

TOPICS OF THE DAY

AMERICA'S DECLARATION OF WAR: THE NEW PHASE: WAGE
AND PRICE CONTROL: LABOR'S WAR.

AMERICA'S DECLARATION OF WAR has brought an anomalous situation to an end. The air is cleared: now both they and we know where we stand, for we all stand together. If ever any major event happened as the climax to a movement of inexorable forces, it was the entrance of the United States into the present conflict. Already, for many months, the American people had been carrying on an undeclared war against the Axis Powers. The Sunday morning attack on Pearl Harbour was only the signal that the American challenge was finally accepted by Japan, doubtless acting in close alliance with Germany and Italy. One can think of much less treacherous ways in which to announce a final breach of relations, but accepted canons of international conduct have long ceased to be associated with the ethics of Tokyo or Berlin. Now, the long parrying is over: there is an end to ingenious expedients for giving aid to our cause: with an immense feeling of relief, both for the Americans and for ourselves, we are all in this thing together, wherever we must travel to bring it to a victorious end.

The entrance of America into the fight would almost border on the comic, if the events that must inevitably ensue from the decision were less grim and foreboding. For months, we had kept on discussing when and how the United States would eventually come in. We admired the adroit skill with which Mr. Roosevelt handled his people, edging them little by little into fuller commitment. A guard was placed upon our lips, lest by any over emphatic word we should provoke hostile reactions among the unpersuaded minority. At times, we were inclined to be exasperated by the slogan, "All help short of war". The latent presupposition was that America had the decision in her own hands, and must not be over-hurried in making it. Even in a world that has left behind all power to surprise, who would have suggested that Japan of all nations would have the hardihood by overt action to begin the attack on the United States? The audacity of this wanton deed is breath-taking, but the revenge will be both complete and sure.

The Japanese have evidently staked their whole future on an Axis victory. The only alternative was to reverse completely

their entire foreign policy, and according to their view this would have meant an end to all their national hopes. The protest against encirclement which was maintained until the very hour of their attack deceived nobody, least of all, the Japanese people themselves. The story is an old one in human affairs, but it has an amazing capacity for re-appearance in century after century. A race, a people, a nation concludes that it has a manifest destiny to rule and order some portion of the world, and that nothing must stand in the way of its fulfilment. In this case, Japan has a sense of inner vocation to dominate Eastern Asia, perhaps all of Asia, and all her energies are bent to this great national adventure. But the fact is that her rulers want power and possession. Therefore, her armies have been driven into China: now she looks for oil, rubber, metals, everything she lacks. With all the world ablaze, she proposes to seize what she can get, in the hope that when the fire dies down, she may hold what she has grabbed. She has no mission of civilization to China or anywhere else: her Asiatic New Order is a palpable fraud: she is driven on by appetite and the lust to possess. For Japan it is a fateful decision she has taken. In her national ambition, she has chosen to take sides with a group of nations who hope to reverse Christian civilization and its values with a crude and shameless self-assertion. The bombs that dropped on Pearl Harbour echoed with the sound of a virile people's doom. Japan has bartered away her future for the delusive hope of an opportunist victory.

America's complete adherence to our cause is great gain. No conceivable act could have brought her in so completely and unanimously on the allied side. Every dissenting hesitation has been overwhelmed by an anger, sudden and tremendous, eventually to ripen into a striking force that will sweep every tyrant from the face of the earth. But the immediate cost is very great. For we must not underestimate the Japanese menace. They are a virile, determined people, strategically situated in a position to defy defeat for a very long time. America has been attacked far from home-waters, and the task of conveying men, materials and ships over the wide Pacific Ocean presents enormous difficulties. At the outset, the Japanese have great advantages, which they will not be slow to improve. The forces on the allied side have been immensely strengthened, but the area of warfare has also been widely extended, and probably the duration of the conflict considerably prolonged.

But the lines of battle are clearly drawn, and there can be no turning back from the ordeal.

