A CO-OPERATING CANADIANISM

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THE subject entrusted to me, "A Co-operating Canadianism", had a patriotic aspect which appealed to me; and it is broad enough to cover a variety of ideas, a feature which I thought would make my task somewhat easier.

Co-operation is an act by which various elements or forces are made to work, in unity, towards the same purpose. Canadianism as the aim of this co-operation is taken to mean the policy which in peace time will promote, in the most effective way, the welfare and prosperity of the inhabitants of our country, and will in wartime concentrate the available forces of the nation to carry on the struggle until victory; two purposes worthy of our most strenuous endeavour.

To be effective, the organization of the forces which we look for must be voluntary; otherwise, it would be nothing else but enslavement or "Hitlerization". Thus the movement calls for conviction of the mind as well as co-ordination of the actions leading towards the purpose in view. Under present conditions, the elements of dissension in our country are mainly the divergences of economic interest in different sections, the racial differences of the two principal groups of our population, and finally, though to a very limited extent, the policy of national isolationism. Co-operation calls for the neutralizing of these factors of dissension, and the harnessing of our mental and physical energies in the pursuit of our common purpose.

In a country as vast as Canada, and with such a great variety of natural resources, the economic interests of the different parts cannot happily coincide in every respect, and there are grumblers in all sections. Yet from the outside most foreigners are impressed by the size of our country, by the fertility of her soil, by her mineral wealth, by the importance of her natural resources, by her industrial development and by the volume of her external trade. Canada is considered with envy as a privileged nation.

As insiders, we fix our attention on the difficulties and problems which we are facing from day to day, and we are prone to find fault with anything which does not happen to suit our particular purposes.

CENTRAL PROVINCES

The activities of the different provinces vary considerably. They have grown since Confederation, in accordance with their respective natural resources and geographical and economic advantages. Manufactures are naturally erected around the most densely populated sections, which provide abundant labor and valuable markets, and where the facilities of communication and transport are more readily available. Ontario and Quebec happened to meet these conditions particularly well, and they became the centres of the industrial activities of Canada. Here are now concentrated 60% of the population of Canada and 80% of her manufacturing activities. Economically, these two provinces have great analogy, combining mixed agriculture with extensive operations in industry, water powers, forestry and mines. On the whole their economy is well balanced, and their progress is attributable mainly to these natural advantages, although their industrial development called for the erection and maintenance of tariff barriers to protect their factories against foreign competition.

But notwithstanding such favorable conditions, these two provinces are not free from discontent. Manufacturing activities fluctuate with the purchasing power of the consumers; labor aspires to higher wages and more regular employment; protests are heard against the inequalities in the distribution of profit between capital and labor; unemployment until the war was assuming a dangerous character of permanence; capital losses resulting from the last depression have caused discontent and bitterness in many quarters; and finally, the modern trend towards centralization of the industrial activities of the nation in the hands of large corporations carries with it a concentration of power and influence which excite jealousies and undermine public confidence, unless such powers are used with the greatest fairness.

In times of war the proletarian classes wonder at the ease with which governments are able to meet the huge expenditures which it entails. and to juggle with billions, and in time of peace they accuse them of inability to provide for desired social services. They fail to realize that in times of war the country is living mainly out of her accumulated capital and on her credit or future earnings, and that such expenses can be met only temporarily and at the cost of enormous future sacrifice.

These two provinces are organized to provide manufactured commodities and services for the whole of Canada and, notwith-

standing some recriminations heard here and there within their territory, their economic situation is sound and their future safe, provided the ties which bind them to the rest of the country are maintained by the co-operation needed for that purpose.

PRAIRIE PROVINCES

The conditions of the mid-western provinces are more disquieting. To understand properly, then, it is necessary to enquire into the development of these provinces from the start.

In 1901, the population of the Territories which now form these three provinces was 419,000. Fifteen years later it had increased to 1,700,000. This was a period of intense development; capital flowed into that section of the country to break the land, equip the farms, build railroads, erect cities and towns, and establish the necessary modern services of a highly progressive population on what has been stated to be a lavish scale. The part of these huge expenditures disbursed locally added to the income derived from the high yielding crops harvested in the region, and developed an enviable standard of living.

