

FILE 412

IMMIGRATION POLICY :

C.A. MCGRATH

DOCKET STARTS:

BRITISH CAPITAL INTO CANADA

SUGGESTED SCHEME TO BRING ABOUT A STEADY AND
INCREASING FLOW OF BRITISH CAPITAL INTO CANADA.

GENERAL SITUATION:

At present, a large amount of British Capital is lying idle, and, also, in consequence of the British Empire Exhibition, British investors have their attention very much directed towards British Dominions and Colonies. If this Dominion can bring about a steady and increasing flow of British Capital into Canada, so that its natural resources and industries are developed, then the native Canadian population will stay in the Dominion and there will follow naturally a great inflow of immigrants, who will find work waiting for them, and who will remain because of the increasing prosperity of the Dominion.

This will provide for a large section of the population of the British Isles employment of kinds in which they are already trained. There would be no necessity for these immigrants to start training afresh. This would also gradually provide a large purchasing population within Canada for the products of Canadian Agriculture.

British investors undoubtedly seem willing to send their capital, if they can have reasonable probability of investing their money in sound, paying concerns. They are, however, naturally cautious, because of recent financial happenings in the Dominion.

SUGGESTED SCHEME:

It is suggested that some committee or institution should be formed, which might be called the Canadian Institute, the principal duties of whom would be as follows:-

- (A) to consider propositions for the industrial and commercial development of their Dominion, which could be put into operation by limited liability corporations;

and

- (B), having decided that such schemes are feasible, and 2. the original promoters having formed limited liability corporations, to lay the stocks of these corporations before British investors. The committee would not recommend or advise the investors: they would simply state that they have enquired into these propositions, and consider that they contain only reasonable business risks.

FURTHER DETAILS OF SCHEME:

The following are further details, which I think should form part of the scheme. I have lettered them as they apply more especially to (A) or (B) :

- (A) i : Business organizers, who come forward with propositions, should pay a fee to the Canadian Institute for enquiring into their propositions. This is to prevent an inundation of unsound schemes from people of no weight.
- (A) ii : The Canadian Institute would instruct engineers, scientists, or other experts to report on such facts as the following:-

IN THE CASE OF A MINE: the probability of finding the mineral in sufficient quantities, the possibilities of working it, of transporting it, to its market, etc.,

IN THE CASE OF AN INDUSTRY: the possibilities of obtaining raw material, power, etc; the possibilities of manufacture under the conditions concerned; etc.

Having received these reports the Institute would then instruct firms of Chartered Accountants to report to it on the financial possibilities of these propositions, that is as to capital outlay, working costs, possibilities of selling at a profit, etc. The Accounting and other experts would all need to work in close touch with each other.

- (B) i: The Canadian Institute would get in touch with groups of financiers in London, to whom it would pass these propositions, which it considered to be sound, together with copies of the reports.
- (B) ii: It would probably be possible to grade the risks, differentiating between those which offer the chance of a large return but at a greater risk, and those which offer a smaller return but which seem to contain comparatively little risk. This would help various classes of investors in the selection of their investment.
- (B) iii: In submitting the propositions to the London financiers, the Canadian Institute would use some printed form which would make it clear, that "whilst not accepting any responsibility as to their success and not recommending or advising in any way, the Institute has made reasonable enquiry into them, and, in consequence of the reports attached, considers them to be sound financially". This would have to be very carefully worded so as to make it clear that the Institute gave no guarantee and undertook no liability, whilst at the same time not frightening off the investors.

(B) iv. : The Canadian Institute could consider the question of publishing lists of its own in newspapers in the British Isles. Such lists would contain single sentences, each of which would give the gist of the reports of the accounting and other experts. Such lists would also make "B-ij" clear.

COMPOSITION OF INSTITUTE:

Such a scheme would stand or fall according to the composition of this Institute.

It must be kept clear of politics.

It must be composed of men who are energetic and at the same time cautious.

Above all it must be composed of patriotic men, who will work for the good of Canada. They must be above reproach.

Such men should be appointed for a term of years, say five or ten,

The personnel of the Institute could be decided by the Government in conjunction with the principal Universities, Boards of Trade, and Chambers of Commerce, all of whom are interested in the general prosperity of this Dominion.

The existing Honorary Advisory Council for Scientific and Industrial Research could be incorporated in the scheme.

COMMENCEMENT OF THE SCHEME :

It would probably be better not to start the scheme on too ambitious a scale. It is suggested that, if the Montreal Board of Trade appointed a committee of its own to carry out the duties as outlined above, it would eventually develop into an Institute working in the principal commercial centres of Canada.

FURTHER CONSIDERATIONS:

- (1) The Institute would also lay propositions before the Canadian Investing public, and help to keep in Canada capital, which at present is being invested elsewhere.
- (2) The Institute could also report on stocks of exist-

ing concerns, if desired. It would probably be easier to obtain more exact information as to these concerns than to propositions which had still to be tried.

- (3) The Institute should be formed in such a manner that it could come to decisions in its work, quite independently of the Government that happened to be in power.
- (4) The Institute would have to guard against a too rapid development as to the number of propositions to be considered. The Institute would have to consider propositions in a strict rotation, and to avoid a rush at the start.

