

element of opposition from a considerable section of the Protestant churches because I was opposed to their program of religious instruction being introduced into our national school system. The result was that all three of the candidates finished within 80 of the top and bottom, the Labor man winning by 74 votes. A little better organization would have made the difference, but neither my committee nor myself could seriously complain. I worked hard and made more and, I think, better speeches than I had ever done before, and my committee also worked enthusiastically. It was disappointing, especially as the time was ripe for just the kind of influence and help which I could have given.

However, I have the satisfaction of seeing my program of proportional representation and increased land value taxation embodied in the official program of the Liberal party, and in the program of both sections of the Labor party. I think it is probable the Liberal party may come into office with a small majority, including the Labor members (six), and if so proportional representation is sure to pass.

GEORGE FOWLDS.



## THE CANADIAN SITUATION.

Ceylon, Sask., Mar. 1, 1915.

When two moving bodies meet in mid-career the unavoidable result is a clash; also, if the mass of these bodies is increasing and their speed accelerating the longer the meeting is delayed the greater the collision when it occurs. Such would seem to me to be the present state of affairs in Canada. Edward Porritt, the most exhaustive writer on Canadian tariff history, declares it his opinion that the principle of protection is more firmly entrenched in Canada than in any other English-speaking country. The rise of protective duties here has halted for several years, but the country's necessity now is the manufacturers' opportunity, and Minister White's budget proposes an increase of seven per cent in the general tariff, of five per cent against Great Britain, and, with a few exceptions, the wiping out of the free list.

Now the train is again on the track and the throttle open. There is no station in sight, but away on the horizon is another train coming to meet it.

Six years ago the forces of free trade in Canada were as scattered and inert as the clods of a fallow and frozen field. The Conservative party was committed as strongly as ever to protection, and in the Liberal party the free traders had been coaxed or bullied into silence. Then came the American offer of reciprocity and Laurier's tour of the west, and the valley of dry bones was quickly peopled with fighting free traders. The country was no more ready then, nor is it now, for their ideals than was the United States ready for Bryanism in 1896. But this other train is now on the track and it is headed for Ottawa. And it is bound to meet the first on the way.

The Grain Growers' Association is almost the only popular vehicle in western Canada for the advancement of democratic ideals, and its progress may be taken as roughly indicating the trend of independent political and economic thought. The G. G. A. is not and never has been a club for the discussion

and propagation of radical ideas. From its beginning it has labored consistently to develop agencies for the more economical handling of products that the farmer must buy or sell, and for legislation having the same end in view. Such progressive or radical ideas as have gained currency have been merely incidental to this other purpose.

The G. G. A. is the parent of one great commission firm and two elevator companies operated on the co-operative principle that together handle one-fourth of the grain marketed in western Canada, and now the Saskatchewan branch has undertaken to handle through its central office a large line of staple products which it supplies its locals at wholesale prices. The Grain Company handles the entire output of one flour mill, has purchased a timber limit in British Columbia, leased a terminal elevator at the head of the lakes, and proposes to lease another at Liverpool. The Elevator Company is said to own the largest number of local elevators of any company in existence, and a co-operative bank and the manufacture of farm machinery are under serious consideration.

There is a striking difference in the methods of the organized farmers here and those of the Farmers' Alliance in the States 25 years ago. There, not much was undertaken in the way of co-operation, but every local had its library and at its regular weekly meetings questions of economics and public policy were discussed. Each State had its official paper and its official lecturer, and many counties likewise. Public gatherings, both in-door and out-door, were frequent, and at these, vast throngs were addressed by speakers whom this process of education developed in astonishing numbers.

The high intelligence, practical sense and devotion of its leaders have given the G. G. A. a stability and commanded a respect unusual among farmers' organizations, but it has never gained anything like general support among the western farmers. Today, after 14 years' existence, it numbers scarcely one-fifth of the farmers of Saskatchewan among its members. For several years I noted very plain indications of a flagging of interest that did not always show in falling numbers, but during the past year there has been a notable increase in both numbers and interest. This undoubtedly is very largely due to the establishment of the co-operative buying and selling agency. It has appealed directly to a long-standing feeling of injustice toward the local dealers, whether well or ill founded, and has met with a tremendous response. The business has been very efficiently handled, and the results have brought visions of the Grain Growers' Association as a really popular organization.

While the G. G. A. has never undertaken any sort of social or political propaganda it has been fertile soil for the growth of progressive and radical ideas. But until it can make a more popular appeal its political efforts must be largely blocked by the inert mass of the unregenerate four-fifths. A case in point is the defeat of Direct Legislation. The G. G. A. at its annual conventions had endorsed it for several years, but the great body of its own members did not know what it was, let alone having any enthusiasm for its success. Contrast this with the case of South Dakota, where Direct Legislation was taken up by the Farmers' Alliance in a purely aca-

democratic way, merely as a promising idea and without a precedent in America; and in a few years after the Alliance itself was practically dead the Initiative and Referendum was written into the organic law of the State.