Under the impetus of the 1914 war, the price of wheat reached abnormally high levels; the acreage under cultivation was rapidly extended, adding to the income of the people and expanding their credit. Wheat growers borrowed extensively at high interest rates which they then felt could easily be met. This prosperity, attributable to such special circumstances, could be only temporary. After peace was restored, some of the European wheat importing countries gradually proceeded to reconstruct their agricultural economy. Impoverished as they were, and in fear of another war, they endeavoured to make themselves self-sufficient, or independent of foreign imports. The acreage of wheat crops was considerably increased, the yield was improved by methods of intensive cultivation, production was subsidized, importation controlled by the establishment of quotas and consumption reduced. According to André Siegfried, the annual consumption of bread *per capita* in the space of fifteen years decreased, in France from 224 kilograms to 190, and in Great Britain from 165 to 135 kilograms.

Under the European policies of expansion of production and restriction of consumption, export prices tumbled down, and the whole economy of the prairie provinces became seriously impaired. Nature added to their penury by drying up large sections of land usually growing a high protein wheat for which

there was little competition. All of these conditions may be changed by the war, but out of the disappointments resulting from them two main grievances sprang up.

The prairie provinces found the burden of their debts too heavy to carry, and the cost of their agricultural machinery and of their domestic supplies, purchased from the sheltered industries of the central provinces, excessive when they themselves had to dispose of their produce on the competitive markets of the world without protection and under particularly difficult conditions. One cannot deny that these complaints have some foundation. It may be argued that the debts were properly incurred, and the proceeds used for the benefit of the borrowers, but this happened in times of prosperity when the capacity to pay was high. With the contraction of income which has since taken place, these liabilities have become too burdensome, and concessions are imperative to give these people the energy and the will to pursue their productive activities. It is felt, however, that such concessions should take into account the particular circumstances of each individual case.

It is acknowledged that Ontario and Quebec derive important advantages from the Canadian customs tariff, whilst other sections of the country, unable to profit by it on account of the nature of their production, suffer prejudice. The tariff on manufactured goods is no doubt a burden for the prairie provinces, but its abrogation would impair, if not destroy, the economy of the industrial provinces and prove injurious to the whole nation.

As a counterpart, however, the older provinces have contributed to the development of the mid-western territories by the construction of railways, the creation of transport facilities to the sea, favored railway rates, the absorption of yearly railway deficits attributable, at least in part, to the operations within these areas, by special subsidies, costly financial aid and by carrying the main burden of the federal charges. Thus disadvantages suffered in certain sections of the country are compensated by advantages derived from and at the expense of other sections, to restore a proper equilibrium, an accomplishment worthy of appreciation when we consider the depleted condition of the public treasury and the exhausting burden which the taxpayers have to carry.

Trade is an exchange of goods, more directly so to-day, on account of the scarcity of cash in many European countries, than for many years in the past. We may safely state that the

imports of goods and commodities by the central provinces of Canada from Europe help to pay for a large portion of the wheat exports of the prairie provinces, and thus facilitate the disposition of the products on foreign markets.

On the whole, any prejudice suffered by these provinces on account of a tariff, necessary to maintain and promote the industrial welfare of the country, is amply compensated by the advantages derived from such development and generally from their association in the Dominion.

MARITIMES

The Maritime Provinces entered Confederation with some reluctance, and we must admit their claim that the predictions and attractive promises made them by the Fathers of Confederation were not realized. Situated nearly a thousand miles east of the chief industrial and financial centres of Canada, these provinces are at a geographical disadvantage. With a population of approximately one-tenth that of Canada, the net value of the production of the Maritimes in 1936 was only 6.32% of that of the whole country.