DANGER IF NO SUCH SCHEME:

British investors have their eyes on the Dominions as a result of the British Empire Exhibition. If Canada does not put into operation some scheme such as this to safeguard these investors, there is danger, however cautious the investors may be, of unreasonably risky or even fraudulent propositions being taken up by the British investing public, with the inevitable financial crashes, and set-backs to Canadian credit and prosperity.

Of course, however careful the Institute might be, it is probable that some small proportion of the propositions submitted would turn out to be poor ones, but, in the main, it is equally probable that the vast majority of these propositions would turn out to be good concerns, and the Institute would be a real boon to the British and Canadian investing public.

If this scheme were put through, the investing public, British and Canadian, would get into the habit of looking for the Canadian Institute's reports when considering the investment of money.

DOCKET ENDS:

BRITISH CAPITAL INTO CANADA

December 12th, 1924.

C. A. Magrath, Esq.,
International Waterways Commission,
Ottawa, Ont.

Dear Mr. Magrath:-

I cannot tell you how much I appreciated being present at your luncheon to-day to listen to the discussion which took place regarding the scheme which you have in mind and with which all of us so cordially sympathize.

I promise you to do all I can not only to create a favourable public opinion but to crystallize the favourable views which I know many of my friends are holding.

You will remember you made some comparison between the resources of the United States and the resources of the three western provinces, and also quoted certain figures shewing the progress which really has been made in the Northwest since you knew it. I would appreciate very much if you would let me have the figures you used, as well as the memorandum regarding your scheme which you were going to prepare after further consultation with Mr. Greenfield.

I was very much struck by the soundness and frankness of Mr. Greenfield's views.

Yours faithfully,

MEMORANDUM

December 12th, 1924.

To-day I attended a luncheon given by Mr. C.A. Magrath of Ottawa. There were present Premier Greenfield of Alberta, Messrs. Beatty, Southam, Henry Joseph, Senator Smeaton White and myself.

The topic of conversation discussed was the advisability of adopting a proper immigration policy of which there has been none of a positive character for the last five years or in fact for all time. So indifferent have we become to this question that for the last few years there has been no separate Immigration Department, whereas the matter of immigration is one of the most vital to Canada's best interests existing to-day.

Canada has not taken advantage of the Overseas Settlement Scheme so much used by Australia and other Dominions. We have practically adopted the policy that conditions in our country were so unsatisfactory that it would not be to the advantage of anyone to come and settle here. In fact a feeling has grown up in the Old Country that we do not want immigrants from there. That feeling has been strengthened by propaganda there and here. Much of the propaganda there has been inspired from here. The policy of free grants of land in the past, despite what

can be said in its favour, has not resulted as we hoped at one time that it would. Men could take their free grant of land almost anywhere they chose, with the result that the population of the Northwest is very widely scattered indeed. In Alberta there are only three people to the square mile while 1/6 of Canada's population is contained in the cities of Montreal and Toronto. Wherever people settle they require school facilities, roads, railway transportation, post offices, telephones, etc., and the cost of providing these amenities of our modern civilization has been excessive and resulted in burdensome taxation. This burdensome taxation, arising from the above mentioned cause and other causes, has placed our country at a decided disadvantage to the United States, who so recently have let the world know that still further reductions in their taxation would be made in the near future.

Despite these handicaps it would be wrong to conclude that little progress has been made in Canada. In fact we have made a very great progress, while the value of our resources in proportion to our population is many times that of the United States.

Mr. Magrath advocated the setting up of what might be called an Immigration Commission absolutely independent of party control and he went so far as to suggest that some man like Mr. Ross McMaster would be the ideal person to put

in charge. The head of this commission would be independent, although the money necessary to help the settler would have to be raised on the security of the country. It was stated that the present Prime Minister would be decidedly averse to agreeing to such a policy in as much as it would take away from the Government powers which they could not relinquish. I contended that there was no reason why the Prime Minister's views could not be made to harmonize with Mr. Magrath's suggestion. As I take it, the real thing we want to avoid is Government interference, not the absence of Government control. I pointed out that General Allenby was given a free hand in Egypt, although he remained under Government control, the Government telling him what his job was, giving him sufficient resources to carry it out, and then leaving it to him to make a success of the operation.

I was very glad to hear Premier Greenfield agree that Government interference would prejudice fatally the success of the scheme suggested. He thought that the provinces should all join in such a scheme, that their part might be the establishment of the necessary intelligence system, that is, the survey of the available land, the school facilities, proximity to railroads, roads, value of land, cost of implements, machinery, livestock, etc. He also stated that now was the very best time for the launching

of this scheme, because of the providential intervention in the price of crop, coupled with the fact that the necessary livestock could never be purchased more cheaply in the last twenty years than at the present time. Mr. Southam and Senator White said that they thought that the unanimous support of the press could be obtained, not only for the endorsement of this project, provided a definite plan were worked out, but that the press, irrespective of party, would urge the necessity of its adoption upon whatever Government happened to be in power. It was also considered that the present Opposition would not attempt to make a political football of the matter in the House.