Not the least result of the new turn of events is the effect on Canada. Overnight the war has come to our own shores. Hitherto, we have contemplated the war-effort in terms of our membership in the British Commonwealth of Nations: now, we see ourselves, first of all, an American nation, standing alongside an ally with whom we are already in geographical and cultural union. This is an event of first-class importance in North American history. Where it will lead, no man can foresee. For strategic purposes, the boundary line between the United States and Canada has disappeared. We have now one navy, one army, one air-force. A similar unity will soon manifest itself in the immense labor of production which must now enter a new phase of rapid expansion. What will be the political effects? So much as this is a safe prediction, neither country will come out of this struggle the same entity as that which entered. Now we begin to see new shapes of things to come appearing on the horizon of time. And the masterful current of tremendous events will give us little leisure of thought to stand back and watch its direction. Now is the hour for Canada to make up her mind about her own future, unless she wants the future to make up her mind for her.

THE NEW PHASE of the vast struggle came upon us when Japan dragged the United States into the war. This is in literal fact a world-conflict. A non-belligerent nation has become an exception, and each maintains an uneasy neutrality only by permission of some major Power. The Japanese, by one rash act, involved the entire continental areas of America in the great struggle, and brought their own private undeclared feud against the Chinese into the general *melée*. All Europe, with the exception of Switzerland, Spain, Portugal, Sweden and Eire, practically all Asia, all Australasia, nearly all Africa and now the greater portion of the Americas are at war. It sounds like a madman's dream!

With this new and vast extension of the war, the necessity of the struggle becomes clearer. The opposition of the two sides begins to move into stark outline. The forces of demoniac evil have gathered themselves together, with all the apparatus of modern science at their disposal, to overthrow civilization by the wildest of revolutions. The age-long conflict between

the diverse elements in human nature, which has always been a radical element in history, has now projected itself on a scale wide as mankind itself, and the issue is critical. This is the Armageddon of the human spirit. We can only contemplate it with a certain terrified awe, and then throw ourselves, forgetting all else, into the battle. All that men have fought for in the past, all that we hold dear in the present, and all fair hopes for our children and our children's children are at stake. There must now rise up in every heart a determination for victory, cost what it will.

The first necessity this new phase lays upon us is to see the struggle in its true dimensions. Until this thing is ended, minor purposes and private ambitions must be set aside. Nothing matters but victory. Party politics, sectional pressures, group aims, provincial rivalries, personal careers are at an end. Canada has had its own share of these indulgences, and in a sense they have lent fascinating interest to our political life. Among us, the necessities of history and geography have made the highest art of Canadian statesmanship a continual exercise in reconciliation. Religion and race, occupation and interest have all to be blended together, with concessions given now to this side and now to that. And we have contrived to get along wonderfully well. But all that is now at an end. None can now be for a party; all must be for the State. The change amounts to a psychological revolution in our political thinking and acting. Nevertheless, the leadership we need is one that can translate this immense struggle with passion, persuasiveness and skill into such vivid terms that they will engage the imagination of every man, woman and child in the Dominion.

The war has now come very near to our North American shores, and already there are signs that we have experienced a minor Dunkirk. Pray God a real Dunkirk is not yet to come! At last we are beginning to gird up the loins of our resolution, as men do only when the enemy is thundering at the gate. But in this new phase there are dangers. Now that we must engage the foe at close quarters, there may be a subtle temptation to concentrate on hemisphere defence. That is an obvious duty, as clear and emphatic in its imperatives as the defence of Britain is a first charge on the military energies of the people who live in the United Kingdom. Nevertheless, it will be lamentable and tragic if a preoccupation with North American tactics deflects us from the larger strategy of the war. The Germans are still in Europe and Africa, and without minimising the

offensive capacity of the Japanese and the necessity to meet it, we must keep in mind that the Nazi hordes with their vast equipment are still our major enemy. There must be no diminution in our help to Russia and Britain. Happily, under the pressure of the new turn of events, two steps are proposed from which there must be no retreat.

First, at long last, our government appears to be resolved on a complete and systematic mobilization of Canadian manpower. No news could have a more welcome sound in our ears. Most of us want to be told exactly what we can do to win this war. The voluntary system of recruiting has worked well enough, but it is now quite insufficient to meet the requirements of a total war-effort. Not only is it inadequate, it is inefficient. Individual citizens are not capable of judging how best they can serve their country. They are not aware of our needs in the full range of their complexity, and in a war such as this we have only one right—to be told what we can do and then to do it. Let no cynical or defeatist voices raise the shout that this is an end to democracy. The free way of life can not only survive a complete war-time control of individual action, but, supported by the resolute will of an entire people, it can move into a new sense of greatness through an emphasis on service. We are all in this mighty effort together, and together we stand or fall.

