

## Privilege and Obligation

A plea that privileges should in the future be coupled with certain obligations, which will insure their promoting the general welfare.

By J. W. MACMILLAN.

Appeals are being made, and will continue to be made, to the Dominion Government to grant special favors to certain infant industries who profess their inability to make their way unaided. Very much of such assistance has been granted in the past. Indeed, the policy of the government of Canada during the last generation has so consistently followed this course that any sudden break in its continuance would be very surprising. Railways, manufactures and financial institutions alike have been given special privileges which, they have always claimed, were necessary to their prosperity, and by means of which they were enabled to serve the interests of the people of Canada.

The argument for bonuses, protective tariffs, exemptions, subsidies and rebates is likely to prove a convincing one for years to come. The present revulsion against such things may slow down the current of subsidies flowing from the treasury or the people's pockets, but it is not probable that it will dam that abundant stream. Nor does it seem to be desirable that it should. Canada is in no position to allow her raw materials to be exported outside her territory to be made into finished products in other lands and then brought back for sale. We do not want to be a people whose tools are the axe and the pick, but who do not use the lather or the loom. The fact that we have overdone the protection of factories, and sacrificed our rural populations to the demands of the cities, is not a good reason why we should consent to become a nation of hewers of wood and drawers of water. And it is unlikely that legislation could be enacted, after discussion in parliament and in all parts of the country, which would tend to make us such.

The patriotic spirit of Canadians will respond to the demand that we should refine our own ore, work our own wool into cloth, our own leather into boots, and our own wheat into flour. Where protection has resulted in an unhealthy shifting of population from the country to the city, where it has encouraged the promotion of mergers who have sold heavily-diluted stock to the public, or where it has permitted prices unjustly high and profits unduly large, it is right that protection should be lessened. But the question of protection, viewed from the angle of social welfare, is not yet worked through. Our national life is only beginning. Our raw materials have yet been very slightly developed. New products of the mine and farm are bound to come, and to require shelter for a period from established products of competing nations. If we want to keep our people, especially the brightest of our young people, at home, we must maintain and increase the industries which call for a high degree of skill. If we care for comfort, culture, knowledge, or art—the refinements and nobler joys of living—we shall have to nourish the beginnings of industry. Indeed, if we care for the common man and his cottage we must preserve our industries, for back of wages lies always the profitability of industry. We must not kill the goose that lays the golden eggs.

### GENERAL WELFARE.

The plea of this article is that such privileges should in the future be coupled with certain obligations, which will insure their promoting the general welfare. The same line of advocacy which serves for the granting of the privileges serves also for the attaching to them of these obligations. The government of Canada can be justified in taking money from one man and giving it to another man only on the ground that the transfer benefits them both. Therefore, it is right that the recipient of the privilege should be bound to agree to the distribution of the resulting benefit.

These obligations seem to me to be two: First, a time limit for the privilege, and, second, a fair-wage schedule for the employees of the privileged industry.

In regard to the time limit, the general argument for a re-arrangement every generation of the property of the nation might be advanced to begin with. This principle is already recognized in the death duties. Private fortunes no longer are self-perpet-

uating. But the death duties do not reach to the sources of social and industrial power. Nature has designed that every person shall, after a generation's lease of such goods and power as he accumulates, relinquish his grasp and give another person a chance. It is not so with these super-persons we call corporations and institutions. Their wealth and power continue as their individual membership inevitably changes. They become fortified by custom and the increase of their bulk. Only after centuries, sometimes, does some realignment of social conditions destroy their overweening might. And, sometimes, the social realignment increases their might. It is not safe, in a world of changes, to guarantee eternity to any human arrangement.

### INDULGENCE.

A less academic argument for a time limit is found in the plea which is commonly advanced for the granting of these privileges. They are declared to be weak because they are infants. They need the bottle because they have not yet been weaned. They need shelter and nourishing because they have not yet grown to maturity. Well, yet us take them at their word. What is the normal time required for a privileged industry to attain to a capacity for self-support? Ten years? Twenty years? Whatever it is, let us find it out. And let us limit our bonuses and subsidies to that period. If at the end of that term of years the industry is not yet able to maintain itself then let it come forward and state its case. It ought to be put on the defensive then. It ought to be made to prove it right to continue to live. An industry which cannot take care of itself after twenty years of existence ought to be made to prove that it ever should have been called into existence. Our industrial system needs vigorous industries, not sickly ones.