If the three Prairie provinces are of the same mind as Mr. Greenfield and if the press unanimously support the project, it was felt that sufficient influence could be brought to bear upon the present Government to make some step forward. Mr. Magrath urged the formation of a committee in Montreal who might not only crystallize the sentiment here, but create a public opinion so favourable that any Government could not resist its representations.

Many other suggestions and observations were made, all of which tended to confirm what I have long contended, namely, that a properly trained Civil Service, with proper experience, proper appreciation of their duties, not

only by themselves but by the Government, would be a great help in overcoming many of the difficulties and obstacles confronted to-day.

Immigration

December 22, 1924.

C.A. McGrath, Esq.,
Chairman, International Joint Commission,
Ottawa.

Dear Mr. McGrath:-

Thank you most sincerely for your letter of the 17th inst. with the enclosures as stated. I am taking the whole file away with me to my old home in Strathroy, Ontario, where I intend to spend Christmas week. I know I shall find time to read it carefully, and I will doubtless make some reference to it in future correspondence.

With kind wishes for Christmas
and the New Year.

Ever yours faithfully,

Erind, al.

DOCKET STARTS:

COLONIZATION PLAN

PRIVATE

DISCUSSION OF THREE CANADIAN
COLONIZATION PLANS

O t t a w a

December 26th, 1924

CANADIAN COLONIZATION PLANS

Private

1. It is generally felt that the business morale of Canada at the present moment is below normal. When large business interests in any country become depressed, it means a wavering of confidence from within, resulting in a much greater loss of confidence from without, to the very material injury of the country. It seems unfortunately true that Canada is commencing to suffer from that condition. This statement might be questioned by the government. It is believed it would be endorsed by nine out of every ten engaged in the commercial activities of the country.

2. The country needs the announcement of a strong courageous policy in connection with the development of its great resources - none greater than its unoccupied lands. It is recognized that the Government is leading in the right direction in the matter of land settlement - in that it recognizes the necessity, in a measure, to assist financially certain classes of settlers, and to give them adequate care and supervision. Under normal national conditions, there might be no necessity to disturb the slow and equally cautious method of procedure, which is all that can be expected of it, but the times demand a more vigorous policy.

3. The fact that the public knows practically nothing about what is going on in land settlement, and is apparently uninterested; the fact that there is no coordinated effort as between the Dominion and Provincial Governments, - the latter seeming quite indifferent to that which is of supreme importance to their Provinces - is clear evidence that Canada after all these years, is still at sea, in the matter of colonization.

4. And yet nothing would immediately restore greater confidence throughout Canada than an announcement indicating that Canada was about to create a great colonizing force to take up aggressively the placing of immigrants (as well as Canadians desiring the same privilege) on some of the vacant spaces throughout the Dominion. It is no problem to find people for urban centres, which legitimately expand at the rate of two for every three added to country districts.

5. The quarter of this century is but twelve months off. The expenditures on immigration by Canada will be found to have averaged about \$1,000,000 yearly during the past 25 years. That only indicates the direct expenditure. The very heavy annual deficit through railway development, can very properly be charged against Canada's failure to realize that its methods for establishing people permanently in this country were deplorably insufficient.

6. Under the old method, with an annual expenditure of about \$1,000,000, and with our eyes closed to the vast leakage that was being developed through certain railway extensions, we apparently took the position that those people that came within our borders - many to pass out again, and of which no account was taken - were costing us little or nothing. Possibly because of that or through indifference, we never attempted to do the intelligent thing, namely to determine as far as practicable the value to Canada of newcomers, especially those established on land. It certainly seems as if it is time to introduce commercial ideas into the country's colonization efforts. It would indeed be an extraordinary venture where those engaged in the same, failed to pay close attention to the profit and loss statement. Heavy expenditures in every effort are not only legitimate but very desirable so long as the balance is on the right side of the ledger when the enterprise has had an opportunity to prove itself.

7. As stated above, Canada is leading away from the old method, in that it is now recognized that colonization needs financing, but the country's effort is still marked by the same failure to coordinate every agency actually engaged or interested in some phases of the work; the same apparent lack of confidence in Canada.

It is becoming the talk "on the street" that Canada's overhead will swamp the country unless land settlement work is immediately taken hold of in a big way.

8. Everyone who has given any serious thought to the settlement of the country knows that the task is not only most difficult but complicated as well - due to the several uncertain factors that must be taken into account - the character and stamina of the individual settler; the crop seasons during the years he is endeavouring to get established; sometimes very good, frequently indifferent and occasionally so bad that there are practically no crops at all; and finally the market for his surplus products.
9. Vast numbers of settlers have pulled through and are very prosperous agriculturists to-day. Very many indeed have fallen by the wayside, and still greater numbers - sane and stable - anxious for a home on land, have been too timid to go up against the difficulties which they would have had to face. All the latter type needs is a strong organization behind them, to give them confidence until they get established.
10. At no time, it is believed, was there greater opportunity to find people anxious to go on land than the present, provided there is a powerful colonization organization to give them the necessary support and care. If those in the Government Immigration service, responsible for carrying out the plan for locating and caring for the 3000 settlers now being secured under an arrangement with Great Britain, are satisfied that their plan is sound, then why not take steps to expand it? If certain machinery is necessary to look after say 100 settlers, then surely Canada has a sufficient number of agriculturists and other technical men to draw from for the purpose of creating organizations for caring for very many similar units.

