AGRICULTURAL PRODUCTION

IMMIGRATION

MORTGAGE AND BANK LOANS

AFTER THE WAR

INDUSTRIAL EXPANSION

SETTLEMENT OF RETURNING SOLDIERS

A Study of Conditions

By J. H. MENZIES, F. C. A.,
WINNIPEG

PART ONE.

AGRICULTURAL PRODUCTION.

The chief aim before this country should be to increase its production in all ways, to which it is constrained by the ever-increasing debt due to its natural growth. Agricultural production may best be attained in the three prairie provinces where land is as easy of tillage as can possibly be anywhere. Their staple product—wheat, in unlimited quantity, like gold, is readily saleable abroad at market prices according to the world supply, unlike less staple products that are subject to local fluctuating demand and price.

Distance from the seaboard absorbs a large proportion of the selling price of wheat, a drawback that can be remedied only by growing it in large fields not far from railways, with the most scientific labor-saving methods: the greater the quantity grown the lower should become its cost and the cost per bushel of transport to the seaboard. Still, the distance of the West from the seaboard places wheat-growing here at a disadvantage, while the necessarily heavy cost of transport is not lightened by the extension of railways throughout the country far in advance of any agricultural production, which causes high rates of freight and for the time being, over-capitalisation.

Conditions in Canada indicate an absolute necessity for greater agricultural production and an increase of exports, of wheat chiefly, that would restore and preserve to the country a sound economic equilibrium. From the national point of view mixed farming and the supply of the home-market with foodstuffs is of quite secondary importance; and the cultivation of small holdings of a few acres, market gardens, and the like, should be considered but as initiatory to the main business of the country—the growing of grain, for which the extensive level prairies are in general most suitable. Every such small holding and small farm should lead naturally by its success to a larger and then still larger

holding until the acme is attained of a profitable grain or stock farm. On these treeless sometimes arid prairies grain-growing is the very topmost of agriculture attainable, and in general all other forms of farming should have this fufilment in view and lead to it.

Evidently the best results in farming accrue only to those most efficient who have sufficient capital. Wheat growing on a large scale is properly a commercial business, but general farming is not a vocation where much commercial profit can be expected though the successful farmer become more of a business man every year. He then uses more machinery, cultivates more intensely, produces better crops, raises better stock, erects better buildings, and withal gradually makes his home-life and its surroundings more comfortable and attractive.

As everything must have a small beginning, so wheat-growing, to be successful, must seemingly begin on a small scale. We should therefore set about increasing our agricultural production by small degrees on small holdings. Any hard worker with some degree of knowledge and skill can usually make a living by such small farming, and amid many agreeable circumstances. The unskilled may learn and will go on learning and improving in skill; and beginning in this way good results will surely in the end be obtained, his natural capacity developing and with it self-respect and character on which his ultimate success will depend. The results of his unskilled farming may at first be disappointing, but if he persist, intelligently industrious, cultivating as intensely as he can, he will do well.

Small towns with small local industries founded on great distance from any city or some natural advantage of the neighborhood, intermingled in a proportionate number among the farms, will grow up naturally. The farmers' sons and daughters, as their outlook on life widens, will look for other opportunities of getting a living than working on the farm, even though with a view to themselves becoming farmers

and farmers' wives. They will be attracted to the near-by villages, and gathering there in increasing numbers, with some help from their relatives and their custom, they will soon build up larger country towns, making of them agreeable places of residence and resort for the country-side, enlivened by churches and institutions for instruction, and places of recreation and amusement and social intercourse.

To promote local industries, intermingling towns everywhere among the farms, introducing farmers to town life, with as many of its amenities and conveniences as possible,—to do this would be to relieve farm life from its solitary tedium, for the young folk especially, and engage them to stay there; which appears to be the only way to get our vacant lands taken up and put to use, and our agricultural productiveness increased. The solitariness of farm life in the vast stretches of the West ranges the very nature of man against it; few young men even in the East brought up on farms take to it there where farms are closer together, and fewer still will do so here under present conditions.

A sufficient home market would be found in these towns and villages with their local industries intermingled among the farms and wheat lands; all whose population should, however, bear but an average proportion to the number of working agricultural producers in the country thereabout; for any excess over a due proportion would likely entail the evils of land speculation, extravagance, idleness, and waste resulting in unemployment. Where there is a surplus population there will always be unemployment.

But the trade and credit of the country towns in the West is threatened seriously by distant mail-order houses. These spoil the business of the town shopkeepers, and if they become unable to pay their taxes, their ruin and the ruin of municipal credit will follow, unless the loyalty of the farming community to its own neighborhood, and the traders within it, be effectually

aroused, or other means be found through co-operative buying and economy of expense in selling and of waste to compete successfully with the mail-order houses.

Not any sort of factory or large manufacturing system is desirable or feasible in the prairie provinces, with their long severe winters, the high cost of fuel, and other hindrances to comfort. One or two large cities here and there are sufficient as centres for distributing and financial purposes; and when there arises a surplus urban population anywhere that denotes economic disorder. In a sound economic condition there could be no surplus on the land, and if through an unsound condition one arise in the towns and cities, the excess population should be persuaded to go on the land in some capacity for a time, at any rate, if they must remain in the West. Any surplus town population whatever, as it grows, should by some means at once be distributed over the rural districts. The employing upon the prairies of all likely farming people now in the towns and cities is what is wanted. Our great need is more agricultural production—not an access to the town populations of unproductive lookers-on and consumers.

Efforts to establish men without farm experience on land are usually not successful; for farmers, like poets, are born, not made. It is an industry requiring an innate aptitude besides intelligent training. The difficulties in the way of a beginner are great, and sooner or later he is likely to drift into other occupations. Having learnt the rudiments of farming—to hitch up and drive, to stable and feed horses and cattle, to handle a plough and milk a cow, he must spend months at hard labor in breaking the prairie, or sometimes years, in clearing the land. In all which, however, the agricultural schools now in operation in the western provinces may be most useful guides. But always there is the fatal want of capital to begin with, and assistance must be given the beginner. Settlers must be carried over the early period of non-production,

and supplied somehow with pigs and cows, a cowshed for the winter and other necessary buildings and fences.

They should be dissuaded, especially those with families, from settling in districts remote from railways, far from markets, and without any prospect of organized society. A scant rural population is a cause of unsteady values, while great distances cause high rates of interest on mortgages and other loans. And after all his toil and hardship the farmer is among the least of the beneficiaries from the crop. It is the country at large that benefits most; the crop is a source of wealth to the country as a whole, an ever-increasing production being indispensable to its continued prosperity.

Only small farms are to be recommended for beginners. They, of course, indicate small capital, which requires the manual labor of the farmer, while large farms indicate a capital that enables the farmer to employ others to do the manual work for him. More financial assistance naturally is required by the small farmer than the large one. Large or even medium sized farms therefore, are not be thought of for beginners.

But, says the Report of the President of the British Board of Agriculture: "Ownership of small holdings has proved a delusion, even when the time for repayment has extended over 80 years." At Catskill, in Worcestershire, it is instanced, out of 27 original purchasers of small holdings 20 years ago only 14 are still there.

There may be too little control over the small holder; he is likely to cultivate less well, while such ownership has led in England to speculation and final absorption of the holdings by larger farmers. This probably is what happened at Catskill, and is to be averted here if the small holdings are to be regarded, as they should, as permanent schools and stepping stones to larger ones; whereas if they become subjects of speculation they will tend to arrest the desired pro-

gress in farming upward instead of being introductory to large holdings, as poultry keeping with a cow and a pig lead up to stock raising.

Domestic kitchen gardens might be commended were it not that if all householders grew their own vegetables there would be an end to market gardening as a business; even without this competition the market afforded by nearby cities is too limited. But this business is more valuable to the country as a first step in farming than any skill apart from the saving the housekeeper can gain in supplying his own kitchen.

IMMIGRATION.

In the three prairie provinces are 214 million acres of possible farm land unoccupied, the occupied area being 58 million acres; and so the problem before us is to increase our agricultural population four or five fold, that this vast national resource now lying idle may be put to its proper use. And in so filling the land with agricultural settlers we should gradually establish towns and cities sufficiently populous intermingled with the farms to make a market for them, the two communities being intimately related and interdependent. It is a paramount need of the country to get many more people to apply themselves to farming, that its agricultural production may be increased. The number of our producers must somehow be increased as well as the quantity of their products. But from whence are these producers to come?