Second, and not less important, there is talk of a supreme allied war council. This is the only corrective to divisive policies. We ought to have had it already for the British Commonwealth: now we have to envisage a union mightier still for the duration of the war. Sporadic visits in hours of crisis are both striking and useful, but they are ineffective substitutes for continuous consultation and planning. The British peoples, the Russians, the Americans and the Chinese, together with the free governments of subjugated territories, form an impressive array. It is inconceivable that the league of marauders whom they oppose can stand against their united might, but they must become and remain united. All jealousy and suspicion will disappear if we each take the point of view from which we ask not how may our national dignity be conserved, but how much can we contribute to the common cause.

Since the close of the last war, Canada has devoted her main energies in foreign policy to the assertion and maintenance of the sovereign rights of a free and independent nation. That has been a useful effort, and as a result we have come to a new sense

of national dignity. At times, we have gone too far in our fears lest we should be entangled in commitments that would impinge on our rights of independent action. But that is now an old and finished story. As we look back on the dreadful ineptitude of world statesmanship during these past years, none can afford to indulge overmuch in recriminations:—he that is without sin, let him cast the first stone. Now we have the chance to fulfil our national destiny, not by making claims, but in making contributions. This is the very hour for which Canada has waited—to find, as other nations have discovered, that it needs the heat of conflict to fuse diverse elements into one inseparable people. Here and now, Canada may come into her own, and even now we may see by the eye of faith our place in that new world for which we fight.

WAGE AND PRICE CONTROL is a bold new stroke in the economic field. It has the great merit of simplicity and directness, although the experts warn us that its application is not without difficulties. On the whole, the measure has been hailed by most people with undisguised relief, and in few respects has the war-time policy of the Government met with such widespread approval. During the late summer and early fall the ordinary man-in-the-street, and, even more, the average woman-in-the-home, watched an ominous rise in prices with no commensurate increase in purchasing power. For some engaged in war industry, wages and salaries were going up, but, in Canada, the greater part of the population were not included in that category. The notorious vicious circle of prices and wages was beginning to rotate, and in its movement it gathered speed and increased its orbit. The sudden arrest of the economic whirligig was well-timed, and while some were caught in the toils, the permanent gain outweighed any temporary loss.

To the mind of the ordinary man, for whom economic transactions, however important, are incidental to life rather than the sphere of his occupation—wage and price controls are simple common-sense expedients. We all must live, we require money to meet our needs, and we derive our funds from earnings, wages or salaries. To get the dollars and cents we must work, but the money is not an end in itself: for practical purposes, it has an instrumental value. In war-time nobody ought to expect an improvement in his economic well-being: indeed, most of us think that we are going to be considerably

poorer, but this we accept so long as we can avoid acute suffering. If, by our work, we can earn enough to secure a moderate approach to our usual way of living, we are well content. That is the beginning and the end of interest in wages and prices for most Canadian people. Any device that secures this end is a welcome relief from additional worries in a time of war-time anxiety. But we must carry on these simple but essential transactions of earning and buying in a complicated world, in which buying and selling are affected by the disturbing conditions of a belligerent economy. New demands for goods from unaccustomed quarters, with resultant scarcities, throw the market out of gear, and in a free and open competition prices begin to rise. Labor calls for higher wages, which in time increase the cost of production. Into this whole region, where the acting forces are fundamentally psychological, the new economic policy of Canada has entered with the simple and satisfactory method of calling a halt. A ceiling is fixed for prices and wages, and beneath that welcome roof most of us dwell with a sense of new security.

The policy is acknowledged to be both rough and ready; nobody pretends that it is worthy to be designated as scientific. There are grievances and resultant criticisms, some of which are legitimate, others are rather unworthy. For the manufacturer and the seller, caught with a stock of goods produced or bought at an inflated price and now to be sold at a fixed price, there is inevitable loss. When the economic wheel is whirling madly and threatening to get out of control, somebody is sure to get his fingers badly hurt by a brake jolting the machinery to a sudden stop. But, on the whole, Canadian business has been faring pretty well during the war years, and can repair the temporary damage. More serious complications enter where goods to be sold originate in countries which so far have not adopted the Canadian policy of price-control. Importers find themselves buying from a free market and selling in one that is regulated. Again, there is the problem of seasonal prices. According to the Order-in-Council, fixed prices are determined by fixed dates. These real grievances can be adjusted, and, already, steps are being taken to redress the more apparent wrongs. Nevertheless, hardship and suffering of a permanent character are inevitable. Some businesses must practically disappear when the commodities ordinarily supplied by them are squeezed out of the market by goods that are more urgently necessary. This is unfortunate, and the people involved, work-

men and employers alike, merit our sympathy, but not all the casualties in war occur on the battlefield.

