



T H E

Canadian Courier

THE NATIONAL WEEKLY

VOL. 7

Toronto, March 12th, 1910

No. 15



REFLECTIONS

BY THE EDITOR

CANADA'S greatest need to-day, perhaps, is the habit of saving. Considered as a whole, the people have not been excessively extravagant. The deposits in the chartered banks and in the post-office savings department indicate the prevalence of individual thrift. The well-built, well-furnished homes in every city and town are a further proof. The almost entire absence of permanent poverty is distinctly notable. The Dominion Government has an annual surplus; so has every provincial government. Scarcely a municipality in Canada has defaulted in its payments during the past fifty years.

Nevertheless, there is a tendency towards extravagance among governments, municipalities and individuals. In the case of governments, the extravagance is manifest in the prodigal disposition of natural resources. They are selling their farm lands, forests, mines and water powers as if the supply were inexhaustible. Perhaps the Conservation Commission will offset that tendency to some extent. Its creation came none too soon. Again, governments exhibit their extravagance by carelessly undertaking large public works or by heavy subsidies to large private undertakings. Everything done by a government is excessively expensive. The post-office and customs buildings, the armouries, the wharves and other works constructed by the Dominion Government are usually twice as costly as if they were constructed by private owners. The buildings and other public works built by the provincial governments are less extravagant but are occasionally too costly. As all these governments are large borrowers, they should be more careful in incurring future obligations. Public debts have grown fast and this rate of growth cannot be maintained with safety. Our development has not proceeded too fast, but the country has now reached a state of maturity where the various governments can afford to be less lavish in their expenditures.

MUNICIPAL expenditure is perhaps less open to sweeping criticism than government expenditure. Nevertheless municipal public debts have grown enormously in recent years. Very few towns and cities have ever reduced their debenture debt and not many have even considered such a possibility. They keep on piling up these debts in the blind belief that their borrowings will never mature. Judge Cannon, in his report on Montreal's civic management, hinted that the premier city of Canada was throwing away nearly a million dollars a year. Toronto has nearly reached the limit of its borrowing power but it goes on talking about building new sewers, streets, underground and overhead railways and other extensions of its public services as if it had fifty million dollars in the bank.

Municipal savings should take the form of sinking funds. Every municipality should create and maintain, out of current revenues, an adequate sinking fund. This is seldom done at present. Most sinking funds are a farce. Too often city and town treasurers are incompetent. Usually finance committees are composed of small store-keepers and petty lawyers who have not the faintest idea of the intricate questions which they deal with. A few municipalities are trying to conduct their business on rational lines, and Port Arthur has gone so far as to ask the Ontario Legislature for authority to put the city in the hands of a governing commission. The growth of municipal undertakings, such as waterworks, electric light plants, and telephone systems accentuates the need for a more careful attention to the sinking-fund principle.

INDIVIDUAL extravagance is fully as reckless as that of government or municipality. Individual salaries and profits have grown enormously in recent years because of the exceptional progress which the country has been making. This has made men, women and children extravagant. Men who once ate fifteen-cent luncheons and smoked five-cent cigars now spend a dollar on luncheon and are

satisfied with nothing less than a Carolina perfecto. Women who were pleased with a five-dollar hat, now buy two at twenty-five dollars each.

The ten-dollar gown has been replaced by the fifty-dollar gown. Even the children disdain coppers and are satisfied with nothing less than a fairly large silver coin.

The writer has in mind one family who pursued this system. The father was a manufacturer who was making money easily. He, his wife and his children spent their money freely and generously. They bought everything they needed and many things they didn't need. They threw money about as if it represented neither labour nor goods. To-day, that manufacturer is living on a beggarly pittance, his wife is doing sewing for the neighbours, and the children are living in a poverty which they can neither understand nor overcome.

The man who saves less than twenty per cent. of his income is unjust to himself, to his family and to the community. That twenty per cent. should be put into life insurance, into a government annuity, or into an absolutely safe income-bearing investment. Some economists who know American conditions well claim that there should be a saving of twenty per cent. over and above life insurance payments. Where this is possible, it is of course advisable. But the man is a fool who believes that his present prosperity will continue forever. Few men have either the skill or the luck of a Strathcona, a Hill, a Carnegie or a Rockefeller. Indeed, if it had not been that they early acquired the habit of regular saving, these men would not be known among the richest men in America.

Extravagance and wastefulness are sins against the public interest just as great as drunkenness, dishonesty, and gambling.

COMPULSORY arbitration of labour disputes is something which both labour and capital profess to fear. Yet the events in Philadelphia during the present street-car strike indicate that it is a necessity under modern conditions. In the Lemieux Act, Canada possesses a safeguard against hasty industrial conflicts. This law has done much to prevent strikes and to force a settlement of disputes. It is not a cure-all, but it has more than fulfilled the hopes of its framers. During the present session of Parliament it will be improved and extended, and in future it should be even more beneficial.

The Lemieux Act is, however, only voluntary arbitration. It must be followed eventually by compulsory arbitration of some kind, especially in regard to service on public utilities. When the workmen in a certain factory go out on strike, not much public harm results because other factories can usually supply the deficit in production. When, however, the employees of a street-car system, a city telephone service, a steam railway or other large public utility go on strike, general business suffers within the sphere of this conflict. Here the public interest is more important than the individual right of a body of employees to go out on strike or the individual right of a corporation to cut wages or inaugurate a lock-out. Compulsory arbitration is a shackle on trades unionism to some extent, but it should be introduced where the public interest is greater than that of trades unionism. The greatest good to the greatest number, a maxim which has been much used by unionism, applies very strongly in these larger industrial incidents. The strike of the waist-makers in New York may not greatly incommode the public of that city; the strike of the street-car employees in Philadelphia demoralises the business of a great city and causes great financial loss and much innocent suffering. Compulsory arbitration is the remedy in the latter case. Furthermore, its great excellence is that it is a preventive remedy.

It is difficult to understand just why the wage-earner fears compulsory arbitration. The whole history of industrial disputes shows that the gains through arbitration have been greater than those