We have become so intimately connected with Great Britain in the war that we naturally turn towards her first in our need. But no immigration on a large scale need be looked for from there. The British Government, adopting the final recommendation of an appointed departmental committee, intend for the avowed purpose of keeping their own people at home to establish throughout the country State Colonies, each of about 1,000 acres, on each of which will be a large

central farm, where men who have had no practical experience on the land before will be taken on and taught. The rest of the thousand acres is to be divided into (1) small holdings 112 in number of about five acres each intended for fruit raising and market gardening, and (2) larger holdings, of about 28 acres each for dairying and 30 or 35 acres for mixed farming.

The object of these agricultural settlements is to encourage a new class of agriculturists to rise from the position of small holders or even farm laborers to that of large farmers. The holders will be tenants of the State, not freeholders, and will be endowed with a tenant right that it is thought may prove (as tenant right has in Ireland) more valuable than a freehold. So evidently Great Britain does not intend to part, if she can help it, with any that is left of the brawn and muscle of the nation: she will certainly not assist emigration or pay even the fare of her ex-service men to the Colonies, although she will give those who have fought for the Empire the utmost freedom of choice in migrating within it. But to expect that the British Government will join with the Canadian in expatriating the stalwart yeomanry of the old country, who in various ways have fought her war out, in order to fill the vacant lands of Canada is to mistake greatly. The British Government have engaged in this plan of settling these very men on the soil of Britain, and have endowed it well with funds, for the avowed purpose of saving British men to their own country by preventing their emigrating.

The introduction on a wholesale scale of beginners to farming is not practicable. This can be done only little by little, they being gradually added to the ranks of farmers as farming shall attract them. To propose to induce a multitude of town-bred people all at once to go on the land is futile. None are yearning for farm life; it is the farms that are awaiting men. The truth is evident that farming attracts very few even of those

brought up to it, and fewer still of others. The hard work—the back always bent—repels all alike, and this repulsion can never be overcome until the attraction of a more agreeable—a more human and sociable life in the country than in the crowded city, is offered, with the added prospect of certainly acquiring property for themselves while earning a fair living wage for their labor.

Nor can we expect any large immigration even from the devastated agricultural districts of Europe. Every country there except the northern and southern neutrals and Italy have forbidden emigration during the war, and they are not likely to reverse this policy immediately after the war. So with the belligerents on both sides. They will want all the men available to restore their ruined industries, though ex-soldiers from all parts, upset in their old industrial habits and made restless by the war, might emigrate if they were permitted. The only likely emigration would be of the farming classes from Poland, Galicia, and Eastern Europe, but such a movement of numbers would be impossible for them to finance yet awhile; there will be no shipping available to transport them for many months to come; and then, supposing this difficulty overcome, the supporting of such numbers of impoverished beginners on our lands for the first few years would add an additional strain to our resources not to be thought of.

We turn then to our nearby neighbors to whom our country is so easy of access. We must perhaps welcome the immigration into the West of the farming class from any part of the world; but only on the condition that British institutions shall prevail. We must guard against foreign political influences with unusual care at present to ensure that the supreme government over all shall hereafter remain in British hands. The West must remain British above all.

Canada has loyally taken her part in the war; and the sacrifices she has made for the mother-country—the tie of blood shed in a common cause has so closely inter-

woven the life of Canada with that of Britain that a stream of immigrants from the States—of the Western farmers who would emigrate, to whom the world-war we shall have been engaged in in the cause of humanity and civilisation has less meaning than their American-Mexican hostilities, — an influx of such immigrants could not but put a continual strain on the tie that binds us within the Empire. For the sake of our dead, for the cause they, and the living, fought for, all our part of North America must at any cost remain British in aims and aspiration, as well as politically.

But immigration from the States on any large scale is unlikely. Our participation in the war—the fear of conscription and the certainty of heavy taxation to come, will deter American emigrants until the war is over and its effects here can be seen plainly. And then other unfavorable conditions may arise in connexion with the preserving our natural resources for the use of the Empire and the needs of our returning soldiers.

FARM LOANS.

We have had lean years in the West; the statisticians tell us that wheat-growing is in general but poorly recompensed here, the profit in an ordinary year being but some $2 an acre over the cost of growing. And so on this result, without taking into account the compensations in offset there must have been in other branches of farming, a demand has arisen for cheaper money and rural credits for the distressed farmer, cheaper money meaning here a lower rate of interest—a saving that could not possibly exceed two or three cents a bushel on the product of wheat per unit area.

To this of rural credits I shall come presently, but as to cheaper money being needed, surely there is no maintaining the cogency of the demand now in view of the almost double crop reaped last year, whose abundant yield not only enriched greatly the farming interest but also set the trade of the whole country going

again after two years' stagnation. All that seems to be really necessary to the farmer are more elastic bank credits each year to enable him to market his grain and live stock only when he sees fit, within reason, a freedom that would maintain prices for him better. His crops are subject to partial failure from drought and frost, which might often be prevented; at any rate more intense and scientific cultivation would generally increase the value of a crop to a far greater amount than any saving he could effect by cheaper rates for money, doing for him regularly what in the providence of nature has been done for him this once it may be to show him what more he might do if he tried, a lesson to be usefully taken to heart in the present year of but a three-fourths crop—a short crop that is however worth in money to the grower two ordinary crops. It has cost little more than one to grow but because the crop of wheat is short elsewhere its price here, where there is no shortage but a surplus to export, has risen on the portion for domestic use as well as that for export, so that our bread costs us double its proper price. Surely in view of this, consumers can scarcely be asked to contribute a further sum out of their over-strained earnings in order that wheat growers may be enabled to borrow money at less than its market value.

The U.S. Congress has adopted a plan to supply farmers there (who sometimes pay double our rates) with cheaper money through federal land banks, twelve of which are to be established and supplied with capital in the first place by federal deposits, which will afterwards be replaced by issues of debentures and subscriptions of capital stock by the borrowers (seven and a half per cent. being contributed out of every loan made), each land bank being authorised to issue debentures to the total amount of 10 million dollars. So that 120 millions in all will be lent, 111 millions being borrowed from the public and 9 millions being deducted, to supply the land bank capital, from the loans made to borrowing farmers. The land banks are per-

mitted to charge borrowers one per cent. more for interest than they pay the bond-holders, this latter rate depending on the state of the money market and the basis of sound and successful farming, as of any other price to be paid for such advances.

But we cannot safely bonus farming even in this indirect way. Under the plan, farmers in the States are indiscriminately given the use of government money, which nursing them in effect denies the only industry,—self help and exertion, and eliminates the need of strenuous individual effort. It substitutes state paternalism for individualism, and so is undemocratic in principle, while by such free use of government money and credit at a rate of interest below the market rate there can be no effectual check on the inflation of land values, an effect that may easily increase the cost of agricultural production to a greater extent than any saving likely to be made through cheap money.

Cheap money should not be given by Government to any class at the expense of the rest of the community, unless it be perhaps to beginners at farming with a view to an expansion of the wheat growing industry. If an established farmer cannot make his way without such assistance it is likely from insufficiency of capital or lack of skill and steady industry, and others should not be required to supply his deficiencies with earnings of their own that may easily prove but a further detriment to him in saving him from constantly exercising a personal exertion. There is an abjectness too in receiving doles as loans, not favorable to any sustained effort to repay them.

At any rate, private capital could in general undertake the farm-mortgage business better than a government department. What may be expected if Government undertake the business may be guessd from the results of the government seed and grain distribution of 1914. Out of 13 or 14 million dollars advanced in what was thought to be an unavoidable emergency

that year, but one-seventh of the amount has been repaid, although the crop for which the advances were made proved in general to be an enormous one.

The American loan plan mentioned above is it would seem one to aid only well-to-do farmers, for loans are permitted only to the amount of fifty per cent. of the value; and therefore a borrower must possess at least as much again as the amount of the loan. But we in Canada have to provide for the needs of beginners in farming without capital.

With respect to these, farming in Canada is in much the same condition as were the United States deep-sea fisheries in the early part of the last century. For, as we have a natural resource in farming so the sea-going populations of the eastern coast of the States had a natural aptitude for deep sea-fishing, which unaided they were not rich enough to avail themselves of. Therefore Congress, regarding the fisheries as an asset of great value not only to the eastern states but also to the whole country by serving as a nursery for the mercantile marine and the Navy, aided them by bounties, which had a most beneficial effect. But the bounties were not a general grant to the fishery industry payable to the shipowners, but were payable as individually to the seamen, taking the form of so much ($14) per man for the season—seemingly a small thing but it was enough to hearten the men, and it at once gave the needed stimulus to the industry, setting a premium on both individual effort and local enterprise. The industry therefore so flourished as to grow into a national one, supplying too both the mercantile marine and the Navy with much desired American-born seamen. But afterwards, during the political unrest before the civil war, the bounties were repealed: the fisheries then decayed; the merchant marine declined, the American-born sailors giving way to the flotsam and jetsam of the world; and in consequence the Navy could not be manned.