11. It is no reflection on the capacity of any political head of a government department to say that it would be suicidal, in the country's best interests, for him to undertake large expenditures of money in establishing settlers. It is appreciated that all would gladly enter into agreements to repay advances so made through long term mortgages, with many disposed to hold back, when the times comes for meeting payments due. It must never be forgotten that the man who lends, will eventually find himself engaged in what is frequently a very disagreeable task - that of collecting his loans. Political heads of departments will not be allowed - through their political friends - to be other than exceedingly poor collectors. Hence, a great colonizing force should be removed from all political control.

12. In the adoption of any colonization plan, it would seem prudent for Canada to take advantage of the experience of our neighbours and give some attention to the races from which our people are to be drawn. The measure of a people's worth, is when under a great national strain. They then fall back to their racial characteristics, bred into them for generations.

During the period 1776 to 1917, the immigration to the United States was as follows:-

27 per cent from the British Isles and British North America

26 per cent from Germany, Norway, Sweden, Netherlands, Belgium, France and Switzerland. The heavy proportion from the first three named.

47 per cent from Italy, Austria-Hungary, Russia, Roumania, Greece, China, Japan, Turkey, Portugal, West Indies, Mexico and certain unnamed countries. The heavy proportions from the first three named.

In view of the above facts and the decision of that country, doubtless for very good reason, to adopt restrictive measures through what is known as the quota law, it looks as if Canada would be well advised, to give some attention to the races to be drawn from, in any active immigration effort. To that end, the following is suggested for consideration, viz:

35 per cent at the very least from the British Isles, and as much more as it is possible to obtain of a fairly good type.

35 per cent and more from the second group named above, and

30 per cent, and even considerably less from sections of certain countries named in the third group.

In respect to persons from the United States, it would be the policy to take all it would be possible to obtain from the rural parts of that country.

13. Before entering upon a discussion of Plans for Colonizing, there are certain fundamental principles that should be accepted and embodied in any plan that is to be followed, viz:-

Settlers need more or less financing:

Canada should not be interested - in fact should discourage people going on land, who are improperly equipped, thereby encouraging failure. The day of living for the first few years under "dug out" conditions should be a thing of the past - the "root, hog or die" route through which so many settlers have passed, brought too many disasters.

Leaving out of consideration for the moment, the settlers who fell by the wayside, it would have been good business for Canada to have given the others some reasonable help, as they would have been producers in half of the time they eventually took to win through.

In dealing with a settler, sympathetic consideration for him and his problems will always bring good results. Look into the circumstances with which he has had to contend and not into a book of instructions and then say "nothing doing". That would be the method of the bailiff type. The settler has to have it made perfectly clear that there is a great strength behind him, only as long, however, as he is making a reasonable effort to succeed. He can quickly be made to understand that it is not a case of "writing home for more money".

It is essential to adopt a high scale of salaries for the directing heads and the supervisors looking after the settlers. Nothing is more important. Where the men do not measure up to the salary, replace them by others. Canada has them. Then no one need worry very much about dangers to the country through the adoption of a policy for financing settlers, provided it can be safeguarded against any political interference.

(b) Security for financial aid

All advances to the settlers to be secured by long term mortgages on land occupied by settlers. No part of administration or supervising costs to be borne by settlers.

(c) Cooperation imperative

The development of the closest cooperation between the colonization organization, the railways, each provincial government, and any other agencies engaged in such work, extending as far as practicable down into the rural municipalities.

(d) Land Settlement Projects

The selection of suitable areas, hereinafter referred to as "projects", for settlement in each province by provincial governments for the acceptance by the colonization organization. These areas to be in compact blocks so as to enable the greatest possible concentration being exercised in supervising the settlers in each individual project. The areas to be selected, should as far as practicable be confined to sparsely settled districts, thereby helping to reduce existing highway, school and other rural tax burdens, and at the same time, give railways operating into such districts, greater opportunity to earn a return on capital expenditure. The Provinces to take certain financial responsibility in the care of the settlers, after they are placed on a specific piece of land within the project.

(e) Acceptance and financing of Projects

The submission of the project (if accepted) to the colonization organization, and if accepted by it, then on to the Dominion Government for its approval. The project as submitted would show the probable amount of money necessary for the establishment of the

settlers therein. The approval of the Dominion Government, to carry with it authority for the colonization agency to issue land settlement bonds for an amount not in excess of the amount named in the project.

14. Turning now to the question of Plans for Colonizing, the following three methods will be briefly discussed, viz:-

- (a) Colonization of British settlers by a British Government organization, under the control of outstanding Canadians, acceptable to the Government of Canada.
- (b) Canada's entire colonization efforts under a Canadian organization in charge of one or more outstanding Canadians, determined to render a great patriotic service without remuneration, and
- (c) A strong Canadian Commercial Colonization organization in control of the country's land settlement efforts.

Discussing these in their order:-

15.

(a) British Government organization

Settlers from the British Isles are at a premium the world over. The question of assimilation - an exceedingly important one - does not enter into the problem. The greater the number from these islands, distributed throughout Canada, the more stable the country will be in succeeding generations. And what is of paramount importance, the British Government is not

only willing but anxious to settle some of its country's surplus population in Canada. To that end it will help to finance the movement, something the government of no other country would think of doing.