Yet at Confederation these were the most prosperous colonies of British North America. Their main activities were then wooden shipbuilding and fishing. Wooden ships practically disappeared with the advent of the steel construction, when the Maritimes could not face the competition of the British shipyards. The fishermen were then selling their fish freely in the New England states, where they were finding an excellent market on account of the Secession War which had materially reduced production of foodstuffs in the United States. Tariff barriers subsequently erected by the United States Government brought a serious blow to the industry, but it seems hardly possible to allege that these duties were in any way levied on account of Confederation.

There is no doubt that they have contributed their share for the maintenance and operation of the St. Lawrence Waterways and for the development of Western Canada, without deriving from these expenditures corresponding advantages, as for them the cost of transportation to the markets of the central provinces of Canada is too high.

They contend that, located at the periphery of the tariff-protected territory of Canada, the customs duties bear heavily upon them. The question is whether their economic difficulties should be attributed to the tariff or to the nature of their activ-

ities and to their geographical location. Since it is not easy for these provinces to reach the main markets of Canada, their efforts should be directed towards catering to the export markets, and the central government should endeavour, as it does, to negotiate trade agreements which would open up external outlets for their main products.

Their grievances have not been ignored by Ottawa. They have received special additional subsidies, important rate concessions on railways, and the imposition of a duty on American coal enables them to sell 50% of their coal production on the Quebec market at considerable cost to the consumers of the rest of Canada. It is difficult to balance properly the mutual sacrifices incurred, and it seems impossible to attribute the business stagnation complained of in these provinces to the policies of the central government more than to any other cause, or to believe that their severance from Confederation would in any way improve their lot; it might, in fact, make it much worse.

ON THE PACIFIC

British Columbia lies at the other extremity of the territory of Canada. Under Confederation her population increased 1815.37%, whilst that of the whole of Canada increased only 181.27%, an amazing progress. Her troubles are mainly financial. British Columbia claims to contribute more than her share to the federal treasury, and more than the cost of services she receives from it; yet her *per capita* wealth is the highest in the Dominion, and her *per capita* production follows closely that of Ontario which stands at the top.

From an economic point of view, we hear from this section of the country the same complaint as that made by the other provinces outside of Ontario and Quebec, that she is compelled to purchase her commodities on the home market at prices enhanced by the tariff, whilst the great bulk of her production has to be sold in the competitive markets of the world, and that she does not derive much profit from interprovincial trade on account of the distance from the main markets of Canada and of the high transportation charges.

On the other hand, British Columbia ports are the outlet for an important share of the external trade of the mid-western provinces. In 1938 the sea-going vessels departing from her ports had a registered tonnage of nearly seventeen million tons, which is more than one-half the tonnage of the sea vessels which left all the ports of the Dominion. These figures show the im-

portance of this province as a traffic outlet for the prairie provinces and for general exports to the Orient and through the Panama Canal, and the benefits which she derives from it are most important.

External markets for British Columbia products have been opened up and are maintained by commercial treaties, made by Canada, and possible only on account of the trade going on between the Dominion and these foreign countries where British Columbia products gain access.

Her rapid development and her economic welfare are to a large extent the result of her connection with the other sections of Canada, and, on the whole, there seems no doubt that this province has largely benefitted from her association in Confederation

DIVERSIFIED PRODUCTION

The production of Canada, as a whole, is fairly divided between agriculture, industry and mining.

Nations mainly agricultural have generally a low standard of living. A higher scale is found in the industrialized countries, and economic conditions are at their best where one finds a proper equilibrium of activities combining agriculture, raw material and industry. As the central sections of Canada lack combustibles, and are organized to produce manufactured goods for the whole of the country, no single province can lay claim to a properly balanced economy, whilst all of them together constitute a unit organized to provide its citizens with living facilities which, if not ideal, can at least be compared favorably with those of most other nations.

Hence, in spite of certain economic divergences, the unity of the nation is essential to the welfare of its inhabitants, but as an objective it can be reached only by a sincere and loyal co-operation, involving mutual sacrifices to be generously accepted.

RACIAL DISSENSIONS

Co-operation between the principal racial elements is also essential to the progress of our country.