While in the case of the established farmer there

is not much need for any such assistance as Government loans; yet the giving of aid of some sort to beginners may be important to the country's future. Perhaps our greatest latent resource, the land, cannot be brought into a wider use without a stimulus similar to that given the U.S. fisheries in the like case.

MORTGAGE AND BANK LOANS.

The farming industry is placed at a disadvantage by the method of making farm mortgage loans repayable within 5 years or so—a rate of repayment quite impossible to be met from the proper source of repayment—farming profits. The effort to repay a loan at that rate if it were ever made by a beginner would leave insufficient means to carry on the business, resulting in general impoverishment and neglect, defective and poor tillage, and inadequate fencing. Certainly in practice the loans are renewable, but the feeling that a debt need not be paid at maturity is a laxity permissible only to one who farms on commercial principles. A beginner at farming cannot safely be so indulged any more than can a small borrower from a bank.

The plan of quick repayment seems to have been imitated from the States, where the large moneyed interests adopted it in trust and loan companies as a way to invest money in farm mortgages at high rates that they could easily obtain at low rates in Great Britain, or from the domestic savings of the country. But the plan has the defect that under it the terms of the loan have in the case of a non-commercial farmer little regard and bear no relation to the ability of the borrower to repay it. It ignores the reality of the situation—the human element in it, putting the transaction solely on a commercial footing, which takes little account of the man-power concerned that by its moral energy in making a homestead can give real value to the security. Therefore in this case when the stipulated repayments of a loan are each too large in amount the

debtor feeling the impossibility of making such payments is likely to attempt nothing, the dead-weight of the mortgage, never reduced, lying heavily on him. Such slackness in meeting his obligations is often the reason why the credit of the uncommercial farmer is low and high interest rates are charged him; whereas if the set payments were according to his means of repaying they would most likely be met promptly.

A mortgage loan does not differ in character from a bank loan. If a bank credit given to a merchant be general it is expected that it will be repaid out of his general profits: if it be a special advance the banker looks for repayment when the transaction it was advanced for is liquidated. A general banking credit to a merchant has its parallel in a mortgage loan made to a commercial wheat-grower or stock-breeder by a loan company or agency; the wheat-grower, the stock-breeder, the merchant, the trader in lands or buildings, are all in one class whether they borrow from a loan company or a bank; but the housekeeper who builds for his own occupancy and the non-commercial farmer whose homestead is the centre of his activities are in another.

It is the business of the existing loan companies and agencies to supply the wants of commercial wheat-growers and stock-breeders; and so with them I leave the matter; but with respect to the non-commercial farmers I submit it were well if a plan could be introduced under which even the smallest farmer might easily make his due interest payments on a mortgage and with this add something to his permanent investment in his own homestead. A loan to such a one should invariably be made repayable in however small instalments out of the revenue of the farm, just as that to a householder should be out of his income.

In this way as respects these non-commercial farmers, the problem of rural credits would be solved without any revolutionary method that might prove dangerous. Their credit would gradually be established firmly by their acquisition of property. While the

chartered banks would be rendered favorable to advancing to such business-like farmers the money they need from season to season, the farmers themselves would feel assured in the possession of their homesteads while they fulfilled their obligations. So the mortgage loan to an uncommercial farmer would be paid little by little out of the farmer's revenue from the land; and if it ceased to be so repaid then a fair inference would be that perhaps the land was not good security for the value advanced to the borrower.

This is the distinction between the two methods of making mortgage loans—namely, at a set term in the future for commercial purposes and in instalment repayments serially for non-commercial. What is wanted and is to be achieved in the latter case are smaller payments at longer periods. The lenders in both cases have looked for a permanent investment while the homesteading borrowers have not wished to incur a permanent debt—a difference that could be avoided by organising these borrowers to help themselves, not in opposition to but as complementary—each kind in its suitable field—to the present loan, trust, and insurance companies. Amortisation is not suitable to commercial farming or wheat growing where the large farmer or stock-breeder or wheat-grower chooses to keep his surplus in hand as a reserve for extended operations rather than free the homstead from an incumbrance. The farm loan plan of the U.S. Government is an evidence that the method in use in the States and here is unsuitable to many farmers, generally setting the term of repayment at so short a date that there can likely be no means then of repaying.

It is of the first importance to inculcate in borrowers the habit of thrift and self-help. The practice of saving in a family with a view to after-investment in a family-home, when such savings with accumulated interest could be counted in as payments in advance on the home, would help them much; and then if they

be put in the way of getting a loan on easy terms of repayment this would induce to a steady habit of repaying what has been lent them that would tell favorably on their productive power.

In lending a farmer money it should be provided that he have a perceptible interest in repaying the loan. Let him see plainly that while his debts continually diminish by devoting part of his profits to them, every payment he makes, however small, increases his possessions. He then would welcome so easy a way to acquire an ever-increasing equity in his holding: while the provident habit being beneficial to his character would add to the security of the loan.

Savings paid into a chartered bank under a plan I shall mention presently, preparatory to buying land, and equally the repayments of further moneys borrowed to pay for such land—both these, the savings and the repayments punctually made, would go far towards establishing the credit of farmers and so enable them the more easily to obtain any desired seasonal advances on crops or live stock. Even a beginner could get the cost of his necessary implements and live stock financed for him under this plan, while a local branch of a chartered bank might take care of his crops, if it were seen that his financial position was constantly being strengthened by his steadily acquiring a property in his holding.

And further the merging of their savings in the mortgage loan would make the latter a personal matter to the borrower and his wife and family—not a merely commercial obligation as under the method now in use, whose imperative obligation the ordinary farmer does not always comprehend. So that as a matter in which he and his family are vitally concerned the mortgage debt and any temporary bank advance would be paid by the family promptly, notwithstanding any prior lien for taxes, etc., that may be interposed by Government. The repayment of advances therefore would be guaranteed, first by the investment of the family savings and then whenever possible by the intervention of the wife or husband and children of the borrower, so that the

business would become a family affair in whose success all would have an interest. On the other hand, the practice of saving in combination with borrowing nearly eliminates the danger of losses to the mortgagee, so leading to lower rates, while for the borrower, the ever-present consciousness of the continual steady reduction of the mortgage by his savings greatly encourages him to persevere.

What is wanted is a great organization of borrowers that will be able to secure money for their own use from unorganised lenders. Many savings depositors would welcome such an opportunity for investment for their families. And then a working plan is required that will enable this transfer of funds to be effected properly.

This I suggest might be done in the form of a Dominion Loan Association (whose plan I have already published), having provincial branches in the larger cities each managed by three or four selected and appointed and paid local men having an intimate knowledge of local conditions. Their independence however of local influences is essentialy necessary; if the granting of loans were solely in the hands of a body of organised borrowers, as would be the case under a purely co-operative system, it would be impossible for them to obtain money to advance to their members. Lenders must feel assured from the ability and character of a responsible management throughout that the securities taken are valid for the amount advanced. Therefore it is proposed that the local manager of a chartered bank shall be invited to become associated in the management with the paid local men on equal terms.

The Association should it is thought stand side by side with the Bank, each quite independent of the other except for this one tie, an arrangement that might meet the objection one hears of the farming interest to the present rural banking method—that the banks are not local enough: their managers can act only as agents of remote central authorities who cannot possibly know

local needs as purely local men would do at first hand. But these local needs perhaps too often mean advances by the banks on assets unmerchantable or perishable. No doubt however an intimate knowledge of local conditions with a proper control over borrowers is essentially necessary to the management; and in this respect the bank manager will have the advantage of what is to be learned in the management of the loan association.

It is all important too that this management shall be thoroughly competent, with a wide experience and knowledge of values. And a central authority over all the branches is necessary, to pass upon loans proposed after investigation and recommended by the local branch management, as is done in the Canadian bank system.

Advances are to be made only on the security of unencumbered real estate, with any equipment necessary to render it revenue-producing, to the full real value of the property. In the uncertainty of war time the rates must be indeterminate. At present about seven per cent. would be charged; but while this rate might rise bye-and-bye to eight per cent. for new loans if the value of money should rise: on the other hand if it fall sufficiently the association rate would be reduced to six per cent. In any case however the rate chargeable by the Association will cover the expense of management and is never to exceed eight per cent.