A familiar illustration may be found in the tax-exemptions granted to factories by cities. Where these have been granted in perpetuity it is practically

impossible to rescind or even review them. The corporation deems itself cheated if the contract is violated. No considerations arising from the wealth of the corporation or the poverty of the city appear to suggest to the corporation that it should assume a share of the municipal expenses. On the other hand, if the tax-exemption has been for a stated period the municipality is so vitally interested in the maintenance of the industry that it is not likely to be unfair if conditions warrant further concessions.

### TIME LIMIT.

That is the first obligation which should be imposed, the time limit. The second likewise rests on the same argument which advocates the granting of the privilege, the general welfare. So I urge that the fair-wage schedule should be imposed. Throughout Canada it is required in government contracts. A business privilege is essentially a government contract. It is an agreement with the people of Canada. And the people of Canada are vitally concerned in the standard of living of all the people in Canada. It is not unreasonable to ask that any concern which is empowered and assisted to benefit the people of Canada should be forbidden to injure the people of Canada by paying wages below a living level to a part of the people of Canada.

It is the large corporation which peculiarly requires such a restriction. Not that the human material which is engaged in its management is less moral than other human material, but because the human touch disappears in the mechanical organization of big businesses. The relation between owners and managers tends to become one of profits and the relation between workers and managers one of labor cost. The money interest overwhelms the life interest. These large corporations are the chief employers of foreign labor, which is the most helpless form of labor, and the most menacing to wholesome standards of living.

Other obligations might be reasonably be asked for, such as the nature of the housing which is supplied to the workers, and the exploitation of the value of public assistance in wild-cat promotions and sales of watered stock. But these are matters which may possibly be dealt with more advantageously by other means. The two suggestions I have put forward seem to me to be sane and safe and simple. And they are both to be asked for as measures of social welfare.

## Canada's Possibilities

Its latent resources in grain, timber, minerals, etc.

Canada is in its infancy. With a population not very much larger than greater New York, scattered over an area of over 3,700,000 square miles, it is impossible even to imagine the possibilities of this Dominion. The United States has a population per square mile 4 times as great as that of Canada.

Fortunately for the allied cause, the smallness of the population has always enabled Canada to have a large surplus of wheat, and she now ranks second in the great wheat exporting countries of the world; 268,000,000 bushels of wheat were shipped to Europe in 1915-16. In the whole of Canada, and even in the three great wheat growing provinces of Manitoba, Saskatchewan and Alberta, only slightly more than one-tenth of all land at present readily adaptable to agriculture was under crop last year.

The forests of Canada are unsurpassed and constitute a resource that will be called upon to a very great extent in the re-construction period after the war. There are between five and six million acres of forest. Total value of the different classes of forest products for 1916 was \$173,000,000. Exports of forest products to United Kingdom, United States and other countries realized in that year over \$43,000,000.

In one of the most essential mineral products Canada leads the world. In 1917, 84,500,000 pounds of nickel were produced. This represents over 80 per cent of the world's production. The largest asbestos mines in the world are in the Province of Quebec and at present supply the greater part of the world's consumption. The war has stimulated in a very pronounced manner production of all those metals which are necessities of war. Some had never even been developed prior to outbreak of war. Only a comparatively small part of the coal resources has been touched; an estimate of the examined min-

eral coal areas shows that there are 73,500,000,000 tons of bituminous and 461,000,000 tons of anthracite.

In regard to its fisheries, Canada has been richly endowed by nature with an extensive coast line, innumerable rivers and lakes. Canadian lobster fisheries of the Atlantic and the Gulf of St. Lawrence are the most productive in the world.

Canada is second to no other country in regard to its waterpower possibilities. At present 1,800,000 24-hour horsepower have been developed. It is estimated that, within areas likely to be populated in near future, there is an aggregate of nearly 18,000,000 24-hour horsepower.

In its fur-bearing animals Canada has an opportunity presented to but few other countries to develop a great fur industry. Annual output of furs is 15 per cent of value of the whole world's production.

Finally, the transportation system has developed at a rapid rate. Railroad mileage of Canada for every 10,000 persons is nearly twice as great as that of the United States and more than eight times that of Germany. Consequently, Canada is well prepared to meet the transportation requirements of those future settlers who will cultivate immense areas of good agricultural land lying within 15 miles of the railroads.

Canada is yet but a very young nation. Only a minute portion of its resources has been examined; vast areas have never been explored. Now is the time, in the present great world crisis, for the most careful study and economic development of its resources and their industrial derivatives in order that Canada may be prepared, at restoration to peace to rebuild the devastated regions of Europe and feed, clothe and shelter all those who may come to its hospitable shores.—Boston News Bureau