Farmers have been urging that their already depressed conditions have been rendered still worse by the price-fixing policy. The major portion of agricultural produce in Canada is grown for export: wheat and fruit alike, both important sources of income for the Canadian farmer, can no longer find a market. Now his other prices are fixed, and any hope of compensating gain is foreclosed. However, the problem of agriculture lies largely outside the orbit of the price-control plan. Already wheat is fixed at an uneconomic price, and compensating devices have been introduced to help the farmer in his difficulties, although by no means to his entire satisfaction. He may be thankful if the policy of control preserves him from still more serious loss.

Labor has complained that the ceiling on wages places an unwarranted limitation on the working man's standard of living. The employer has his price fixed, but not his profit. True, there is an excess profit tax that hedges him around, but with expanding business there are growing returns, and it is notorious that there are subterfuges for avoiding the display of too excessive profits. Nevertheless, the ordinary workman, especially if he is not engaged in industry immediately affected by a war-time boom, has much reason to be gratified by pegged prices with their inevitable accompaniment of fixed wages. His economic margin is always thin, and his tenure of employment uncertain. Nobody suffers more in a period of economic inflation than the humble wage-earner. He may well sacrifice the possibility of a small temporary gain in monetary return, soon to be engulfed by an inevitable rise in cost of living, for the security afforded to him by an established scale of prices.

The Board of Control has promised us a ruthless application of the government policy, which threatens severe penalties for a breach of the regulations. Nevertheless, there will be opportunities for the unscrupulous to dodge the scheme. Prices can be fixed, but what about the quality of the goods for which the cost is charged? You can tell us what we must pay for a pound of tea or a suit of clothes, but can you guarantee that the tea or the cloth has not deteriorated? Along with enforcement there must be cooperation. The business man, like the worker, must be persuaded that price and wage fixing is for his ultimate benefit. In a free country, even in war-time, loyalty and law must march together.

Our economic experts cover the new scheme with apologies. For them, this unwanted child is an illegitimate offspring. They are offended by this unorthodox appearance in the midst of their dismal science. They protest that only the gravest emergency could justify this crude interference with the play of economic forces. For them, as for us all, the necessity for fixing prices and wages should have a salutary lesson. The economic man is supposed to lie buried in his grave, but he has remarkable powers of resurrection. He appears as a ghostly figure to haunt many beneficent schemes designed to promote human welfare. If we can get through this time of emergency without the dire effects that are often prophesied to be the inevitable result of interfering with economic laws, we shall have established more securely the truth that economics are made for man and not man for economics. In other words, economic conduct is always a form of human behaviour, with its principles doubtless; but what man has done, he can alter and amend. What is the State for if not to interfere with and control human behaviour in the common interest of all?

LABOR'S WAR at times has developed into a war within the war. And, unfortunately, the war-aims of the two struggles have not always been identical. Indeed, there have been occasions when, despite all protestations to the contrary, the two fights have been in direct opposition to each other. By labor's war is meant the struggle of working men banded together to seek more favorable conditions—better wages, better terms of employment, better hours or, most prominently, in recent months, the right to unite in a form of organization which they choose for themselves. Further, they demand that every employed man shall belong to the union, and that non-union workers shall be discharged. The weapon by which this war is carried on is a formidable one, especially in war-time—the weapon of the strike. Until the time of the American declaration of war, the valuable hours of labor lost in carrying on the industrial struggle developed into a serious problem, and there is no assurance that even now we have arrived at any condition better than an uneasy armistice.

The justification of labor-unions for carrying their struggle to the extreme point of withdrawing men from work in war-time is that they themselves are engaged in an unceasing battle. According to this view, the working-man has to fight for all

he gets, and when he has got any advantage, he must hold on to it. Their accusation is that employers, under the plea of war-time pressure, are sometimes guilty of failure to give their workers a fair deal. In any case, when the demands of war production make the working-man indispensable, then is the time for him to consolidate his own position, to entrench himself in the secure stronghold of union recognition, so that when the inevitable slump comes, he will be ready to fight for rights that have a way of disappearing in less prosperous time. This picture of industrial conditions may not be a pleasant one, but we are assured that it is a realistic description of actuality. The case of the unions is that they are not seeking for privileges, they are fighting for rights, and in that struggle union is strength.