Any burden however in paying the high rate will not be felt immediately under this plan, for after obtaining an advance one may still continue to pay at the same rate per month or half-year as he paid into his savings account before borrowing (the set monthly rates are $8, $10, $12, $14, $16 per $1,000). He may on the other hand increase this rate so as to accelerate the liquidation, while afterwards if he should from circumstances find it more convenient he may go back to his original rate or even lower, the number of payments to be made being adjusted accordingly without any change in the rate of interest. And if he have occasion to

exchange his holding for another the loan may follow him, or may be renewed to the original amount to a new owner who then can repay him the amount he has invested. So that in effect a borrower may feel assured that he never need lose his property while he continues to exert himself to keep it.

It is stipulated that all moneys received by the Association, whether before or after borrowing shall be deposited in a chartered bank and paid out only (1) in payment of interest on borrowings, (2) as a small monthly percentage on the total amount lent, for expense, and (3) in exchange for first mortgage securities which the bank will then hold in trust and part with only on payment to it of the amount of the mortgage.

The plan is applicable to village and town property equally with farm lands; but as to working-class residential property and small business premises it will be seen to that borrowers have not been saddled with inflated values. It will be considered however that such property is worth much more to an occupying owner than to a landlord, the security of a personal as distinct from a commercial interest being wanting in the latter case.

PART TWO.

AFTER THE WAR.

This war of aggression by Germany on her neighbors was begun under a pretence of self-defence by plundering Belgium and France of property in iron mines and the like she had long coveted as a help in carrying out her designs on the world-trade of Great Britain and in extending the German Empire into Asia. It is being fought everywhere to secure the route from Berlin to Baghdad, which, it becomes clearer every day, has been the main object of German strategy from the beginning. Its motive was a challenge to the very existence of the British Empire, by Prussian Junkerdom to enlarge its own political power and by the banking and commercial classes for trade—a Pan-Germanism that, instilled as an innocent love of the Fatherland during half a century, had also inspired all Germany with its ideal Kultur, a creed of the supremacy of the animal and unmoral intellectual in human affairs—the growth of the national religion or morality that whatever else it may be is certainly not Christianity.

The war will last until it has been burnt into the heart and brain of Germany that her ideal has failed, and this can come only from the crippling of her armies, followed by the up-rooting of the arrogant power of her leaders, with its insolence and mendacity.

"*Whom the gods would destroy they first make mad.*" The invasion and ravaging of Belgium has been the prime cause of the defeat of Germany. If she had begun by holding France in check and attacking Russia with all her might, England—the determining factor in this great struggle would not have been drawn into the war at the outset; and the ravishing and outrage and robbery committed by Germany would not have been

there to shock the moral sense of mankind and set the whole civilised world against her. She would not then have stood revealed as a monster among nations, furnishing a sufficient reason in this alone for our defensive war and her extinction as a political power by the world she has disgraced, where honour and chivalry still have place even in war. The unspeakable crimes her soldiery have committed against womanhood and childhood in Belgium and France impose the imperative duty on humanity to put it out of her power as far as is humanly possible again to bring on the world her savage warfare, lest her crimes should be repeated. This will not be the last war: we are not fighting to end all war; that can be only when wickedness shall cease on the earth. While there is wrongdoing here, whether in such a brutal form as the German warfare on nations, or in the peaceful form of domestic injustice, fraud, and oppression, war must be waged against it by force of arms in the one case, at whatever private cost in the other, or the world will sink from the care of Providence and be unfit to live in by mankind.

After the German armies have been driven into Germany it will take many months to complete her conquest so as to enable us to enforce the terms of peace we shall impose on Prussian Germany. Her working classes are suffering privation for their support of the military and trading classes in going into the war, and cries are heard from them for peace, but their well-fed Prussian rulers knowing punishment is coming will still fight on. The Prussian is a stubborn people of 40 millions or so (less the number we have been able to kill), an assemblage from all the ruffianism of Europe during the past 250 years grafted on the original Prussian pagan stock that Christian missionaries for centuries could not tame or convert—that are not yet indeed truly Christian; and after we have beaten the German armies back into Germany it will take many months to force them back to Berlin. England for her part also will fight on until victory is attained and the

allied armies occupy Germany. Until this, she will listen to no German-inspired suggestion that the war might with military honour be considered a "draw"; nor will she entertain the idea of resuming any diplomatic intercourse with Germany until reparation has been made and justice satisfied on her criminal leaders. An International Court will be set up by the Allies to try all crimes, apart from breaches of international law, Germany has committed against humanity in her practice of frightfulness in warfare, and the judgments of this tribunal will be executed whether on the nobility, the military chiefs, the General Staff, or the Emperor.

The terms of peace will be dictated to Germany at Berlin. To be merciful then to her would be to condone her crimes—to surrender to mere brute force in human affairs, and to invite a renewal of the war later. But this evil quality in the German mind—an insane mind that has lost the ability even to think the truth—must be driven out lest it contaminate mankind further, and with it will be exterminated the idea of Pan-Germanism fostered there by perverted German professors, and trained to their own purposes by Prussian soldiers and statesmen whose instrument has been the Hohenzollern dynasty. Brutal and inhuman have the military classes been throughout, thinking that from the great strength of Germany they could never be brought to account. But though they may still profess to think so, they know their hour has struck—the final act in the world-tragedy of Germany is at hand — the Hohenzollern dynasty is tottering to its fall: a fall that must inevitably be, as a signal token to Germany of the utter failure of all her people have been living for of late years.

Germany intends to continue the war in the economic field after her final defeat on the field of battle. In the invasion of Belgium and France her soldiery destroyed industrial works and factories and carried off plants with immense quantities of minerals and other

raw material, all which they have been using to make munitions with which to destroy the Belgian and the allied armies and to manufacture goods to sell the Allies after the war. Huge stocks of manufactures and bye-products of war material have now been accumulated in Germany, to be dumped when her ports are open on any country that will permit it; while her military equipment and material and disciplined workers will be used for further manufacturing. But the allied countries will allow no such dumping. On the contrary the present blockade of German trade will be extended to a total exclusion of German goods from the allied countries during the period of reconstruction and the restitution to the Allies of all destroyed raw material and resources, industrial plant, and mercantile shipping: and the purposed dumping will be prevented wholly by concerted action, first to protect Belgian and French manufacturers against the trade competition of Germany until the Belgian and French industries are restored; and then to render the allied countries for all time quite independent of Germany for any raw material and manufactured articles essential to their own economic activities, securing for their own exclusive use the supplies produced by their own countries. Stringent trade regulations will likewise be made against Germany as one of the means of exacting from her as full indemnity as can be for the brutal crimes committed by her barbarian hordes in Belgium and France, Poland and Serbia, and on the high seas.

The Germans pretend to expect that after the war their export trade, two-thirds of which consisted of finished articles of commerce manufactured largely from imported raw material, will be resumed and that they will be admitted to the old trade relations with the British Empire. But besides that we now know that when we admit a bale of German goods in trade we admit also treachery, Germany has committed too many crimes against humanity to be taken back among us of the British Empire; and one of her punishments will be the denying to Germans one and all access to

any part of the Empire until their guilt has been recompensed them. Not for many years will it be safe for a German trader to appear among the British people anywhere—not in Canada at any rate until we shall have forgotten the death of the sons and brothers who have given their lives to stem this tide of German brutality set flowing over the world—not till then will even the basest among us venture openly again to strike hands with a German in trade. And never again will German trade be permitted to exploit British resources and markets at the expense of the British people.

The British Empire must take up the duty that has been laid on her by the Providence that opened the whole world to her, making her its leader in humanity and civilisation,—the duty of imposing the settlement of a drastic peace on Germany that shall punish her, and so extinguish her wicked power as to free the world from its menace. And if after the destruction or capture of the naval arsenals of Germany this full justice is to be done on her for her misuse of power, the terms of peace will include the surrender of the German Navy and of every German merchant ship afloat, as an indemnity in part for the Allies' losses of ships by German piracy and the sowing of the open seas with mines. By the atrocious murder of women and children in this piracy Germany has shewn she is not to be trusted again to roam the seas at will. Every German ship should for the peace of the world be excluded from the seven seas—certainly not a British port anywhere will be open to a German ship, until the German people have atoned and made full reparation for their outrages in Belgium and France, Poland and Serbia, and condign punishment has been inflicted on their Prussian leaders. And this total exclusion of Germany from the sea the British Navy alone can effect, fitly crowning the victory of England over Germany by forcing her to make this reparation and punish the guilty.

