth countries maintained and even increased their production. Although occasional shipments were made to the West Indies, the United States and Great Britain in the 1950s, these markets never absorbed the annual volume that was necessary to establish the industry on a profitable and stable basis. World apple markets in the post-war period were gradually being realigned and, as with other commodities in the regional economy, the Maritime product was being squeezed out of the highly structured market picture.<sup>88</sup>

Despite the unreceptive atmosphere, Nova Scotia growers did not give up their attempts to secure marketing assistance from Ottawa. Recognizing the

87 While it may be argued that "crippled" is too strong to describe the fate of the Nova Scotia apple industry, the growers themselves recognized that a small output made it impossible for the region to supply chain stores and other large-volume buyers who required a large and reliable source of fruit to fill their massive orders. See NSFGA, *Annual Report*, 1949, p. 27.

World Apple Production 1935-57\*  
( '000 bushels)

	Average 1935-39	Average 1945-49	Average 1952-57
Canada	14.6	14.8	13.9
Mexico	1.2	2.0	2.7
United States	127.3	104.4	104.1
Europe	289.	250.	388.
South America	2.	9.	16.6
Asia, Africa, Oceania	28.	29.	48.

\* NSFGA, *Annual Report*, 1957, p.51.

Canadian Apple Production\*\*

	Nova Scotia	Quebec	Ontario	B.C.
1933-38	43.4%	—	—	36.2%
1951-55	13.8%	19.4%	21.9%	42.5%
1956-60	14.6%	22.3%	25.2%	35.2%
1961-65	14.1%	25.9%	27.5%	30.8%

\*\* Morse, "An Economic History of the Apple Industry", p. 175; B.H. Sonntag, *Maritime Agriculture: A Comparative Regional Analysis*, II, p. 330.

88 Alexander, *The Decay of Trade*, ch. 6.

real power in the cabinet, Nova Scotia growers in 1952 teamed up with their counterparts from British Columbia in an appeal to C.D. Howe. They suggested that interest payments on Canada's loan to Britain be forgiven in return for British purchases of agricultural products. The minister refused to budge.<sup>89</sup> After their own initiatives to find foreign outlets failed in 1953 and a disastrous hurricane destroyed much of the crop in 1954, the Nova Scotia growers made another appeal to Howe in 1955. Again he rejected their urgent plea for government assistance in marketing the unusually large Nova Scotia crop. Moreover, that concession to Nova Scotia content in the St. Laurent cabinet, the Minister of Public Works, Robert Winters, added insult to injury by offering to assist in financing a national advertising campaign to encourage Canadians to eat more apples!<sup>90</sup>

By this time the attitude of the apple growers and their sympathizers toward the federal government had reached an all-time low. F. Waldo Walsh, Deputy Minister of Agriculture and Marketing for Nova Scotia, broke civil service silence by publicly denouncing the Liberal government for their callous dismissal of Valley growers in 1955. Walsh, resorting to a familiar Maritime reflex, accused the Liberals of a "mis-carriage of justice" in submitting to Ontario pressure to destroy the Nova Scotia apple industry. If Nova Scotians bought tariff protected automobiles for Ontario, Walsh reasoned, the least they could do was to tolerate competition from a revitalized Nova Scotia apple industry.<sup>91</sup> Resentment and confrontation between federal and provincial authorities are not unusual in the Canadian political process. However, the following encounter which occurred before the NSAMB was disbanded is particularly revealing, less for the form it took than the content of the exchange. Walsh, a member of the annual "apple delegations" to Ottawa described the 'diplomatic exchange' in his recently published memoirs. According to Walsh, Winters, unlike Ilsley, was a known protégé of Howe and, despite his Nova Scotia origins, was under suspicion for putting his own personal ambition ahead of the well-being of his province. Winters apparently tried to influence members of the provincial apple committee to re-orient themselves toward American markets, since British markets, he asserted, were "dead". Walsh explains his reaction to this pressure:

We had had a couple of drinks before supper one evening, and Winters once again dragged out his view about selling apples to the Americans. At this point Bob Leslie, who had long since grown tired of the argument, said that one of the best reasons for not tying up with the Americans was that "he didn't think they were politically mature. . .".

The statement was too much for Winters. He couldn't turn on Leslie, who

89 NSFGA, *Annual Report*, 1952, p. 55.

90 *Ibid.*, 1955, pp. 25, 30.

91 F. Waldo Walsh, *We Fought For the Little Man* (Moncton, 1978), pp. 118-25.



was a respected Valley farmer and a voter, and certainly he couldn't afford to antagonize Rowland Sutton, who was a key Liberal in the Nova Scotia farm organization. But I was a little civil servant from Nova Scotia, and as a public employee I was fair game. So he turned on me.

"Walsh, as far as you are concerned," he said, "You are nothing but an imperialist fool!"

Without too much thought I replied:

"Yes, I guess that can be said about me, Bob, but at least no one can ever say that I kissed C.D. Howe's arse!"