It is believed that no more capable, nor more effective organization could be formed for establishing settlers in Canada, than a branch of the Overseas Settlement organization of Great Britain, if created on similar lines, to that of the Imperial Munitions Board, located in Ottawa during the war, - a British Government organization, staffed by Canadians, operating under a few of the country's outstanding citizens.

The real value of a similar organization for colonization purposes, is that it would be focussing its efforts on a type of people that will mean much to Canada; it will have the utmost freedom of action within the country from which the settlers are to be drawn, as well as in this country where they are to be established. The influence of such men in their official capacity, with the Government of Great Britain, would be all to the good, in securing the maximum cooperation in this great work, and the possibilities of financial loss in monies advanced for establishing settlers would be reduced to a maximum, because the organization, not being the creation of a Canadian legislature, could be indifferent to appeals made through political channels.

All settlers, no matter from where they come, can easily be convinced that they should have certain "relief in respect to their land contracts" or "better terms". Election canvassers for those seeking political offices, can "beat out the Devil" in the matter of tempting offers, such as, "help us with your vote to elect our candidate, and we will get him active in trying to secure better terms for you". That is the danger elsewhere referred to, in lending the country's credit by guaranteeing land settlement bonds.

This plan, it is believed, possesses great possibilities for benefitting Canada, through the intimacy that would be developed between the organization in Canada and the overseas settlement group in London, and which is a section of the Overseas trade organization of Great Britain.

15

(b) An all Canadian organization

It is fully recognized that there are two drawbacks to a British Government organization, one more or less sentimental - a government, not Canadian, having certain control (in theory) within Canada; the other that Canada would still require to be carrying on the colonizing of people from other countries.

An all Canadian organization, as this plan contemplates, could attend to all land settlement work, absorbing the present departmental organization engaged in such activities. The Department of Immigration in that event might confine its efforts

to that phase of the work which will be necessary, no matter what plan (if any) is adopted - namely - the guarding of the country's frontiers, and deciding who shall or shall not be allowed to enter Canada.

This plan has in mind the removal of the colonizing agency fully as far from political interference as in the Canadian National Railways Board, and with one or more strong Canadians in control, serving on patriotic grounds - without remuneration. This same principle obtains not only in this but in the previously discussed plan. It is believed no greater service can be rendered Canada at this time, than in promoting the settlement of the country's vacant lands.

There is no question about Canada having the men. Many seem to think that voluntary service to one's country should only be asked for during war times. The evident reason for that is that such assistance is necessary on account of the country passing through a period of stress and trial. The earlier years following a great war are likewise years of stress. A notable example of the doctrine of voluntary service is that of the Chairman of the General Electric Company, Owen D. Young of New York City, who has found time since the war to serve on at least one Washington Committee, later on to render great service on the Dawe's Commission.

It is not necessary for men of the type referred to, to give continuous service after details are worked out, and the work of the organization well under way. Voluntary service is not included in the third plan, as follows:-

17

(c) A strong Canadian Commercial organization

It is generally accepted that private initiative will develop and expand any commercial enterprise to vastly greater proportions than could be dreamt of under government administration. The same thing is true in regard to its growth in that the activity under a commercial organization will far exceed anything that is possible where the control is with governments. If the foregoing is true, why not try to commercialize colonization? There seems no sound reason why it is not possible, provided newcomers established in Canada are an asset to the country. No one will question that. The almost universal demand to-day is for more people.

Before a commercialized plan could be worked out, it would be necessary to call on the government to have its statistical forces work out the value to Canada, per capita of newcomers for a period of say five years following the first three years they have been in the country. At the end of three years, they are fairly started in their new surroundings. Their value of course is considerably greater in the second five year period, hence their value during that period should also be determined, as far as practicable. Let the government make some admission as to values, then a colonizing proposal could be placed before it, the outline being something along the following lines:-

- (a) Create "the Canadian Colonization Society" with a capital of say \$5,000,000. The stock to be subscribed for - if possible - in blocks of \$50,000, or 100 subscribers - a guarantee of a very strong directorate. There is a wide difference between this proposal and the effort of a group of leading citizens some years ago when a western colonization scheme was launched. In the case of the latter, the subscribers from patriotic motives subscribed for amounts as high as \$10,000. The subscriptions were regarded as gifts; and that ended the real interest of the subscribers in the scheme. This plan, on the other hand, is a profit sharing enterprise.
- (b) Profits to be declared only at the end of ten years, when the society might be continued for another ten years or wound up, and the machinery handed over, as a going concern, to a national organization of the character referred to in paragraph 14 (b).
- (c) The capital to be used entirely for administrative purposes, and to be called up yearly as required. Should it be exhausted before the expiry of the ten year period, the government to advance a similar amount to be used by the society for the same purpose; the aim being to guarantee the Society having sufficient funds to carry on the work as aggressively as results warrant.

