

## The New World Order

The British Labor Party so far has accomplished most by way of developing a really constructive programme to meet post-bellum conditions

By W. W. SWANSON.

When Arthur Young made his celebrated tour of France just before the Revolution, he little realized that his eyes witnessed the breakdown of a social order that had held Europe in its grasp for centuries. Although it has been emphasized again and again that a similar transformation is taking place to-day, and that the world will never be what it was in August, 1914, it is difficult for most of us to realize vividly that fact. Count Okuma, one of the shrewdest and keenest of Japanese statesmen, stated not long since that Western civilization, which has so long dominated the nations, is no more. Lloyd George himself declared in a speech in the Commons, that Anglo-Saxon civilization, at least, was in jeopardy; and that the utmost efforts and sacrifices would be required to save what has been held most precious by the English-speaking race.

Bernard Shaw, H. G. Wells and Sidney Webb, and other brilliant members of the Fabian Socialist group, do not attempt to disguise their belief that much of the old civilization, especially much of its social and economic content, is not worth lamenting and has not won the right to endure. A surprisingly large number of English progressives take the same position. Before the war far more attention was paid to politics, the international order and world finance, than to the condition of the masses engaged in industry. It was common enough to find the statistics of the British Board of Trade indicate a degree of unemployment of as much as 4 per cent among skilled workers. Data bearing upon unemployment among the unskilled was not available to any extent, and such as there were could not be relied upon. It is safe to say, however, that if four out of every hundred of skilled workers were unemployed, the percentage was still higher among the rough manual laboring class. In periods of depression an immense amount of labor power went to waste; and this meant not only loss of labor power but diminution of wealth with all its concomitants of distress and misery.

The British Labor Party, so far as we are aware, has accomplished most by way of developing a really constructive programme to meet post-bellum conditions. We are quite aware that many deprecate any attempt to divert attention and energy from the winning of the war to the consideration of problems of reconstruction. Nevertheless, it is scarcely less essential to the United Kingdom to devise ways and means for the replacing of some 6,500,000 men in peaceful pursuits, and a great army of women at present employed on munitions and in other war activities, than it is to destroy Prussian tyranny. The war has sufficiently demonstrated that military power rests upon economic foundations. If our soldiers and sailors are apprised of the fact that will not suffer want after the signing of peace and that work will be available for all, much will have been accomplished in maintaining their morale and energy.

The British Labor Party proposes to establish firmly the principle of the minimum wage, both for men and women workers, in industry after the war. In addition their plans include the democratization of the basic industries of the nation—that is, the placing of the railways, the mines and great power plants under national control in which labor will have a voice. Furthermore, their programme is designed to appropriate surplus wealth for the common good. And, finally, in the field of international politics, they stand for such a community of interests as is expressed by President Wilson's League of Nations.

We by no means subscribe to this programme in its entirety; but there is much therein from which we may learn. Social investigators have long since come to the conclusion that unemployment need not, and should not, be endemic in society—that it is as much of an anomaly in the social life as smallpox or any other malignant disease in a civilized community. Briefly stated, economists who have got to the root of the matter as far as unemployment is concerned, believe that it can be eradicated almost entirely, and insofar as it is a menace to the State. The British Labor Party proposes that governmental economic activities shall not stop at the end of the

war; that the national energy expressed through the Government shall be employed in the designing and furthering of national enterprises on such a scale as to prevent unemployment, by absorbing the labor surplus. This would be accomplished, according to their plans, by the building of roads and light branch railway lines, by the construction of huge power stations, by housing reform on the grand scale in cities, and by the building of cottages in great number for the agricultural population. The idea behind all this is, that national enterprise will compel a tremendous subsidiary demand for the ordinary products of industry, which in turn would provide employment for the armies at their demobilization.

Frequently one comes across opinions in the press of Canada, as well as among conferences of business men expressing the view that it will be almost impossible to provide jobs for the men and women engaged upon war work, at the signing of peace, not to speak of the demobilized Canadian army. This pessimism is induced by the very real danger of an economic collapse at the close of hostilities; as well as by the fear that there will not be "enough work to go around." Let us consider these two possibilities.

That there is not enough work to go around is a patent absurdity; although certain manufacturers, and especially some trades unionists, cling to this outworn idea. To put a limit upon the amount of work to be accomplished in the world, or even within Canada itself, is to put a limit upon human ingenuity and upon the demands of mankind. Carlyle cut to the very bone of this question, generations ago, when he demonstrated in his own sledge hammer way that it is impossible to adequately satisfy the needs even of a little street arab, not to mention those of a full-grown civilized community. Consider the appliances and good perfected even within the past decade, in the attempt to satisfy the demand of mankind for want satisfying products. The music industry alone affords an example of what has been accomplished in that direction. Thousands of men and women find employment in turning out talking machines and other musical devices for the masses; and the demand is far from being sated. If we concentrate upon "necessary" work alone, it can be easily shown that there is abundant work to keep our artisans employed day in, day out, during every month in the year. No, the idea that there is only a certain amount of work to be parcelled out among needy aspirants will never do. Men's work, like women's, is never done.