French-Canadians number approximately 3,300,000 in a population of ten and a half millions. In the Province of Quebec alone are they a majority, but in all Canada they constitute a group of sufficient numerical importance to be reckoned with. Their language, their religion, their habits distinguish them

from the rest of the population. André Siegfried, a French economist, who studied Canadian conditions with an eagle eye, observed, in his recent book on Canada, that "the major races lead separate lives under a *modus vivendi* without cordiality". This is the view of an outsider. Referring to French and Anglo-Canadians in Quebec, a college professor of Montreal, in a most interesting and valuable book published a year ago, stated that "a few men and women in the upper strata of professional and business life know and respect each other, but between the great masses of each population there is an impenetrable wall built of race, language, education, history, geography and simple ignorance".

One must bear in mind at first that French-Canadians have preserved certain physical and mental characteristics of their country of origin, but that, since they have inhabited this country for three centuries, without many relations with France, under British sovereignty and in close contact with the United States, their ways of living, their habits, their mentality have brought out such changes in them that they can no longer be classed as intimate members of the French family; they have evolved into a new nationality; they have become merely, exclusively and thoroughly Canadians, with one home and one country, Canada.

Historically their lot has not been an easy one. They were left at the Cession without aristocracy, without schools, without capital, without European contacts, and at first without effective participation in the government of the land, whilst British immigrants entered Canada with capital, held political power, acquired influence, and, having brought with them their commercial training and their trading relations, enjoyed all the requisites of material progress. Migrating in the first half of the 19th century, they brought with them their antagonism towards Roman Catholics and, as the terrors of the Napoleonic Wars were still vivid in their memory, towards everything French: they were not in a frame of mind to be particularly friendly with the conquered French inhabitants of Canada.

From the first, French-Canadians, by force of circumstances, adopted a definite policy of isolation and centred their activities on the land which they tilled and their social life within the bounds of the parish in which they lived. Attachment to their language became for them a way of preserving their identity. Their system of education was organized originally by the Church, and only later developed with the help of the State,

under conditions favoring their isolationist policy. Their energies were at first directed towards the acquisition of political rights and liberties, and when these were secured, they were rather slow in training themselves for the economic struggles which they had to face.

Inequalities of fortunes were the necessary result of all such conditions, and these, whenever they occur, breed on the one hand discontent and jealousies, and on the other a "superiority complex" which tends to make contacts coarser. Their patriotism, when measured by their attachment to the land which they inhabit, is unimpeachable, but it does not stand comparison when directed towards the Mother Country of their British compatriots; hence an additional cause of coolness between the two races.

Yet, this difference is easily understandable.

French-Canadians have been living in Canada for, as an average, seven or eight generations; they are no longer French; they have never been British, they are Canadians. When Canada is at war their military obligations are, it is admitted, the same as those of Canadians of British extraction; but when their country is engaged in it on account of its British tie, the call of blood to enlist for her service is for them necessarily fainter; they do not feel within themselves any surge drawing them to the colors; they are impervious to the sentimental appeals and to the emotional entreaties which may incite their British compatriots to service. They are amenable to only one call, that of cold reasoning, usually far less effective to move masses than any sentimental one. They have to be convinced that the welfare of their country is at stake, so as to understand where their duty lies. These differences of origin, of temperament, of mentality, of character and of conditions do exist, and they cannot be wiped out by criticism, condemnation or vituperation. Such attacks, when they occurred, were resorted to by relatively few people; but one of our serious mistakes, in the past, has been that on each side we have been too prone to judge the other race by the statements of certain of its extremists.

Over these differences, however, and superseding them, there is one great binding force between our two races; the community of our national and individual interest. All of us are destined to live in Canada, and the fate of our common country will necessarily react on our lives. The importance of this vital tie is such that our differences by comparison fade

away into insignificance. In spite of them, our endeavours must be made to converge towards the same end by a loyal and sincere co-operation, calling for mutual respect and understanding, equality of treatment and absence of discrimination. Only thus can we expect to realize a national conciousness, and achieve the national stature which the Fathers of Confederation had envisaged for us.