- (d) The government to make an annual grant to the society of the amount it has been expending in advertising Canada and in looking after settlers within Canada, excluding the amount that has usually been used in finding employment in Canada for immigrants. The Society would probably not care to embark in this latter work.
- (e) The Society to approach the British Government seeking from it a grant in connection with the colonizing of people from those islands; the grounds being that it costs more to establish their people than those from other European countries.
- (f) A profit and loss statement to be prepared at the end of the ten year period showing the net profit to Canada as referred to in the next paragraph. The Government then to refund to the society its total paid up capital, plus interest not exceeding ten per cent annually compounded.

Apart from the patriotic determination to make Canada grow, that profit would be the business incentive to business men to make a success of the enterprise. Should there be no net profit to Canada, then the society's invested capital would be lost - a situation it should be possible to avoid, as it is believed the value of the settler will be found to be quite a substantial figure. If not, the society would not be justified in unduly risking its capital.

(g) The net profit to be the five (5) year value (plus two thirds of same for addition to urban population) to Canada, of the settlers located, less:

- (1) Any monies advanced to the society under sub-section (c)
- (2) The loss to the country through the absorption by the government of the society's land settlement bonds, on lands from which settlers have withdrawn, after allowing a fair valuation for such lands - also
- (3) Interest charges on bonds which settlers have failed to pay.

In the past, disgruntled settlers have said they were working for land corporations - in that all the expenses of the corporation in connection with land settlement were claimed to have been added to the value of the lands plus the land companies' profits.

The settler gets the benefit of money at the lower rates of interest - he contributes nothing towards the profit of the society. It comes from the nation. He has the advantage of a strong corporation in helping him to get established, and he escapes all the incidental expenses of the enterprise. As for the country, it would be paying an extra five per cent for the use of the society's funds, provided a profit is earned, otherwise the society loses all. Meanwhile the country would be getting the services of an organization that should justify the country in offering it a return several times the amount of its capital employed in the work.

December 26, 1924

DOCKET ENDS:

COLONIZATION PLAN

CANADA

CHARLES A. MAGRATH, CHAIRMAN
HENRY A. POWELL, K.C.
SIR WILLIAM HEARST, K.C.M.G.

LAWRENCE J. BURPEE, SECRETARY

INTERNATIONAL JOINT COMMISSION

OTTAWA, CANADA

UNITED STATES

CLARENCE D. CLARK, CHAIRMAN
CHARLES E. TOWNSEND
FRED T. DUBOIS

WILLIAM H. SMITH, SECRETARY

December 29th, 1924

Dear Sir Arthur,

Herewith you will find a memorandum dealing with three separate plans for colonizing Canada. The first, a British organization, is the plan that I advanced in a booklet some ten months ago. It is pretty much what Mr Greenfield had in mind when we all had luncheon together a few weeks ago in Montreal. The second plan carries out the ideas that were expressed at that luncheon, a Canadian organization under the control of outstanding Canadians serving without remuneration. The third is something entirely new, the creation of a syndicate to take up the work on commercial lines.

It was understood at our luncheon that Mr Greenfield and I were to prepare the outlines of a plan and submit it to yourself and the others who were good enough to have luncheon with me. Mr Greenfield came here from Montreal and had to go west hurriedly. He said that he wished to take time to think the matter over and I would hear from him, which doubtless I will at an early date.

I am not altogether clear as to the desirability of sending this material to Mr Greenfield. Recently the Liberal party in Alberta was reorganized. I think I can see in one of the Alberta Liberal papers the starting of a campaign against the Farmers Government. Mr Greenfield may at any moment be on the defensive and might, if he had the material herewith in his possession, make use of it. If that should happen, I am afraid there would be a good deal of difficulty in getting the Ottawa Government to consider anything in the way of a change from its present methods. Mr Greenfield is big enough not to feel offended if the material is not sent to him. What he wants is to get some people in his province.

I shall be glad to have your frank comments on these three plans. Personally I like the syndicate idea. It would be a move somewhat similar but of course on a smaller scale to the move which brought the Canadian Pacific Railway into existence. The syndicate at that time took great chances with their capital and they won through. Some of the capital of the syndicate for land settlement purposes I believe should be secured in England, thereby laying the foundation for active support in Great Britain.

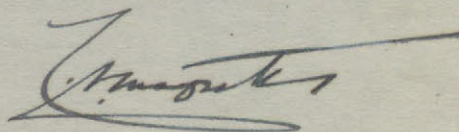
I think the time has not yet arrived for putting this material before all of those who were at our luncheon. I am sending but the one copy to yourself and would appreciate your taking it up with Mr Beatty, with a view of having the three plans considered and obtaining your suggestions as to the one you both favour and alterations in same that appear desirable. I hope you do not mind my taking the liberty of asking you to bring this to the attention of Mr Beatty. He is so very busy that unless there is someone on the ground dealing with it, there may be considerable delay. Yesterday Messrs Herridge, Macdonnell and Stanley and myself spent some hours together and it was their wish that I should pursue this course, which I frankly admit, I agreed to with the greatest of pleasure. I have asked Mr Macdonnell to see you and he will be able to give you an outline of the discussion that took place.