After the war financial considerations will ensure inter-trading among the Allies, to which others will not

be admitted. The mother country and its dominions and dependencies will get closer together while the Empire will work in nearer intimacy with the Continental Allies. There will thereafter be a co-ordination of trade among them as well as of defence against Germany. What will be the attitude of the States towards this?

Full victory achieved, civilisation will ostracise Germany for ten years or twenty; the feeling against her will begin to fade only when our children begin to forget the Great War. Conditions in Germany under her punishment will be such that large numbers of malcontent Junkers and of the military and moneyed classes, whose ambitions have betrayed their country into this tragedy, inexorably shut out from the British Empire will make the States their chief resort, where they can pursue their enmity against England. And the States being the most considerable country among the neutrals open to German trade and traders, will doubtless become a chief market and depot for German goods, German factories also being removed there from Germany.

But the war ended, it is to be hoped the true story of the crimes and atrocities committed by the Germans may as it becomes known so turn the hearts of some of the better kind that these will fall away from the cause of Kultur and Militarism, seeing where these and the degenerate professorate of Germany have led them. But Germany at large will regain sanity only as this generation dies out: only then can we hope to get back the old respected Germany—the homely, kindly, peaceable, wise Germany of Kant and Goethe. This first recovery moreover as it spreads among German-Americans also will by dividing the wheat from the chaff weaken the political influence of the latter, who if they do not frankly become American citizens instead of American-Germans will be looked at askance, remain-

ing an irreconcilable faction beside other irreconcilables.

The addition of these defeated Prussians to the present German and other enemies of England in the States will be a constantly disturbing and threatening menace to Canada. Their numbers will give them some political influence and we in common with England shall consequently always have a covert unfriendly attitude on the part of their government to reckon with. The war will be revived on the soil of America now as a trade-war between the two peoples, and be carried into Canada by the "peaceful peneration" of naturalised American citizens, unless we act promptly and vigorously in defence. We must provide that none of the natural resources of Canada shall find their way through that channel to Germany, and that no German manufactures shall come into Canada by the same way. If they do—if in trading with the States we are indirectly trading with Germany, we shall be joining Germany against the European economic alliance so necessary to complete the total defeat of Germany. The Allies' defensive precautionary measures against German trade will indirectly affect the United States at many points of contact, particularly as it touches ocean traffic and freight rates, and is sure to range these two countries together against England as the chief and most accessible of the Allies, and trouble for us in Canada will threaten in continual protests such as that against the British black-list, which list nevertheless will be maintained, and extended, at least for the period of rehabilitation and punishment, to all business agents in the United States dealing in goods of German origin.

What then will likely be our normal relations with the States, the German irreconcilables and others being hostile and the mass of the American people indifferent, with a government that has been notoriously neutral amid outrages and horrors that rendered neutrality ignoble? A wise and resolute attitude must always be

held, unswayed by contrary influences, if we are to hold our own—if we are to retain all our resources for our own use within the British Empire.

NATURAL RESOURCES.

It may be that for the development of some of our latent natural resources American capital is necessary, British capital having failed us; but when we recollect the case years ago of our timber in logs being towed over from Ontario to Michigan to be manufactured into lumber by Amercian labor, we have misgivings as to what would happen now if American capital obtained absolute control of other of our natural resources, as minerals and the like. The remedy applied then however to the injustice was to impose an export duty on the logs, which soon in effect closed the Michigan mills and brought the lumber industry back to Canada; and this or something similar could be resorted to if American capital should gain too much control with us. Such an employment of their capital as with that timber, while using up our resources, is of no benefit (beyond the wages paid here) to Canadian trade, the proceeds of the sale being carried wholly abroad.

Our neighbors have been amassing money by the war but they are using up their natural resources of all kinds. Two-thirds of their timber is gone; their consumpton of foodstuffs has nearly overtaken production, inferior lands being now brought into use increasing the cost of production; more and more for their large industrial populations will the level of subsistence sink, as by reflex action it will for ours also, unless our doors be inexorably shut to their manufactures. Hence their eyes turn toward Canada as a promising field of agriculture and of exploitation to supply the raw material for manufacturing they are running short of.

Already by loans to our federal, provincial, and municipal governments Americans are every day ob-

taining or strengthening a foothold in this country and laying the foundation of more extensive trading with us. In the past two years they have lent us 230 millions of dollars, and, besides, American bankers hold another 100 million in mobilised Canadian Securities as (a quite unnecessary) collateral for British Government bonds, both which accounts are increasing rapidly, while imports of American merchandise of all sorts shew a similar increase.

On the other hand, interest on all loans to us must ultimately be paid by means of our produce. What then would become of the policy of Canada for the Empire if adequate fiscal and economic protection were not taken by England in common with her allies against all neutral nations? In so liberally supplying this money, the value of our undeveloped natural resources, to which they might look for ultimate repayment, has without doubt been kept in view.

Our country everywhere contains many natural resources that for the most part cannot yet be developed by private enterprise owing to the want of sufficient markets abroad for the surplus productions; but in the industrial organization of the resources of the whole Empire—of the raw material especially at the base of all industries that will follow the war, all such natural resources we have will find a most favored market within the Empire. Hence we may reasonably hope for a great extension in the number of our local industries of all sorts in the development of these natural resources now lying dormant.

Further, besides that the natural resources of the Empire will be conserved and developed for the use of the Empire — on a basis it is intended that shall yield workers everywhere a fair and living wage, the inclusion of Canada as part of the Empire in the intended exclusive trade alliance against Germany will open to us also the European markets we so much need for our raw material and other natural products; which liquidation of our hitherto latent resources continued

will gradually furnish the working capital we want, supplied formerly by British loans that have been cut off indefinitely by the war.

There are many natural resources of ours that availed of more fully by us would do much to help our ex-Service men everywhere continually in years to come. In the development of all these, beside the land, Government might assist by way of bounties.

The granting of bounties in any shape to established farmers would be to bonus a business that ought to be able to do without assistance; no guarantee in any shape of a loan on first mortgage is needful if the amount of the loan has been, as it should be, based on the revenue value of the land. Yet assistance to beginners at farming might be allowable if thereby more men could be got to cultivate our vacant lands.

Bounties are right and proper where valuable natural resources lie dormant for lack of working capital; if for instance the country by paying in bounties a dollar per unit for a product which sells for even but a few cents more, an otherwise useless resource is set free and the proceeds of its sale added to the working capital of the country, while employment is given to its workers.

In some form bounties might be granted to any new industry operated to develop a natural resource of the country's besides farming and the bringing into use of our unoccupied lands—where Governments have already acknowledged the principle by bonusing the railways,—if the industry employs British subjects. And additional bounties might be given (at so much per man) where ex-Service men are employed. In this respect Government would in a way take an initiatory place as capitalist; and none but our own countrymen being allowed to engage in such work of development this would ensure that the product were not diverted to the profit of strangers and that a due share went to the workers; while in the case of the ex-Service men, assistance would be given to businesses that could af-

ford them employment in fulfilment of a national obligation.

And I would suggest further that as soon as may be a special heavy import duty might be placed on such manufactured goods as Germany has hitherto sent here. This wherever they are made. For to evade the exclusion of German manufactures under the Allied ban, many factories no doubt will be removed from Germany and established in the United States; and the proposed duty would sufficiently protect our disabled ex-Service men in making and selling similar goods, so punishing the Germans while recompensing some among their victims. And likewise as was done in the case of the timber mentioned above timely measures ought to be taken to ensure that all preparatory or manufacturing processes on our raw material should as far as possible be done in this country. American manufacturers are already opening branch factories here; but in American firms are sometimes German partners, or they have German connexions, and these are not to be allowed, under favor of neutrals, to exploit our raw material and minerals in contravention of the excluding trade agreement among the Allies. Heavy duties may have to be imposed on all such exports from Canada to other than the allied countries, which in their turn will afford us the market facilities we deny the Germans.

The bringing into cultivation of the millions of acres of arable land we have been considering — our most valuable asset, whose produce alone would make of this a very rich country—is a tremendous problem. And over against it another problem confronts us how to provide for the future of our men returning from the Fight for the Empire. Surely the solution of the one problem may be found in the solution of the other. Both will be found at once.

SETTLEMENT OF RETURNING SOLDIERS.

The country will soon be alive with returning soldiers to whom farming with any complementary local industries would be a valuable resource if the men were willing and were fitted for employment in either or both. But it is to be expected that after many months of free life in the open they will not in general be satisfied with their former condition and standard of living. They have tasted of life in its very highest form, fighting for the right, and it will be difficult for them to settle at once into humdrum civil industries.