ISOLATIONISM

Another ground of disagreement is the policy that I have described as national isolationism, which had crept up in certain quarters before the declaration of war.

Canada is an autonomous nation, enjoying complete freedom in external as well as in internal affairs, but at the same time she is one of the associated nations of the British Commonwealth. When Great Britain and Germany severed their relations, Canada could theoretically have remained neutral, and she was in fact acknowledged as such internationally, as evidenced by the proclamations of the United States Government on the application of the Neutrality Act, until the Government of Canada, after a vote of parliament, proclaimed the state of war. In practice, however, neutrality was hardly possible. Canada could never have agreed to apply to the United Kingdom the rules and restrictions to which neutrals are subject under international law. The traditional and sentimental relations of the majority of the population of Canada with the land of their forbears were too close to enable them to stand aloof in the struggle in which their Mother Country was engaged.

From a more practical point of view, the British Commonwealth of Nations is a vast and powerful association from which its members derive great advantages. We realize, better to-day than ever before, that the fate of small nations is not always an enviable one, and we appreciate the protection which we enjoyed under the British flag. Would it be fair, after reaping the benefits of this association, to fail to meet the obligations which it entails in time of danger?

Moreover, the trade of our country with the other units of the British Commonwealth is so vital to her that a severance from this association involved too serious consequences to be considered. Canada is an exporting nation occupying, by the volume of her exports, the fourth rank amongst all the countries of the world; her percentage of the world exports figuring in

1937 at 4.3%. In 1938, 87.9% of her export trade was with the British Empire and the United States, the latter taking 39.6%, the United Kingdom 38.2%, and the other countries of the Commonwealth 10.1%. If our exports to the United States were important, our imports from that country were still greater by $64 millions. The welfare of Canada rests to a large extent upon her trade with the British Empire, where in 1938 she shipped goods amounting to $517 millions, whilst her imports reached only $233 millions, leaving her with a favorable balance of trade of $284 millions. In 1937, all current account transactions between Canada and the United Kingdom were closed by a credit balance of $176 millions, whilst with United States she had a debit balance of $55 millions. These figures, which may be taken as a fair annual average, show to what extent Canada benefits from her trade with the Commonwealth.

We are competing with the United States for the sale of a large number of lines of goods which we produce in excess of our needs, and we are most fortunate in having access to the sympathetic markets of the British Commonwealth. It is mainly on account of this trade that we have been able to maintain the relatively high standard of living which we have enjoyed for some time.

Some may say that this market would subsist even should Canada cease to be a unit in the British Commonwealth. I cannot agree with such statements; the utmost that Canada could expect would be to retain a certain part of this trade, but under conditions not at all comparable with the present ones, and most probably so unfavorable that the whole economy of our country would be shaken to its foundation. Now, however, that Canada has taken a definite stand in this war, it is no longer for us a matter of choice; the bounden duty of every citizen is to give the state his complete, loyal and hearty co-operation in anything that it may ask to secure the accomplishment of its vital task.

The economic divergences, racial dissensions and political disagreements with which we are faced are inevitable in a country such as ours, but a true Canadianism demands that all these obstacles to national unity be overcome or obliterated, and this calls for a hearty co-operation. But no such co-operation is possible without sacrifices, and these are much easier to make if, instead of being the result of a self-imposed act of the will,

they are prompted by a mutual understanding of our various difficulties and problems.

It has become our imperative duty to treat with respect and tolerance the honest ideas and opinions prevailing in the different sections of our country, to overlook generously certain statements or actions which may occasionally hurt our feelings, and to endeavour by persuasion, reasoning and the necessary mutual concessions to find a *terrain d'entente.* Upon this we may be able to unite our mental and physical energies in order to secure, in time of peace, the well-being and the prosperity of the inhabitants of our beloved country, and under present circumstances the effective co-ordination of her forces to enable her to accomplish her full share in the struggle in which she has engaged.