

# What Canada Needs

*A view of the reforms necessary to develop Canada into a prosperous democracy*

By J. A. Stevenson

There remains the question what to do with the tariff. In a warring world complete Free Trade, however desirable as an ideal scheme, is unthinkable in practical politics, and in the writer's opinion western opponents of the monstrous system of plunder now disguised under the name of tariff would do well to choose the line of least resistance in advocating a reduction by rapid annual steps of the unjust taxes levied against British imports to a very modest basis. The war has served to expose the murky depths of the patriotism of many of our leading manufacturers—they were out for private plunder from the very first and their dividend declarations are a greater testimony to their business acumen than their public spirit. The researches of the Duff-Meredith commission have already shown that four of our foremost steel manufacturers were willing to extract from the British authorities a price almost double that to which Lloyd George's experts have now reduced the value of their products. The milk and water pilgrimage of the Davidson commission revealed at every sitting that the greed of the average manufacturer was stronger than his patriotism. Like all privileged oligarchies they have now become unreasonable in their demands; too long have they had their day, and other sections of the community are now entitled to tardy consideration. Like all favored castes they have now overstepped their bounds, and public opinion now views their proceedings with suspicion.

### Patriotism Versus Profits

If western radicals use their opportunities they can put the eastern protectionists in the sad dilemma of being forced either to abandon their claim to a monopoly of Imperial loyalty or, if the latter is too precious to lose, to give up their family preserves of closed domestic markets. There has been already much fake talk and a few airy schemes for an organic union of the British Empire, to be consummated on the coming of peace, and Mr. Borden and his colleagues have bestowed on them a half-hearted blessing. The moment that such proposals are put into concrete form either before the Ottawa parliament or elsewhere, western radicals must demand as a necessary accompaniment of any political union complete Free Trade between the units, and, if this eminently sane plea is disregarded, promise their whole-hearted opposition to any such scheme. Can there be pointed out any Federal union which allows fiscal barriers to exist between its component states? If the United States and Germany have forbidden the existence of custom houses on the boundaries of their units, why should the British commonwealth permit them? Force this point home sternly and both Mr. Borden and all the serried hosts of Imperialist eastern protectionists, of whom Sir John Willison is the bell wether, are left in a desperate quandary. They will then have to make the sorrowful confession that local protectionism is bound up with local nationalism, and the Canadian protectionist can never be a better friend of Great Britain than a western grain grower. The grain grower would fain open the doors of the Canadian market to the manufacturers of the motherland; the eastern manufac-

turer would keep them eternally barred and bolted. Such is the ignorance in Great Britain of Canadian economic and political conditions that the Canadian protectionists have heretofore managed to be accepted as the loyalist element. But if they resist the change here outlined, will the manufacturing and financial interests of Great Britain, eager to secure new markets in the hard times to come, not at last see thru the selfish shallowness and hypocrisy of our manufacturers' attitude and transfer their powerful influences in the press and Chambers of Commerce to the party which seeks to give freer access to British goods. Will economists of the tariff reform school in Great Britain, who have long claimed that trade was the truest bond of Empire, dare to criticise the new policy? It must also be remembered that Great Britain may possibly have a tariff herself, and the old objection that Free Trade with Great Britain meant Free Trade with the world will be removed. Truly a golden opportunity awaits the western radical to serve the Empire and the British commonwealth at the same stroke. The only objection is that there might be in time a diminution of the relative importance of Toronto and Hamilton in our national life, but this calamity can be borne with some tranquility.

### Land Settlement Essential

As things are at present our commonwealth suffers from excessive industrialism and a dearth of rural population. Our generals in France find it hard to make first-class soldiers out of a slum-bred population, and it is abundantly clear that our most urgent reform is to settle on the land a larger proportion of our people. This will be attempted both in Britain and in Canada, but the attempt will fail unless more equitable conditions are granted to the settler. In England more equitable conditions mean the breaking up of the big estates and the abolition of the game laws; in Canada they spell abolition of the tariff burdens and diminution of railway rates. All who strive for the alleviation of the existing tariff burdens will be true friends of the British commonwealth. Furthermore, a truly radical program should include a measure for providing for a careful inspection of all company flotation to prevent the undue watering of stock, and there is no valid reason why the taxation of excess profits should not prevail in peace times as well as in war.

### Nationalize the Railways

The railway problem demands immediate solution by a comprehensive plan. It now seems inevitable that the policy of supporting by annual doles the C.N.R. and G.T.P. systems must come to a summary end in complete nationalization. In this event it is doubtful if the C.P.R. would be willing to compete with a government owned system; probably they would demand to be included in the nationalization scheme. As it seems almost certain that British railways will be nationalized after the war, and the railways of Australia, New Zealand and South Africa are all state owned undertakings, nationalization of the whole of the Canadian railways would round things off and enable a co-ordin-

ated scale of thru rates to be established in the British Empire; we can learn a great deal from Germany in the regulation of trade by railway tariffs. With the railway rates reduced to a sane basis reformers can then proceed to tackle the question of ocean freight rates. In the past the avarice of the shipping trade has been notorious, and its profiteering activities have been extremely difficult to regulate. The United States recently planned a state owned commercial marine, and the British commonwealth might do well to create a public mercantile service as a counterpart to their magnificent navy. Good and cheap communications are a vital necessity for the revival of our trade, and the system which provides them should be promoted from the status of a profit saving business to that of a public service.

Simultaneously there should be another improvement of the entire system of communication and transport, by a great extension of the utility of the parcels post. There should, too, be a development of the present money orders and postal notes into a wide spreading national and international machinery of public remittance which would reduce the monopoly of the banks and express companies. The post office savings banks, if postal checks were adopted, could easily be transformed into a common bank service as universal and popular as the telephone.

### Co-operative Credit

The supply of capital constitutes a more difficult problem, and after the war the people of the Dominion will clamor for it for a variety of purposes. In the old days it was assumed that the public well-being was best served by capital falling into the hands of those who paid the highest price for its use, and little regard was paid to its ultimate destination. Is the old system to continue, or is there to be some attempt to divert capital into channels most useful to the national welfare. From the national viewpoint, agriculture has the first claim upon capital, and the time has now come when the state must undertake the provision of rural credits. The question is a live one in every quarter of Canada, and half a dozen provincial governments are engaged in working out plans. If the state can guarantee bonds for Messrs. McKenzie & Mann, surely it can perform a similar service for organized co-operative societies of farmers. At present investment in Great Britain is strictly regulated by the treasury, and many people advocate that special taxation should be imposed henceforth on investments outside the bounds of the British Empire, or that remissions should be given to investments within its borders. Would it not be possible to carry this a step further. Let western reformers ask the British government in return for the better access to Canadian markets, which they hope to offer, that rebates of taxation—now more valuable in view of the heavy income tax—should be granted on money invested in bona fide co-operative credit societies in the dominions. Once more let it be emphasized that the supreme need of the commonwealth is the rapid increase in our rural and village population, and nothing could serve more to

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Women are doing a greatly increased proportion of men's work on the farms in Great Britain



Women doing women's work behind the lines. French army kitchen installed alongside the trench in bomb-proof shelter.