

# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

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## BRITISH LABOR'S CONSTITUTIONAL CHALLENGE

ORGANIZED labor in Great Britain has taken an unequivocal stand against war with Russia. On August 13 labor and trade union executives organized a "council of action" with power to call for any and every form of withdrawal of labor so far as necessary to prevent military or naval operations against Russia. J. H. Thomas, M.P., pointed out that this was a challenge to the whole constitution of the country. W. Adamson, chairman of the parliamentary labor party, said that unwarranted interference with the government of other people would not be tolerated. "We believe," he said, "in the inalienable right of any nation to choose its own form of government."

The labor party's view of the political situation may be wiser than that of the government. Some of the principles which it upholds seem thoroughly in accord with the North American viewpoint. Secret diplomacy is deplored, and when public opinion is so strongly set against war, only an undemocratic government could enter into one. Governments make mistakes only too often, and it is not uncommon for the judgment of a group to be wiser than that of the representatives of the nation as a whole.

What is significant, however, and perhaps prophetic, in the action of the British labor party is the erection of a new authority, to which the members will accord their support, in opposition to the government. This is direct action, not only industrial but political as well. When labor tried to enforce the nationalization of the coal mines in opposition to the expressed wishes of the people, it did so by direct economic action. Its industrial power will be made use of to prevent war with Russia; for instance, it threatens to cut off France's coal supply if the latter country refuses to send coal to Russia. The purpose in this case is purely political, and the "council of action" is, therefore, a political body, not subordinate to the constitution, but co-ordinate with it and guaranteed the support of the labor party. "I tell you solemnly and seriously," said Robert Williams, a British labor leader, "that you are infinitely more representa-

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tive than the House of Commons, and you may be summoned to sit permanently as a committee of national safety." It is, therefore, the method rather than the view of labor which is now meeting with popular disapproval. The fact that the question of a war with Russia had already been settled in the negative may be the reason why labor was led to take such a threatening attitude.

## THE RAILROAD RATE CONTROVERSY

THE United States had some difficulty in adjusting the wages of railroad employees for the coming year; when this was done, rates were then increased in a scientific method, under the new legislation enacted at the last session of congress. Canada had no difficulty in settling the new wages, but any increase in rates is being fought bitterly by municipalities, boards of trade, the manufacturers and the west as a whole. Perhaps this departure from the action of the United States is merely a method of asserting our independence, but it is strange that the opponents of higher rates were indifferent to the substantial increase in operating costs. If we follow the action of the United States in adjusting wages, why should we not do the same as regards rates? If the economic conditions in the two countries are sufficiently similar to have identical wage schedules, is it not also reasonable to have corresponding freight and passenger tariffs for the roads?

Judging from the arguments before the Board of Railway Commissioners, there seems to be only one weak spot in the case for the railways. This is the fact that the Canadian Pacific is still able to pay a substantial dividend. The earning of a dividend upon capital, at least in public utility and railroad operation, now seems to be a crime against the community. In fact, the ability to pay operating expenses appears to be sufficient reason for a lower rate agitation. This at any rate is the situation with the Canadian National, which last year failed to pay operating expenses by the substantial deficit of \$47,000,000. This, together with the interest on the capital obligations assumed,