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Great War Veterans Demand Conscription of Wealth

"A RICH MAN'S WAR," MAINLY,
"POOR MAN'S FIGHT."

(We herewith reproduce in full the G.W.V.A. declaration on the "Conscription of Wealth." We are perfectly in agreement with the main provisions of this policy, so far as applied to finance. The awakening we anticipated in the minds of the returned soldiers is maturing at a rapid pace, and if the advance becomes accelerated, we may look for a rapid increase in contributors to the Socialist philosophy.)

This is a war that was ordered by rich men and old men and has been fought mainly by young men and poor men. To-day the rich men and the old men live in terror lest they may be made to pay the heavy price in hoarded treasure which this war has cost. In the ultimate it is the love of power and greed of money that has brought the world to this pass. The desire in every country of one class to dominate over the life of all other classes passed into the ambition of the most materialistic of all European communities to exercise domination over all its rivals. We, the peoples of the allied democracies, will yet be able to thwart this ambition, but it is still an undetermined question whether a limited class in each country may not be left with complete economic power over the destinies of the mass of their fellow citizens. Sooner or later the testing time is bound to come, whether the allied states will emerge as real democracies or as financial oligarchies camouflaged as democracies. To which of the two ideals the Union Government gives its allegiance, will largely depend upon their attitude towards the problem of future taxation.

Already our debt has passed the billion dollar mark and every year that the war lasts must see an addition of at least four hundred million dollars. We have great natural resources, though their volume is often exaggerated by enthusiasts, but we have only a scanty population to develop them and the necessary capital may not be forthcoming after the war in limitless quantities. It is all very well to be comforted with assurances that Germany is piling up an even greater load of indebtedness than any of the allied democracies, but it is a poor consolation and will not lighten our own future burdens, especially as indemnities are probably now out of the question. Herefore, despite the excess profits tax and the modest income tax lately inaugurated, our government has insisted on providing the main sinews of war by loans instead of taxation, and great play has been made of the success of their various loans.

Ever since the war began there has been a bitter argument between two financial schools, one of which urges the attempt to pay our debts by taxation, while the other advocates the continuance of the system of bonds and loans. The argument in favor of financing the war largely by loans is based on the idea that thereby we take part of the burden of taxation off the present, and put it on future generations. Such might be the case if many of our bonds were sold abroad, but almost all of them have been sold within our own boundaries. The result is that the loans mean taking the same amount of money at the same date, mainly from the same pockets, by compelling the same economies as would have been the case if heavier taxes had been levied. The process of paying the loans will consist of taking from the Canadian people as tax payers the same amount that must be paid in that year to the Canadian people as bond holders. What the loans do accomplish is to give the richer individuals of the community the opportunity of being the receivers of other people's taxes. Since the life and business of the present day is in any case shouldering the burden of providing the funds for the war, it is surely the fairer course to find as much money as possible by taxes rather than by loans, unless we think it a fair deal that those who are now able to take few or no bonds shall be loaded in the years to come with taxes payable not to those who took just their proper share, but to those who had surplus wealth to take an exceedingly large share.

ENRICHING PROFITEERS.

What this process also means is that because our wealthy classes, in so far as they are spending less than their income, prefer to get richer by the war instead of poorer, the government and the people of Canada are really paying for the war twice over, once directly to the soldiers, officials, contractors and munitioneers, and a second time in the annual interest and sinking fund, which will have to be paid on loans that might well have been to a large extent taxes. Loans at a high rate of interest are bad national economy, and in reality bear very heavily upon the producers and workers of the country. We are, however, unhappily aware that there is a large and contemptible class of people in Canada who are extremely anxious to add to their personal fortunes by the war, or who, as some patriots have shamelessly announced, will be heroically content to see no diminution of their hoards.