The unemployed men in our cities and towns have mostly been absorbed by the army, but the returning soldiers will present much the same problem again for solution, though the task will be made easier now by their possessions of pensions. They will usually return to their respective provinces, preferring to remain as close as possible to their old homes.

This carries us into the wider field of the whole Dominion, to all parts of which our soldiers belong. The unoccupied farm land of the prairie provinces has been mentioned here, but Ontario and Quebec together also have 65 million acres of possible farm land unoccupied and British Columbia has 42 million acres. Can our ex-Service men be used to any great extent in increasing the agricultural production of all the provinces? To make provision for the returning soldiers is most important; but the bringing into use of our unoccupied lands is the chief end we must keep in view, to which end this of land for the ex-soldiery is again but subsidiary.

Every man possible who has come from the farm or who is fitted to work on the farm should follow this line of work: but a disabled soldier cannot possibly bear the hardships of homesteading. And they must be given the widest range of choice in place of resi-

dence and in occupation. What do they themselves say of their future?

According to the Canadian Manufacturers' Association statistics, of a total enlistment of 26,311 men to February, 1916, less than six and a half per cent. were of the farmer class—farmers' sons and farm laborers. And more ominous still for our land settlement, a recent government official report is (according to the *Ottawa Journal*) that of the 2,150 soldiers who had then returned to Canada wounded or unfit for service, only two per cent. or about 40 of them, expressed a wish to go on farms, by which we may perceive that it would be a mistake to give them land or land scrip as was done in the like case after the South African War in the vain hope that they would settle on the land. Very few did so then and no more will do so now. They shew the same reluctance to turn to farming. The brilliant lighting of the larger cities, the movement, the life and amusements there, attract them powerfully. They like company and will go with a chum to a city infinitely rather than to their own less lively town. Such a city therefore as Toronto will draw them from all parts of Ontario and in a less degree Winnipeg will draw from the prairie provinces.

It is likely that the occupations that will be found most readily available for some will be small farming and market gardening, where their pensions would enable them to go on in adverse seasons; and for others small local industries of all sorts including shop-keeping and agencies. They should be given a preference in employment; their past services should appeal to all alike—to local business men and to farmers and country people, to support any industries they engage in. We are under an obligation toward our returning soldiers that they who have risked all for us shall be able to live under conditions of personal comfort at least. These men were strenuously urged to sacrifice themselves for their country; therefore the stay-at-homes

so urging them are bound to discharge the moral debt they then incurred.

Industrial as well as agricultural efficiency and preparedness is to be aimed at—the utmost attainable efficiency in agricultural production. These both in the West fall naturally to the Dominion Government which holds the lands and natural resources, but in making provision of these for ex-Service men the intervention of the provincial governments may be necessary, for besides that they have the greater authority locally, the ex-Service men may many of them have to be taught and trained, and all educational matters are within the powers of the provinces.

Only some twenty-five per cent. of them can get employment in light occupations without training; and proper efficient training, thorough and advanced enough to put each man on his feet as an independent skilled or semi-skilled wage-earner, would require but from six months to a year at the outside. Many moreover, it is said of the English soldiers, will be found to possess only the rudiments of education, and elementary training in English and arithmetic must be given them, though our Canadian men will doubtless be found far more advanced than that. But also, speaking of the general vocational re-education of disabled soldiers, the report of the Nova Scotia Government, summarised by Mr. F. W. Sexton, says — "Many will have their physical or mental powers impaired to such an extent by grievous wounds, shock, or disease, that they will not be able to sustain themselves at the standard existing in Canada."

Technical schools in towns where hospitals for convalescent soldiers are established are to be utilised in connexion with the hospitals as a means of training men for work. Beside the theoretical training actual shop work will be given for some trades. Then there ought to be show-rooms or shops established for the display and sale of goods made by the men, and these should

make it known, to attract customers, that their workpeople are either disabled soldiers or their dependants.

Work, though not heavy mechanical work, would certainly be the best regenerator and fortifier of body and mind, but Mr. W. M. Dobell of the Canadian Commission in his Report states—"The shock given to the system is not fully realised until a man begins to try to work," and it may then be found (according to Sir W. Osler) that the nerves are quite gone. The percentage, however of cases who suffer from trying to work too soon, continues Mr. Dobell, is very much smaller than of those whose working capacity has permanently deteriorated through the enervating influence of a long period of idleness; and he notes a pronounced disinclination on the part of the men to prepare themselves for serious and permanent employment. It is reported further that in France in order to obtain 350 students for about 50 re-educational establishments, not less than 2,000 wounded men had to be interviewed: only seventeen per cent. of the disabled soldiers were willing to take vocational training.

Convalescent homes cannot be made too comfortable, but the men will there see a standard of living different from what they will probably be able to maintain afterwards and they may then feel the change keenly. They should be kept there at any rate until they have thoroughly recovered their tone. Perhaps there had better be but one or two regular soldiers' homes for the totally disabled lest if they be too easy of access some who could work a little at something would choose to become inmates rather than exert themselves. And anything that would tend to put the ex-Service men permanently into a special privileged class apart had better be avoided. They have been living of late a larger nobler life than usual, rising often in their freedom from care to very near the sky line, where we can reach but for moments; but this being over they must stay among us on the earth again to gain a livelihood, and they should intermingle with all classes, taking part in the general life about them, assured

of getting a living at least and made safe from any savage competition of trade, through the conscience and kindly interest of the community.

There are already provincial Soldiers' Aid Commissions which should be made permanent Soldiers' Trust Commissions to look after their interests, finance for them, and supervise their home-making. No plan for this however should be adopted unless it provide for their settlement for the whole future as far as humanity possible; settled secure homes, with a plot of ground where they could produce by their own labor part at any rate of their necessary household supplies, would do much to help them in years to come.

The seeming prosperity of the towns the past spring and summer has been due in great part to war munition earnings in the East, and in the West to the spending by the farmers of the proceeds of the last season's great crop, together with the distribution of pay and Patriotic Fund money, among the wives and families of the soldiers. When such payments cease at the close of the war, before any genuine prosperity can begin again to flow, a great depression will set in. The wheels of commerce now going at such a pace everywhere, will suddenly stop. In Great Britain, it is stated, over a million of men will be thrown out of employment within a few months following the declaration of peace, and as many more in the States and Canada. The men now under arms returning to England and Canada will also swell the ranks of the unemployed.

An unusually great prostration of industry will mark this depression, due to exhaustion caused by the waste of lives and property during the war, dear money, and heavy taxation. So severe most likely will be the financial pressure that saving in every possible way must be the rule in business; one man will often be required to do the work of two. What then will become of an ex-Service man unfit to do a fair day's work beside one fully fit? Will sentiment survive and suf-

fice to keep the unfit fully employed if the employer is losing money by giving work to him instead of to another who would do it better at the same wage?

Where are suitable employments to be found for our re-educated ex-Service men in workshops or otherwise amid the fierce competition that will emerge again as work becomes scarce? Business men and manufacturers in general must if they are to stay in business be governed by business considerations rather than by sentiment, paying a rate of wages less than the average where the efficiency is less—if employment is given at all. Here as well as where total or partial disablement prevents a promise of re-employment being kept, the Pension Fund alone can avail.

Whenever possible they had better return to their old employments rather than be compelled to seek new work elsewhere, which cannot be quite the same to them. Some, no doubt, will prefer to go back among their own people, and every municipality should be assiduous to take care of its own men. These will not then crowd the large cities and towns, a charge on their Patriotic Funds, vainly competing for employment with the more numerous workers of the place; but can far more easily find employment among their own people in local industries—unless these are spoiled by a continuation of the business of distant mail-order houses with the farmers' wives of the neighborhood.

And what of the remote future? Our promises when these men enlisted must be honored. They will have proved themselves to be of our very best. They have worthily taken the part Canada owes to the Empire in this hour of the supreme test as to whether it is fit to discharge the duty assigned it of leading the world in civilization, instructing and insisting on the practice of the great principles of justice and freedom. A warning was given of the great test to come, in the Boer War when also Canada did its part, but the test itself has come only within these few weeks in Northern France, where chiefly it is being tried whether the Bri-

tish race—called suddenly to arms from civil employments and idleness often ignoble and unworthy—whether they still have in them the courage and steadfastness requisite in leaders of the world. And they, most of them but a year ago engaged in shops and factories, have sprung to battle with a stubborn brutal people organised during half a century for a war of conquest—the greatest military power earth has ever seen—and have overcome it. And these returning soldiers of ours have taken a foremost place in the ranks of those conquerors, and shewn that they are as fit as those of the mother country to wield the sceptre.