That this fallacy is so generally prevalent has led us to discuss it somewhat in detail. The real menace is to be found not in the lack of things to do, but in the breakdown of the industrial organization. Economic forces may make it impossible to keep our industrial life functioning normally and helpfully at the close of the war unless the utmost care and attention are devoted to the problem here and now. In transforming the industrial equipment of Canada from war work to the work of peace, both capital and labor must be made available. The capital will be available, in our judgment, if the products of industry can be guaranteed a market.

To that end our manufacturers should be given equal facilities with those of the United States, under the Webb Bill, whereby they shall be permitted to combine in order to more efficiently market their products abroad. Something may be learned here from the enemy. It is a well known fact that Germany attained such a marked degree of industrial and commercial success abroad—in the steel industry, in the dye trade, in textiles and elsewhere—through her cartels. Under the cartel arrangement, Germany manufacturers perfected a powerful selling organization, which represented the manufacturers in common in any particular trade. They shared their trade secrets and processes, and lent every aid to one another in developing the export market. In some instances a definite share of such foreign trade was allocated to each company, so that the wastes of competition might be eliminated. True, German manufacturers did not scruple to use unfair, even base methods, in their competition with the United Kingdom and the United States; but at the same time much of their success may be attributed to the

elimination of needless costs which fell upon American and English manufacturers in competition with them. It is highly desirable that Canadian manufacturers combine to a greater extent than in the past to avoid duplication of selling organizations; to prevent needless waste of competition; and, above all, to lend such aid to one another as will make for their mutual advantage and the development of the nation's trade.

In the industrial field our manufacturers, nevertheless, cannot be expected to stand alone. A demand for their products must be stimulated by public orders from the municipalities, provincial governments, and the federal authorities. Road building, branch railway lines construction in the prairie provinces, the development of ports and harbors, the building of elevators, the construction of cold storage facilities, and many other enterprises of a national order must be pushed through with vigor. In this way the surplus of labor will be absorbed, and work provided for our soldiers at demobilization as well as for the present army of munition workers. It goes without saying that education, technical and otherwise, should play a large role in this programme.

As Sir Thomas White recently pointed out, Canada has accomplished marvellous things, in a financial way, since the outbreak of war. According to the Minister of Finance, the Canadian people have practically paid the expenses of war out of savings. Our national wealth has kept pace with war expenditures. Cut off in large measure from the London market and later from the New York market, thrown upon our own resources, Canadians have offered the government up to the present time \$92,000,000—and are ready to do as much more. Through the war Canada has found itself. At the outbreak of hostilities the nation was being tried sorely by economic depression; was heavily in debt; and suffering from the effects of over-expansion, in some directions, of plant and equipment. Nevertheless, and notwithstanding the pessimists, the country had not been quite so reckless or extravagant as was charged in some quarters. The entire economic equipment of the nation has been put to productive use since the outbreak of war, and has more than justified the hopes of those who have had faith in it. Our greatest difficulty is in connection with the railways; and even there immigration of the right sort during the next decade will turn liabilities into assets. Let it not be forgotten that the majority of the present premier American railroads have gone through the hands of a receiver, or at least through the progress of liquidation and readjustment; and that the resources of the Dominion give us every ground for believing that the situation in Canada will be righted in time—and within a relatively short time.

It remains, therefore, for the Canadian people to continue the good work in peace that they have accomplished in war. Their financial ability to provide the means requisite for the stabilizing and development of industry is unquestioned. The capital is here, if those in control of the destinies of the nation will but rise to the occasion, there will be no lack of capital for enterprises of a really productive and constructive nature. In that event the home market will be a tower of strength to Canadian manufacturers while readjustment is going on throughout the world. Moreover, in all fairness, it must be said that our bankers have shown vision and astonishing ability in grappling with the economic problems so suddenly thrust upon them. Now and again one detects a note of criticism to the effect that they are not sufficiently favorable to the financing of new industries, or even of certain old ones. And yet, it must be forgotten that their main business just now is to protect war work, to finance essential enterprises, and to stimulate saving and thrift so that funds may be accumulated against our day of need. These they are doing superably well.

Nothing has been said here of Canadian agriculture,—after all the backbone of our economic life. The subject is too big to deal with within the limits of a short article. It must suffice to remind our readers that five out of nine Canadians live upon the land; that more and more our future is to be found on the land; and that our farmers must be given not only the facilities, the encouragement, but also the opportunity, for lifting themselves above the mere level of subsistence. To that end not only must the nation's economic organization be perfected, but its fiscal system adjusted to fit the burden according to ability to pay.