The G. A. A. is strong nearly everywhere where the Alliance was weak, but unfortunately it is notably weak at one point where the Alliance was a tower of strength. The Alliance locals met in country school houses and discussed big questions with absorbing interest. I have known German and Norwegian farmers who learned to read English for the sake of the literature that claimed their attention. At few of the G. G. A. locals I have attended was there anything but routine business transacted. On the other hand, the co-operative activities of the Grain Growers have been wonderfully developing to those who have participated. Co-operation is more than a scheme of business economy; it is an intensive cultivation of manhood. And co-operation succeeds only where broad intelligence and altruism are developed.

The fame of western Canada for leading the van in Singletax legislation is, so far as Saskatchewan is concerned, based mainly upon laws given us in a purely paternalistic way. Wherever its progress depends on the action of the people the Singletax halts and shows few signs of advancing. Rural municipalities have the full Singletax and there is no desire anywhere for a change. Villages may by a two-thirds vote adopt the Singletax. Out of over 250 about 30 have done so, but the remainder are making no move. Cities and towns may glide into the Singletax by a 25 per cent reduction in the general property tax each year. Several have started to do so, and then stopped. Perhaps the main reason for this is that the real estate interests are strong in every town, and at present all are heavily loaded and no buyers coming. A heavy land tax would cause a general unloading and a tumble in prices.

The public mind here for the most part is singularly free from prejudice against progressive ideas. Political campaign speakers have defended the whole catalogue from free trade to woman suffrage without fear of arousing hostility. The home market idea has for several years been pushed in an insinuating way in the "patent insides" of local papers, and just now an active campaign is being conducted against the Saskatchewan surtax on uncultivated non-resident land.

The defenders of protection are well organized and financed, and entrenched in Canadian law and custom. Opposed to them are a few devoted crusaders and a large number of casual free traders and low tariff men. I speak of protection as typical of the whole system of governmental privilege and of free trade as typical of the aspirations of democracy. The strategy of battle will be to capture and enlist the great indifferent four-fifths. In this the protectionists will have a great advantage with their pamphletiers and orators and their daily and weekly press. The Conservative party is securely protectionist, but the Liberal party is not by any means secure for free trade. The logical, safe, ready-at-hand agency in the west to win this fight for democracy is the Grain Growers' Association. But to accomplish this it must take up a line of work it

has never undertaken seriously before. Its business enterprises, great though they be, are not enough. It must imitate the methods of the old Farmers' Alliance. It must not stop at passing resolutions in annual convention. Its own salvation is not secure as long as this great potential force may be turned against it.

And the issue of this contest, when it comes, rests not with fate but with ourselves.

GEO. W. ATKINSON.

---

## INCIDENTAL SUGGESTIONS

---

### THE FUNDAMENTAL CAUSE OF BUSINESS STAGNATION.

Little Rock, Ark., Feb. 27.

That every increase in economy and facility of wealth production, per man, per machine or per dollar of capital invested, should prove of almost universal advantage to both capital and labor, is apparent. This, however, has not proven generally true. On the contrary, the net rewards of labor and of legitimately invested capital have come very far short of keeping pace with increasing efficiencies. It is significant that, with the present system of taxation, this condition becomes intensified in every land, as population becomes denser.

Both capitalists and laborers collectively create a public-produced fund of immense and constantly increasing value, in which, as such, neither participate. Their non-participation persistently operates to reduce wages, interest and net profits, and also results in restricting the natural opportunities for producing, and therefore penalizes wealth.

This great preventive of maximum production, and tax on the gross earnings of both capital and labor, is economic rent, the increment of wealth unearned by its recipient. It is the inevitable and natural fund from which, in justice to all, public expenditures should be derived. Private earnings, having already contributed to unearned increment, should therefore be relieved from further public burdens.

Due to the present uneconomic perversion of this fund, the vast majority of wage earners instinctively feel that, as the more economically wealth is produced under the general property tax the greater will be the percentage absorbed by non-producers, their interests are therefore not best served by such efficient methods as would enable capitalists to produce a given unit of wealth at the minimum of wage-cost. The workers vainly hope that by this means the number of jobs may equal the number of men, and thereby maintain maximum wages.

This uneconomic trend constitutes a tremendously powerful force persistently operating toward preventing the maximum net earnings of both capital and labor, thus decreasing the aggregate production of wealth. Manifestly, this necessitates only partially economic use of many billions of dollars of capital, of millions of men and millions of acres, that under more correct economic conditions could be most profitably employed in the maximum production of wealth in other channels.

The restricted production of wealth, due to the general property tax, together with the inequitable