Some of the more reactionary members of the Government have been at pains to deny any intention

of conscripting wealth, but most of the advertisements and incentives to buy bonds are based upon the plea that the loans were guaranteed by the right of the Canadian State to all the income and all the property of every citizen within its bounds. "Your loans," they said in fact, "must be safe with the Government since the State has the power to draw upon all the resources of the nation for their repayment." The lesson is obvious that if loans are only safe by reason of the ability to conscript wealth, the conscription of wealth must become a necessity if the loans reach the point where ordinary taxation cannot repay them. Sir Thomas White, on the one hand, has assured investors that their loans are safe because the State has the power of conscripting wealth, and simultaneously has assured the financiers that he has no intention of conscripting wealth. The conclusion to be drawn from this is that the Government will not conscript wealth—until it is compelled to do so.

There must be an end of this miserable alliance of patriotism and business, this confusion of public with financial policy. The war is a necessary war and a popular war, and the Canadian people pledged themselves on December 17th to see it through. The people have the will, the Government has the power to commandeer all the financial resources necessary to the efficient prosecution of the war. The money which we have lately raised will soon be exhausted. There has, be it noted, never been any declaration as to what percentage of each loan consists of conversions from the previous loan. But, be that as it may, the voluntary system in finance will in the long run as surely fail as in the shorter run it failed in the military field, and to recognize that it is already beginning to fail is the first duty of our finance minister.

CONSCRIPTION INEVITABLE.

Conscription of wealth in some form being inevitable, we are confronted with the alternative of a heavy increase in taxation or a levy on capital. The very prospect of the latter idea will cause a shudder in many plutocratic bosoms, but it has no terrors for Mr. Bonar Law, the British Chancellor of the Exchequer, who recently declared as his considered opinion that it must be regarded as a possible contingency in Britain. When the war is ended our taxpayers will be called upon to find for the annual charge of the country and the payment of interest on the debt, no less a sum than three hundred million dollars per annum. A large proportion of this money, at least one-third, will go towards keeping in idleness a numerous section of the community who otherwise would be compelled to work and add to the general wealth. The tariff offers no hope of heavier revenues, and a heavy income tax seems

(Continued on page Two)

LIBERAL VICTORY IN MONTREAL CITY ELECTION CAUSES WILD DISORDER.

Jacobs Hailed as Protector of the
Red Light District by Large
Crowd Who Demand a New
Election.

Socialist Growth is Shaking the Old
Order in Montreal.

Jacobs, Lib. 2,000
Buhay, Socialist 1,400

Stormy scenes took place on the announcement being made that Jacobs had been elected in opposition to Buhay the Socialist candidate for St. Louis Ward. A crowd of 5,000 pelted him with mud and missiles, the appeal of the Socialist speakers saving him from serious bodily injury. The crowd were deeply incensed at the manner in which Jacobs' campaign had been carried through, claiming that he was elected by "Dead men and repeaters' votes.

His main support, apparently, had come from the red light district. The windows of the Canadian Eagle were smashed in. The crowd then paraded the streets, demanding a new election, and cheering for Michael Buhay and Socialism. Buhay was then carried shoulder-high through St. Catharines street to St. Denis. It was the most remarkable demonstration ever witnessed in Montreal.

The growth of Socialist sentiment is causing deep concern to the radical machine. (No distinction being made between the Radical machine and the Tory machine so far as methods are concerned.) Two years ago Shubert, Socialist, polled 185 votes, no wonder the rapid increase is causing a flutter in the Capitalist camp. Socialism has indeed become a menace, particularly in the St. Louis Ward. Rebecca Buhay, the sister of the candidate, sends a letter of thanks to the National Headquarters, expressing thanks for their generous financial assistance. Many prominent Socialist speakers, including Assemblyman Waldman, of New York, and James Simpson, of Toronto, addressed the electors. This is the time every worker should fall into line. The tide is with us.

Old Age Pensions.

(Hon. Thomas White, M.P., Minister of Finance.)

While it is a tribute to the humanitarian instincts and kindly hearts of all the members of the House that theoretically they feel kindly disposed towards an old age pension scheme, they do not hesitate to say to me—that any such legislation now would be decidedly in advance of public opinion and consequently unwarranted.

I have advanced the argument in regard to public opinion and the fact that in my view this kind of legislation is premature. But the financial side cannot be lost sight of by that 75 or 80 per cent. of the people, who I say, are not keenly interested in the matter.