Though disabled these men will not like to be nursed for the rest of their lives—if they had been of that kind they would not have enlisted at all. Yet they are to be regarded always with affection and the deepest interest as if they were children, to be cared for despite of any seeming waywardness on their part with the utmost solicitude until the end shall come. If the end of the war could be also the end of their disabilities these might be bearable, but the burden of them will become heavier as age comes on—maimed in body for the duration of life, shattered in nerve, almost boys in years to begin with but growing older and older with this dreadful clog to the flesh, amid a pushing world growing colder every year to their merits, while they every year feel the impairment of their powers more and more!

This is the time, before we begin to grow cold, to provide with heart and soul for their future, that it may be made as comfortable and secure as possible for them with their wasted bodies, and that we may escape any blame in the eyes of posterity of using them to the utmost in our hour of need and abandoning them when that hour had passed. A great variety of employment side by side with farming is desirable for them. Practical work out of doors in and about the development of some natural resource would be most congenial to

them living of late in the open air, to whom the confinement of indoor work must be most irksome.

When at the close of the war the demand for munitions and war supplies ceases we shall have much manufacturing plant of a high order and many skilled workmen available who will be idle also if other work cannot be found for them. The labor of our ex-Service men could be utilised almost anywhere in any such new industries, where if suitable with good management the cost should soon be covered by their products.

An inspection of the cheap goods made by Germans and Austrians for the native markets in Africa, Morocco, South America, the Oriental and other markets, collected by the British Board of Trade and now exhibiting in our larger Eastern cities, reveals an amazing variety of trash made in imitation of English wares, worthless for use yet foisted on the ignorant natives, who likely have never seen anything better, mostly at the price of a few cents which yet is said to have yielded to the Teutonic traders a great profit in the aggregate.

By such frauds on inexperience has German trade been built up and a national working capital supplied. Its display gives too a clue to the spirit in which the war begun then is being carried on by Germany. No great people could consent to give their main attention to making and trading in such rubbish; and looking at this people's work here one can the better understand the quality of mind that, beginning warfare with universal spying, could adopt mere frightfulness as its means of conquest. No truly brave people could be brutal: the horrors of German outrage and murder, indicating cowardice and meanness of spirit, are but a display of a habit of mind seen in this exhibition in its beginnings.

The exhibit is being made in Eastern Canada to afford manufacturers any chance there may be of getting useful hints from it for the supply of those native markets. It cannot be expected that they will in any

case descend to the quality of the German wares, made solely for show and not at all for use; but if similar goods could be made here not much dearer and yet durable, these might in time oust the German-made rubbish in many lines from all such markets, where evidently there is some demand. And in such an extension of industries our returning ex-Service men could take a part under experienced manufacturers, although in the West we might have to import some of the raw material needed.

INDUSTRIAL DEVELOPMENT.

It would be a great gain to the country if we could co-ordinate a large extension of farming and wheat growing with an equal development of our other natural resources, bringing them side by side, and inaugurating in both the services of our returned soldiers as a nucleus of national labor. Some sort of farming should always go hand in hand with work on our other resources. Nothing would promote the getting our vacant lands settled quicker than the developing of the various other natural resources to be found on the land and contained in its rocks and waters, on such a scale that multitudes besides farmers would be engaged everywhere in adding a commercial value to these resources.

Perhaps in some adaptation of the British Government's plan of land settlement described elsewhere to the needs of our ex-Service men a way may be found to extend our activities in the field of agriculture. The Government's purpose is to keep the English yeomanry from wandering abroad after the war, which has a parallel in our intention to place our returned soldiers where they can be most usefully employed for themselves as well as the country. Very few however of our men are farmers, whilst the English plan is framed expressly for small farmers and farm laborers to give them a wider range of activity that will enable them to rise from the first steps in farming to the top. This

must be our aim also with such of our ex-service men as take to farming. The small farming they ought to begin with should lead to wheat-growing and stock-raising and in a Soldier Community Settlement, if such a thing can be, one great wheat farm should, like a Capitol, be the centre surrounded by smaller mixed and dairy farms under the eye of the central authority. And if the settlement flourish it would most helpfully turn the attention of many others besides ex-Service men to farming. Though, if farm life cannot be made more attractive we shall never get our vacant lands settled by a desirable intelligent class of people.

But numbers of our soldiers both officers and privates are of the higher commercial rank with attainments that would be wasted in farming — to whom farming would be most unsuitable and distasteful, whilst on the other hand business in and about the development of other natural resources would be most congenial, their intelligence, though they be maimed, there having free play, to their great content.

An inventory and appraisal of whatever undeveloped natural resources the country has, besides the land, is now being made by a Dominion Royal Commission, and when this is done in any completeness the now latent resources should be thrown open for development by our ex-Service men, Let these become industrial pioneers. As we must begin any extension of farming for them with small farms—a fringe on the vast field of agriculture before us, so let us begin in this new field similarly with a fringe of small industries, which may be enlarged afterwards as the businesses succeed.

The development of these resources cannot probably be begun without some stimulus in hand or in prospect. The various industries must be helped a little because their product cannot at first be sufficient in quantity or value to warrant bank advances. Yet by employing ex-Service men on them now in the beginning at some little expense perhaps we may lay the

foundation of a future trade that will afford steady employment both to them and to the many skilled munition and other workers who will be thrown out of work when peace comes.

In the case of beginners at farming it has been said here that the Association mentioned elsewhere and the banks might together assist them, but with these industries, while the Association might assist in the acquisition of premises when the business is established, assistance in working the business must come from some other source.

If the ex-Service men succeed and our munition workers also find employment in these new industries, we may be able to improve the outlook by going further afield and tapping the resources of Great Britain both in skilled workmen and in credit. Among the many thousands there that will be thrown out of employment after the war there will be numbers of competent and experienced men with eyes to perceive opportunities, to whom our varied dormant resources will appeal strongly. And even more important for us, many industries there, enlarging their businesses under the excluding trade regulations of the Allies, will find here within the Empire the raw material they and the other Allies need. Attention will be aroused to this in the large industrial centres of Britain, and individual investments will come to us that will certainly prove more profitable than former investments here in real estate.

It is true the credit of Canada abroad as a field for investment has been somewhat impaired by the dealing of such blows at the security of property as moratorium acts deferring the payment of mortgage obligations, the super-imposing of government liens over mortgages on farm lands, and the confiscatory feature of temperance legislation. The destructive effect of this latter on property values is great and will be increasingly felt among us from now on as a weight on business that must be

removed after the war, of which ought to be taken as but a passing episode.

Though British capital should at first flow hitherward but slowly, with the excellent prospects we may be able to shew, British skill and enterprise should be attracted here. Wages in Britain will have fallen greatly, and when we shall have established our new industries a little some of the thousands of idle skilled workmen and business men of Britain may come over and help us. Here again no doubt disappointment has resulted from our former inviting of English workmen here who could find nothing to do but farming, with a very severe winter that forbids working all the year round; while the hopes of English farmers who also had been allured here proved equally vain.

In the way I have indicated the problem at any rate of finding employment for our ex-Service men may be solved whilst a new field of industry is being opened up for them and others that in result may enrich the country greatly. British business connexions moreover throughout the world will then be opened to us, as of the Empire, which of itself will hold vast possibilities for this country.

While it is easy for some among us to think in millions— to talk of vast immigration and free lands, cheap money and rural banks for farmers, it would not be so easy for the Minister of Finance to provide the great expenditures such measures would involve. The public debt of the country is increasing daily; in a year or so the annual interest charge on it will have trebled since the war began. How then could the Federal Government launch out into such extra expenditures unless the public revenue could be increased correspondingly? The Government otherwise cannot do much, and for a similar reason the provincial governments can do but little.

It would seem that only through such a large industrial development as I have sketched here can the

revenue be increased—a happy effect that would be reached quicker if the riches that have accrued to many from supplying munitions could be attracted to this investment and to the productive settlement of our vacant lands. But this would take time, while the need to assist our ex-Service men will grow urgent as the war closes and they return in numbers. Our present business therefore is to make a beginning at once here and there on any small scale possible in preparation, and if this promise well the way will be made clear to go further.

HOMES FOR EX-SERVICE MEN AND WIDOWS AND ORPHANS.

