

of this scheme, may be able to get substantial control of the supply of basic products and thus determine their prices.

"It can readily be seen that export monopolies may be used, not only to tax foreign countries, but also to destroy important industries. This may be done by withholding, or materially reducing, supplies for the export trade. Germany has the cheapest and most extensive deposits of potash salts, essential to agriculture in almost every modern agricultural nation. Her coal supplies are imperatively necessary for the industrial needs of Russia, Sweden and the Scandinavian countries in general. The United Kingdom, either through its own resources, or those of its colonies, controls the supply of coal, wool, rubber and many tropical products. The United States holds a dominating position in cotton, copper and oil; Russia holds the same position with regard to grain for European markets. It may be seen at a glance that the Great Powers will be hard hit in any commercial war in which use is made of this weapon. To the small States it virtually means economic extinction.

"All the belligerents during the course of the war have been compelled to exercise strict supervision and control of importations. Already Germany has formulated a plan whereby, at the close of the struggle, its mercantile marine will come under the direct control of the State, and be subsidized heavily by government bounties. This is only a preliminary step in the direction of State socialism in Germany—an economic programme that seems to have been definitely determined upon in that country when hostilities shall have ceased. In any event it seems certain that there will be an intense struggle between the greater European Powers to get control of adequate supplies of the necessities of life, and the raw materials of industry. Since the outbreak of war the United Kingdom has set up machinery under which imports are controlled by an import board; and even supplies forwarded to neutral European nations are regulated in amount, and final place of sale, by British officials. Holland, Denmark, Norway and Sweden have entered into arrangements with the United Kingdom under which they have set up import boards that work under agreement with the British government. It is scarcely conceivable that these novel, and highly efficient economic instruments, will be discarded at the close of the war. Rather, we may look forward to an era of commercial competition in which import boards will control national imports of copper, coal, steel, cotton, wool, oils, tobacco and a bewildering variety of other commodities used as the raw material for domestic industry. This has an important bearing upon the future economic development of Canada and the United States. It will seriously affect the agricultural interests of this continent, inasmuch as it may be expected that cereals, meats, cotton and wool will be imported by vast purchasing trusts in Germany, France, Italy and the United Kingdom.

Import Board an Economic Necessity.

"One can easily see that a great national purchasing trust will control a vast body of demand, and hence will have much to say in determining prices. An import board may be used effectively to gain concessions from foreign countries, especially as the various boards that have been constituted since the outbreak of war are made up of business men, rather than bureaucrats. The manner in which the railways of the United Kingdom have been operated during the war by a central railway committee, shows what can be done along these lines when custom and routine are ignored, red tape thrown on the

scrap heap, and business administration placed in the hands of competent business men. And as a corollary, it may be shown that taxes can be so imposed, under the advice and direction of import boards, as to destroy foreign industries and force other states into a position of economic dependence. It is readily granted that, from the point of view of international wealth and wellbeing, this entire programme is pernicious; but it will be put into effect nevertheless if the terms of peace are not so drawn up as to preclude the possibility of another struggle for world supremacy within a generation.

"The trend of developments, as outlined above, has been keenly observed by business men both in Canada and the United States; and already measures are under way to safeguard the economic interests of this continent. For the present, however, we shall confine ourselves to a brief study of the methods advocated to strengthen and expand the industry and commerce of the Dominion.

"Concerning the economic policy that may be expected to produce the greatest results for the welfare of the nation, there is a sharp contrast between the views of the great agricultural interests of Western Canada and of the financial and manufacturing elements whose stronghold is in the east. Western Canada, naturally enough, has been profoundly influenced in its economic thinking by the radical elements—and especially by the Non-partisan League—in the American West. As yet, however, no progress has been made among the farmers of Canada in carrying through, or even definitely formulating, a similar political programme. The prairie provinces are still divided on the old party lines with the radical elements in the Liberal party in the ascendancy. As one might expect, Western radicals, who are everywhere dominant, strongly support a peace which will establish an era of international goodwill, and are unalterably opposed to future trade wars. It is easy to understand how this should be, in view of the fact that the products of Western farms are marketed almost entirely in Europe, heavy exports going to Germany as well as to the Entente Powers.

Result of Recent Convention.

"The West relies upon domestic reforms and revitalized industry rather than upon tariffs and economic agreements for permanent prosperity. Just what it demands is seen from a glance at the programme drawn up and adopted by the Liberal party at its recent convention held in the city of Winnipeg. The delegates—some eight hundred in number—demanded an immediate, material reduction in the tariff on all British goods; and free trade between the United States and Canada in all foodstuffs and articles in general use on the farm, especially agricultural machinery. The convention favored a federal income tax and a heavily graduated federal inheritance tax. It demanded that the government take over immediately, and operate in the interests of the people, all the railways, telegraph and express companies in the country. The delegates voted in favor of placing all the natural resources of the prairie provinces, now under federal control, in the hands of the various provincial governments, to the end that these might be developed and used in meeting interest and principal upon the war debt. It was insisted, further, that the banking system of the nation be revised in such a way that agricultural credit might be made available to meet the needs of farmers everywhere. It was demanded that combines in restraint of trade be broken up; and that the cold storage plants of the country be placed under public ownership and operation.