I feel that quick action is desirable, because Parliament is going to be faced with a scheme for financing agriculturists generally. Dr Tory has been engaged in looking into that subject for over a year as you know. To my mind the leading financial organizations of the country have been very short-sighted in not having created a small committee and offered its services to Dr Tory. I believe in private initiative and I feel if some of our financial men with fertile minds would have given some thought to this subject, that they could have developed a method whereby aid to agriculturists might be carried on through the financial organizations of the country, with certain government support. As I see it, we are going to drift into the creation of a government farm loan organization. I do feel that that work should be carried on through our existing establishments. Anyway the subject will be up in Parliament; the credit of the country will probably be made available for a loan system to agriculturists. If it is decided that it is desirable to have that credit available for colonizing, it would be better to have the government committed to it before the other matter is forced upon it by Parliament.

With kind regards and again wishing you a Happy New Year,

Yours sincerely,

Sir Arthur W. Currie, G.C.M.G., LL.D.,
Principal, McGill University,
M o n t r e a l



LESSLIE R. THOMSON,
MEMBER -
ENGINEERING INSTITUTE OF CANADA
AMERICAN SOCIETY OF CIVIL ENGINEERS
CORPORATION OF PROFESSIONAL ENGINEERS, QUEBEC

Immigration

TELEPHONE
~~MTWYN 4085~~
LA 6463.

LESSLIE R. THOMSON & Co.

CONSULTING ENGINEERS

NEW BIRKS BUILDING,
10 CATHCART STREET

MONTREAL,

March the 22nd., 1926

General Sir Arthur Currie, G.C.M.G., K.C.B.,
Principal - McGill University,
Montreal.

Dear Sir Arthur,

Enclosed herewith please find the memorandum on a plan to obtain a national policy for Canadian colonization. May I have at your convenience your criticism of the suggestion?

If you approve of the principle contained in the plan, (the obtaining at this crisis specialist consultants without danger of error of choice), and if you were to receive beforehand assurance from the two Railways of their support and cooperation, would you be willing to initiate the scheme?

Thank you very much for your kindness this morning.

Believe me to be,

Sincerely yours,

Leslie R. Thomson

LRT/T
Encs.

LESSLIE R. THOMSON & Co.

CONSULTING ENGINEERS

NEW BIRKS BUILDING,
10 CATHCART STREET

MONTREAL, January 9th., 1925

COPY

Memorandum to:
Sir Henry Thornton - President
Canadian National Railways

Regarding

A suggestion to obtain a national coordinated plan for
CANADIAN IMMIGRATION.

AIM To obtain suggestions for plans that are at once national, coordinated to all areas, and worked out in more or less detail on a purely economic basis. Casual, sporadic and intermittent efforts have been both ineffective and wasteful.

METHOD. With widest possible publicity, organize a competition with very substantial rewards, and suggested details are:-

Time. Say 9 months or 1 year.

Open. Open to all but especially the technical economists and professors of the leading universities of the world.

Scope. Plans submitted should include study of some or all of following: tariff conditions, cost of living in Canada, economic opportunities in agriculture, fishing, mining, and possibly one or two more general industries, type of immigrant suitable to settlement in Canada, methods of obtaining same, and governmental advertising, degree of financial help warranted, scaling of such assistance, repayment, insurance charges, sinking funds, commissions, colony settlements, their origin, development and feasibility,

LESSLIE R. THOMSON & CO.

CONSULTING ENGINEERS

NEW BIRKS BUILDING,
10 CATHCART STREET

MONTREAL,

-2-

vocational training of immigrants, their supervision after settlement especially from point of view of technical agriculture, local tutors, etc. etc.

Prizes. Say 15 - First three very substantial - say \$25,000., \$20,000. and \$15,000. Scale the other 12 down considerably.

Judges. Prime Minister, the President C.N.R., the President C.P.R., one representative of the Canadian Bankers' Association, and one representative of the West (This representative might be a nominee of the three presidents of the universities of Manitoba, Saskatchewan and Alberta.)

ARGUMENT. Note that this suggested competition is not to force on the Government any particular plan or scheme of immigration; it is an effort to draw to one focus all the possible and pertinent information on the subject. It is in effect the retaining in a consulting capacity without any waste, the finest brains and minds in the world. No errors in selecting consultants, and yet best brains are obtained because magnitude of reward such effort well worth while. The resulting essays will give a coordinated discussion of fundamental conditions, and a suggested escape from present dilemma prepared by thoroughly competent minds.

DEVELOPMENT. Subsequent to award of prizes the Government might appoint a small Board or Commission composed perhaps in the main of those who had been successful in the competition in order that for final plan there might be a coordination and condensation of all the best

LESSLIE R. THOMSON & Co.

CONSULTING ENGINEERS

NEW BIRKS BUILDING,
10 CATHCART STREET

MONTREAL,

-3-

that had been brought out by the various essays. Such a final plan would be worthy to be recommended to the Government for execution.

FINANCING. Contributions from 2 railways, 6 leading banks, Canadian Manufacturers Association, etc., but in any event absolutely free of governmental control and assistance. I feel that these various bodies would be glad to contribute the nominal amount required in view of their extraordinary large stake in the future of this country.

Respectfully submitted,

Leslie R. Thomson

Montreal, January 9th., 1925.

McGILL UNIVERSITY
MONTREAL

FACULTY OF ARTS
OFFICE OF THE DEAN

April 3, 1926.