At this, Winters threw a punch at me, and the fight was on. . . .<sup>92</sup>

Walsh was not alone in his criticism of Ottawa. The federal policy toward Nova Scotia apple growers in the 1950s and the general direction of the St. Laurent government in re-orienting Canadian trade to a continental market was widely perceived in Nova Scotia as a deliberate attempt to destroy the region's economy. This resentment would be tapped to good effect in 1957 by John Diefenbaker who represented another area of the country whose economy had been damaged by the post-war political and economic re-alignment.<sup>93</sup>

Despite the tireless and perhaps heroic efforts of the Nova Scotia growers and provincial government officials to secure federal assistance in finding export markets, little help was forthcoming. By 1957 the apple output had stabilized at about 2 million bushels and the number of apple trees in the Valley was less than half of that recorded in 1939.<sup>94</sup> Over 60% of the crop was now processed in nearby factories, while under 20% was dispatched to foreign markets.<sup>95</sup> Understandably, confidence in the industry was low and few new trees were planted. A provincial Royal Commission in 1957 suggested a reorganization of the cooperative structure of the United Fruit Companies Limited and government assistance for cold storage facilities but these measures, coupled with a relaxing of British restrictions in the late 1950s, did little to restore the apple industry to its former greatness.<sup>96</sup> Meanwhile, the forces of continentalism so obvious in other areas of Canada's economy marched into the Annapolis Valley to fill the vacuum left by the declining apple industry. By the 1970s the largest landholders in the Valley included the multi-national processing corporations, Hostess Foods, and Stokely Van Camp, neither of which had held land in the area

<sup>92</sup> *Ibid.*, pp. 117-8.

<sup>93</sup> In the 1957 federal election the Progressive Conservative representative from Digby-Annapolis-Kings was joined by nine more Progressive Conservative members, enough to give Diefenbaker a seven seat plurality.

<sup>94</sup> Sonntag, *Maritime Agriculture: A Comparative Regional Analysis*, II, pp. 329-30.

<sup>95</sup> *Ibid.* By the 1950s apples represented less than 4% of Nova Scotia's agricultural output and was no longer a major source of import dollars as it had been in the interwar period.

<sup>96</sup> *Report of the Royal Commission on the Administration and Operation of Public Cold Storage Plants in Relation to the Annapolis Valley Apple Industry* (Halifax, 1957).

prior to the Second World War.<sup>97</sup> These vertically integrated firms competed with the locally-owned cooperatives for the produce of the rapidly shrinking number of farms. Restricted markets internationally and regional agricultural self-sufficiency in Canada forced diversified agricultural production for a limited Atlantic Provinces' market. The appearance of multinational agribusiness conglomerates and nation-wide chain stores complicated selling structures and made it difficult for farmers to control even their local markets. In addition, sophisticated technological innovations and competition on a continental basis required large-scale production, huge amounts of capital and rigorous specialization, while mechanization rendered certain lands, including abandoned orchards, less suitable for cultivation. Finally, government regulation in the form of marketing boards, price supports and feed grain subsidies made individual initiative on the part of Valley farmers sadly impractical.<sup>98</sup>

The effects of these pressures can be seen in the changed nature of Valley agricultural production in the two decades after the Second World War. The number of farms and total area under cultivation decreased and the size of farms increased while overall output and capital value of farms soared in Kings County but declined in the agriculturally less well endowed Annapolis and Hants Counties. Increasingly owners of family farms either sold their holdings to incorporated farmers or to one of the large multinational corporations operating in the Valley. Farming, as in other areas of North America, was now an industry rather than a way of life, and subsistence farming had almost disappeared. The planning process meant that fresh produce appeared in the stores during all seasons of the year but it also forced Valley people to pay more for the produce of their own region than did people in more competitive market areas of North America.<sup>99</sup>

The apple industry, stimulated by the Atlantic Region's proximity to the British market, prolonged the export-led growth that had begun in the Valley before the end of the eighteenth century. The transition after the Second World War to highly mechanized agribusiness geared to a domestic market and processing was achieved, at least in terms of modern economic values, with remarkable efficiency. And, it must be conceded that, in many respects, dramatic changes in the mid-twentieth century were inevitable. On the other hand, the timing of the

97 Blackmer, "Agricultural Transformation in a Regional System"; Harry E. Bronson, "Continentalism and Canadian Agriculture", in Gary Teeple, ed., *Capitalism and the National Question in Canada* (Toronto, 1972), pp. 121-40.

98 Blackmer, "Agricultural Transformation in a Regional System", p. 74ff.

99 *Census of Canada*, 1941, vol. 8; 1951, vol. IV; 1961, vol. 5, part I; 1971, vol. IV, part II. The value in current dollars of farm products in Annapolis County in 1941 was \$2 million compared to \$3 million in 1961. Kings County increased from \$4 million in 1941 to \$10 million by 1961. By the latter date government services were the major source of income for Valley inhabitants — Greenwood Air Force and Cornwallis Naval bases contributing substantially to this development. In agricultural terms, egg production had eclipsed apples as the most lucrative sources of farm income.

transition, the traumas which accompanied it and the loss of local control which characterized it were not acts of God. They were deliberate policy decisions on the part of government, particularly the federal government, which was the only agency in Canada with the power to create alternatives for Maritime producers. After all, markets, in the era of the International Monetary Fund, the General Agreement on Tariffs and Trade, and the Agricultural Products Marketing Act are political phenomena, not the miraculous result of the law of supply and demand. Nobody embraced this truth more fully than did C.D. Howe who frequently intervened on behalf of Canadian secondary industry. Canadian manufacturers needed Howe's midas touch but so did the primary sector of the Canadian economy; and nowhere was the state economic planning more necessary than it was in the primary sector of the Maritime Provinces after the Second World War. By purposely confining Valley agriculture to a limited regional market and by refusing to assist in the search for external markets Ottawa sealed the fate of agriculture in the Atlantic Provinces, permitting it to follow the route of secondary industry into a dependent and underdeveloped state.<sup>100</sup>

100 David Alexander, "Development and Dependence in Newfoundland, 1880-1970", *Acadiensis*, IV (1974), pp. 3-21; T.W. Acheson, "The National Policy and the Industrialization of the Maritimes, 1880-1910", *ibid.*, I (1972), pp. 3-28.