Every intelligent employer ought to realise that the men who are under his direction have rights not only as human beings but as fellow-workers in a common enterprise. All human relations involve moral responsibilities, including the rather potent relation of "hire and fire". The working man has a right to know where he stands, and to express his mind on the conditions of his employment. The best means of communication between an employer and the men who work in his shop or factory is some form of united association, using the method of collective bargaining. Sane trades-unionism is not a hindrance to industrial peace, but a means of its promotion. Such, indeed, is its honorable history. Particularly in Great Britain, where the record of trade-guilds and craft-unions reaches back over a long period of time, the rise and development of working-class organizations has made a powerful contribution to civilized life. In their origin, such associations were mostly unions of skilled tradesmen who were as much concerned to promote the interests of their own craft as to maintain their status before employers. But modern industrial development has turned that period of trades-union history into an old song, now drowned out by music of a much more blaring sort. Big business, federated industries, mass-production have made havoc of the old caste system of crafts and trades. It is now conceded that periodic employment is an inevitable accompaniment of unmodified large-scale capitalism. The number of unskilled and semi-skilled workers, machine-minders and single-job operators, increases. The worker becomes a tally-number, a clock-puncher—the employer, an aloof board of directors. It is this depersonalising of industrial relations that turns them into bitter, suspicion-laden feuds. Employers unite into federations and

cartels, and over against them workers band themselves together in the C. I. O. and the A. F. of L. It is an ugly, disheartening spectacle, and the problem of breaking into its vicious system of relations with a more genial philosophy is worthy of enlightened effort. In war-time it is a national necessity.

One problem of trades-unionism is that the means becomes an end: the union, which is a means of securing worker-representation in dealing with employers, develops into an objective of working class effort. The American industrial scene has presented the unseemly spectacle of rival super-organizations of workers engaged in a battle that concedes nothing in bitterness to struggles between capital and labor. Determined leaders, eager for power, have plunged the unions into a long and desperate fight, using ruthless methods of attaining their own ends. And in this warfare the nobler objectives of collective-bargaining have tended to disappear. Behind trades-union scenes, there has been a good deal of unashamed racketeering. Union organizers have become petty tyrants, extorting blackmail, using methods of the club and the shot-gun, and holding up industry for purposes that no reasonable mind can approve. If one is to look for an explanation, the retort will be made that the union-leaders learned their lessons at the feet of their masters, who by political wire-pulling and party manipulation seized power for their own advantage with the same disregard of the common good. All of this reinforces the need for some cleansing wholesome stream of new life being released into the field of industrial relations.

In Canada we are tied up with international organizations of labor. Before the United States entered the war, there were times when we were led into most menacing situations. Actually, union officials came into the Dominion, presumably to extend the authority of their organization, but these same affiliations were in effect opposed to the war-effort. Nevertheless, international unionism is as inevitable as international industry. To remedy this intolerable situation, the entry of the United States into the war has been an immense relief.

Now that the war has entered a much more serious phase, there will be less emphasis on the right to strike and considerably more emphasis on the only right that ought to be claimed by patriotic men—the right to work. But the assertions of the workers ought to be given ear. They ask to be consulted on the inevitable steps that must now be taken to bring a new pressure on industrial production. In Great Britain the workers

have organized themselves politically, and they have proved an ability to produce leaders as strong, as patriotic and as devoted as any other group in the country. Here in North America, happily or unhappily, the workers have used their power as a pressure-group without forming a labor party. For this reason, they have not raised up quite the same type of leadership as the trades unions of Great Britain. The leaders have been more concerned with labor than with national politics. But, now that we are all filled with a sense of devotion to the State as the over-riding loyalty, the working-man and his leader not less than the industrialist, cooperation of labor is absolutely essential for a maximum war-effort. The counsels of a wise statesmanship would suggest that, at this very hour, labor leadership should be taken into a position of responsible partnership in everything that belongs to the prosecution of the war. If such a course is taken, labor for its part ought to respond by abandoning its attitude of suspicion and rid its ranks, once and for all, of its undesirable elements. We cannot afford to have sand in the wheels of industry. There must be an end to any private war within the war.

J. S. T