The whole task before us is (1) to greatly increase agricultural production; (2) For this purpose to settle as many additional men as possible on our vast unoccupied lands, aiding beginners at farming and related local industries; and (3) To provide for returned disabled soldiers in local industries and the development of our natural resources.

With regard to our ex-Service men the present writer thinks a timely institution of the loan plan elsewhere described would lay the best foundation for their future home-making and prepare well for their employment when that shall come. In the uncertainty of their prospects this would afford them the foothold of a secure home wherever they go and whatever they do.

In a book recently published "Canada and the War: the Promise of the West," he has already dealt among other things with the first two of the subjects mentioned above leading up to by far the most important Promise of the West contained in the opportunity this new country affords for the promotion of the well-being of the poorer classes and of others in straitened circumstances, and especially the caring for

neglected children and providing that every woman here however humble may have a secure home of her own where her children may be brought up in home-like conditions. This is a subject that will force itself on our attention after the war and must be taken up if better social conditions are to emerge from this great Trial.

Those who have seen or felt the death of friend and comrade, son, husband, or brother in this war, meditating with softened heart in the silent watches of the night have heard a secret whispered in their ear. They that are gone also heard, and carried it away with them. But the others have learned the secret that Love is greater than Life—is the chief thing here on earth; and we, heirs of their heroism, in honour of the dead, in loyal gratitude to all who have borne the brunt of battle for us in the cause of humanity and justice, are bound to do what is in us that the valour and resolve of those in the supreme hour shall have full effect in the peace they all have won for us—in an active sympathy for all victims of injustice, oppression, inhumanity among us. And this will be the most enduring memorial to the fallen we can erect.

As a beginning, for bettering the home-life, a plan is given in some detail in the book mentioned, and its leading features have been shewn elsewhere here; and in now proposing to apply the plan to the case of our returning and disabled soldiers, he takes the opportunity to urge the most earnest attention to this subject also—a subject that above all ought to be paramount in our minds—that will hold a prominent place there for many months to come. Let their bodily disablement be considered, and the shattered nerves of most of them. They are in like need of care as children and are not to be exposed too much to the ruggedness of life. For making their way in the world they will usually be as helpless as children; and if they fail to

hold their own in the struggle for bread, more hard for them than for their competitors, the guilt will be ours who left them helpless knowing it to be so.

Therefore we are bound first of all to make them as safe as we can in homes of their own where they can take refuge and find rest in any tempest; and then we are to provide them with whatever means of gaining a livelihood may be found suitable and ready at hand; by which two preventive measures all danger to their future may probably be averted and they and their families or dependants be enabled to live in some degree of comfort.

Then all able-bodied men among them might be enrolled as a National Guard. The splendid physical fitness they will have acquired should not be wasted: such a body of men will be an inspiration to our young manhood who, emulous of them, will gladly receive the physical training and discipline all young men need. And in the resulting vast improvement in efficiency of our populations the war will leave one legacy to the future of inestimable value.

So much for the returning soldier. But what of the wives and children of those that do not return? Soldiers are disabled and wives are widowed and children orphaned every day. The pensions allowed these must be but a mere pittance, while the need of homes will be greater to them, helpless and orphaned as they will be, than to the soldier that comes back. And supposing they somehow manage to get housed could their slender incomes maintain a home always afterwards?

To meet this case it has been provided in framing the plan of the proposed Association that, after setting aside a sufficient reserve against losses and the amount required for expenses, a proportion of its income shall be applied in providing free homesteads to certain widows and orphans of soldiers, to the number of twenty-five families for every million dollars lent by the Association.

INDEX

After the War, 20.
Agricultural Production, importance of, 1; small holdings, 2; and returned soldiers, 29, 30.
Agricultural Settlements in England, 7, 39; and Canada, 39.
American Capital and our Natural Resources, 27, 28.

Bank and Mortgage Loans, 13.
Banks Chartered, depositaries under new plan, 19.
Bonuses to farmers unnecessary, 10, 13; to United States fishermen, 12.
Bounties, proper in development of natural resources, 29, 40.
Borrowers, organisation wanted, 17; Dominion Organisation suggested, 17; Management, 18; terms of loans and rates, 18, 19.
British Empire, the leader of the world, 37; the War a supreme test of her fitness, 37; duty to extinguish Prussian power, 24.
British business connexions open to Canada after war, 41.
British investments in Canada, 41.

Canada must remain British, 8.
Canadian Credit, injury to, 41.
Canadian Natural Resources to be reserved for the Empire and allied countries, 28.
Capital required in farming, 4.

Exports, Canadian must be increased, 1.
European markets to be opened to Canada, 28.

Factory system not feasible in West, 4.
Farm life, solitariness of, 3.
Farm Loans, 9.
Farm Mortgage and Bank Loans of same character, 14.
Farming, for beginners, 4, 6, 7, 12, 40; and United States Fisheries, 12; commercial and homesteading distinguished, 14; and development of other Natural Resources to be co-ordinated, 39; mixed, of secondary importance here, 1; U. S. Loan plan, 10; for well to do farmers only, 12.
Farmer, the unskilled, 2; banking for, 15, 16, 17, 18; cheaper money for, 11, 12.

German-made goods, Exhibition of, 38, to be banned, 23; German people to be ostracised, excluded from British Empire, 24; their regeneration, 25.
Germany, fighting to secure route Berlin to Baghdad, 20; terms of peace with, 24; punishment of, 24, 26; to be deprived of sea power, 24.

Home markets, 1, 3.
Homes for women and children, 44; ex-Service men, 43; Soldiers' widows and orphans, 45.

Immigration, 6; from Great Britain, 7; from Europe, 8; from the United States, 8, 9.
Import duties to protect industry of ex-Service men, 30.
Industrial Development, 39.
Industries, local in small towns, 23, 40; depression in, at end of war, 35; prostration of, and business, 35; for munition workers, 41; for returning soldiers, 32; for workmen from Britain, 41.
International Court to try all for German crimes, 22.

Kultur, 20.

Land Settlement, British Government plan, 7, 40.
Local Industries in small towns, 2.
Local needs and the banks, 18.
Love greater than Life, 44.
Mail-order business, the 3, 36.
Memorial to the fallen, the most enduring, 44.
Moratorium Acts, injury to credit, 41.
Mortgage Loan business, better be left to private capital, 11.
Mortgage and Bank loans to farmers, 15, 16.

INDEX

Mortgage loans, instalment repayments on, 15, 16; two methods of making, 15; elastic terms of new plan, 18, 19; to be made personal to farmers and their families, 16, 17.
Munition workers, employment for Canadian, 41; English, 41.

Natural Resources, 20, 40; inventory and appraisal of, 40.

Pan-Germanism, 20, 22.
Peace will be dictated to Germany at Berlin, 22.
Population, increase in wanted, 6; of towns, 3.
Production, agricultural and industrial, increase in, 1.
Prohibition, confiscatory feature of will injure credit, 41.
Prosperity, present, causes of, 35.
Prussian people, 21.

Resources, our Natural and Vacant Lands, 39; of United States, 27; of British Empire, 28; Inventory and appraisal of our, 40; development requires a stimulus, 40.
Rural credits for farmers, 14, 15.

Saving to be inculcated to farmers, 14, 16; would improve their credit, 16.
Seed grain liens, 11, 12.
Soldiers returning, settlement of, 31; their wants, 31; disabilities and aptitudes, 32, 33; occupations for, 32, 36; technical schools, 33; convalescent homes, 34; permanent homes, 33; Soldiers Trust Association suggested, 35; where is employment to be found? 36; what of their remote future? 36; their duty to the Empire done nobly, 37; development of natural resources, 28, 31; this more congenial to many than farming, 40, 42; their industries to be protected by duties, 30; land settlement for, 39, 40; homes for, 44, 45; homes for their widows and orphans, 45; a National Guard proposed, 45.

Town property, value of, 19.
Towns, small local industries for, 2.
Town populations, 4.

United States, Germans there after the war, 26; our relations with, 26; their deep sea fisheries, 12; their resources being used up, 27; loans from, 28.

Vacant Lands in Canada, area of possible farm lands, 6, 31.

War, the, England not fighting to end all war, 21; motive of, 20; causes and end of, 20, 21, 22; will be continued in economic field, 22, 23; lesson of to us, 44.
Wheat Crop of 1915 and 1916, 10.
Wheat growing, 9, 14; a commercial business, 2; begins on small scale, 2; amortisation of mortgage loans not suitable to, 15.
Women and children, homes for, 44.

Widows and orphans of soldiers, homes for, 45.

THE KINGDON PRINTING CO., LTD., WINNIPEG, MAN.