

## State Control

The first quarter in which to seek for evidences of the quality would seem to be in the relations of the citizen to the state. A marked contrast is at once apparent between Anglo-Saxon and European countries. The pinnacle of fame in France, in Germany, in Russia and in the other nations of Eurasia, lies not in the industrial achievements, nor even in science or art, but in the sphere of politics. The German scientist or captain of industry who displays any considerable talent, is promptly enrolled in the service of the fatherland. In Russia the meanest official position has, at least in the past, been considered superior to scientific or commercial success regardless of the wealth which may accrue to the latter. And even in France the competition for the multitude of official positions is of the keenest, regardless of the fact that industry has offered more liberal and certain pecuniary reward. It is not so in Great Britain, in the United States, nor in the British colonies, where the great difficulty has always been to tempt competent men into the ranks of the government service; for evidence of which witness the wholesale transfer of leading men of these nations, temporarily, and from patriotic motives, into the service of the state during war time. This has not taken place in the countries of Europe, where the additional assistance has been recruited into the lower ranks rather than the upper. The British or American citizen in fact prefers to regard the state as his servant rather than his master, as an instrument of his individual development rather than the final goal of his career. That is why the British flag has always lagged behind the commercial expansion of the nations; for the British merchant has not advertised his citizenship, though he has been careful to retain it for assistance in case of need. The economic life of one half the world has been organized by this race, but just about one-third declares allegiance to the British crown, or to the United States of America.

In the organization of industry itself, nations where the English race prevails have, generally speaking, avoided state control. The great corporations of the United States have developed spontaneously, though the protective tariff may account to some extent for their growth in domestic industry. It is only after every other solution has failed that government regulation is resorted to, and government control or ownership is still regarded with intense disfavor. The nations most developed in self government, therefore, seem to be the ones most averse to extending the functions of the state. Municipal institutions are jealously guarded, as being more easily controlled by those concerned. We are individualistic in our attitude towards capital and labor, and their relations, disputes being settled on grounds of specific interest.

It is not necessary to illustrate the point further. But we may ask if this theory is the key to the solution, or if

other and more complex factors must be considered. It would be a very remarkable thing indeed if one quality alone were found to be responsible for the economic success of the race. We are inclined to think that a number of causes are responsible; and it must be also remembered that there is really no such thing as unqualified superiority, at least not in comparing one race or nation with another. Even in the economic sphere alone, nations differ in the quality of their achievements. The United States, which has undoubtedly outstripped all others in the rapid production of wealth, has certainly not solved the problem of distribution, for the city of New York houses alike some of the greatest fortunes in the world, and some of the most wretched cases of poverty. During a period of industrial development the world over, the Anglo-Saxon race has found itself peculiarly well fitted to take the lead, and the rapid changes in industrial methods have brought the individual organizer and the private corporation to the fore.

## New Conditions Now Exist

This era of development may now be ended, and further progress may have to be along lines which require qualities of a different type, and in which we may be surpassed by others. Through forces of individual competition many industries have become organized upon a national basis; trusts and monopolies, national and international, have been formed. In almost every case of this kind we have come to realize that at some point the interest of private production clashes with that of the public, and relations between the state and industry must be established. Thus far our efforts to harmonize such conflicting interests have been conspicuously unsuccessful, and changes of a fundamental character may be necessary to bring this about. We may be required to surrender a part of our thorough going individualism, and the experience of Germany, France and Japan in other methods of furthering production may place us at a disadvantage. During the four years that the allied countries have been at war with Germany, they have copied German methods more than was ever done in a similar period before. Japan's foreign trade expansion has certainly not been along lines such as were pursued by Great Britain and the United States and these nations themselves have conceived of the idea of promoting trade by the formation of industrial syndicates, and of enlisting the service of the government in constructive work.

Recent developments along these lines may mean a temporary encroachment upon the policy of individualism, or its permanent surrender. We may be departing from the policy which has accounted for our industrial growth, or paving the way to further progress under new conditions. The conservative view would seem to be that experience of the past should not be neglected, nor racial qualities which have borne the brunt of economic competition thoughtlessly suppressed.

## METHODS IN FIRE PREVENTION

Mr. Henry Lye, who is an insurance adjuster of long experience in Vancouver, has written *The Monetary Times* commenting upon Mr. George F. Lewis' address on "Ways and Means of Fire Prevention," which was published in *The Monetary Times*, of September 27th.

Mr. Lewis, in the course of his address, referred to two articles of the Code Napoleon as having been ignored. "In this he is mistaken," says Mr. Lye, "as I have successfully applied this principle on several occasions where I have taken

subrogation and have recovered many thousands of dollars for the insurance companies thereunder. The Railway Act contains the only limitation of liability now in force on this subject. The knowledge gained by experienced adjusters should have been utilized in the selection of officers of conservation."

The system of the Niagara District Independent Telephone Company's Clinton and South Townships has been taken over by the Bell Telephone Company. The price paid was \$25,000.