Sir Arthur Currie, G.C.M.G.,
Principal,
McGill University.

My dear Principal,

Forgive me for not answering on an earlier day your letter dated March 22nd, enclosing a memorandum by Mr. Lesslie R. Thomson making some suggestions looking towards a more effective organisation of immigration agencies in Canada. Mr. Thomson's plan is undoubtedly distinctly interesting and ingenious although, perhaps, not altogether novel, as similar devices have sometimes been employed in the United States and elsewhere in questions of great public interest and importance. There are, it seems to me, perhaps, four different ways in which problems of this kind may be investigated:-

1. By the appointment of the usual type of public commission or board, composed of politicians and laymen, authorised by Royal Commission to call and hear all necessary witnesses and to collate the results of evidence heard by them into a formal advisory report to be presented to the Government. This procedure has, I think, for reasons that are pretty widely known, not hitherto been a distinct success in the Government of Canada.

2. By appointing in similar manner a commission or board of experts who have already devoted some of their years to the special impartial study of the problem in question. Obviously this is likely to be a more effective method than the first. The members

Sir Arthur Currie, 2.

of a board or commission of this kind would be chosen from the Universities or from ^{the} expert Civil Services. I am afraid, however, that neither the Universities nor Public Services in Canada have at the present time enough adequately trained men to undertake work of this national importance. Indeed, closer co-operation between the Universities and the Public Services of Canada is one of the greatest needs of the country at the present time.

3. By employing a small group of men to investigate and study the problem in question in an informal private way and to collaborate the results of their investigation into a single report upon the subject.

4. The method suggested by Mr. Thomson of offering prizes in money of substantial magnitude to competitors who may wish to offer their solution of the problem to the public authorities or other agencies actively interested in the matter.

Personally I feel inclined to favour either the second or third of the methods mentioned above. Whether the fourth method would prove successful or not would depend entirely upon the question whether a sufficient number of really capable trained men could be induced to undertake the large amount of labour required on the off chance of being successful in the competition. The amount proposed to be offered by Mr. Thomson is very magnificent and I am inclined to think that on the whole more substantial results would be obtained if this money were paid out by way of adequate remuneration to selected men of proven capability and experience to undertake the work. It might also, however, be worth while offering a few prizes of substantial value to free

Sir Arthur Currie, 3.

competitors who may think that they have any substantial contribution to make to the solution of the problem.

The problem of immigration and colonisation is a very difficult one in any country. Indeed, I have always thought that there is really no single problem of immigration. The real problem is how the country, in this case Canada, may be made in every way sufficiently prosperous and hopeful of the future to induce immigrants to undertake to settle here and to provide them with the necessary employment, opportunities and social advantages when they come here intending to make new homes in a new country under new and strange conditions. I do not know that the question why men migrate has ever been successfully answered. No one, for example, so far as I know, has ever accounted for the tremendous migration ~~of~~ from Europe during the decade from 1903 to 1913 when nearly two millions of people emigrated ^{annually} from Europe to all parts of the world. Most of these movements, indeed, seem to be purely nomadic in character and, therefore, perhaps, influenced very much less than we suspect by purely economic conditions. Some peoples and nationalities, for example, seem to migrate freely, while others, the modern French for example, can scarcely be induced to emigrate at all. This may appear to you to be a very academic way of looking at the question, but it does, nevertheless, serve to prove that a great deal of the money spent on immigration work is probably almost altogether wasted. It is customary, I know, in this country for the Government of the day to take credit to itself for inducing emigrants to settle in the country. For example, the

Sir Arthur Currie, 4.

Government which was in power in this country from 1900 to 1910 always claimed that the wave of emigration into Canada during these years was the result of their immigration policy, whereas the truth of the matter is that Canada only received her pro rata number of the large number of emigrants out of Europe during these years to which I have already referred.

I am afraid that you will think that this letter is unnecessarily vague, but the gist of my way of looking at it is that the problem of immigration in the large is far too vast a problem to admit of any really final comprehensive solution and that it might be better, therefore, to tackle one or more special aspects of the problem at a time, as, for example, the re-settlement of abandoned homesteads in the Maritime Provinces, or community settlements on the western prairies, or the effective organisation of immigration employment bureaus throughout the country, or the investigation of the principal classes of remunerative employment offered in Canada at the present time, or the preparation of a really trustworthy guide book for immigrants coming to Canada. I have always felt, for example, that the last of these undertakings is of marked importance. Canada at the present time is offering opportunities to immigrants to come to this country with a little capital, say \$3000 or \$4000 or \$5000 in amount. As a matter of fact, the very first advice which should be given to immigrants is to leave their capital at home in safe keeping until they have gained some knowledge and experience of life in this country. The only way, it seems to me, for example, in which an intending farmer can hope to succeed best on the prairies is by apprenticing himself to a successful farmer for about two years

Sir Arthur Currie, 5.

until he learns the trade of farming, acquires some friends in the community and is able to select a suitable farm for the future occupation of himself and his family. Until he takes these necessary preliminary steps, bringing his capital with him to this country is a pretty sure way of losing it in the end.

I am returning herewith Mr. Thomson's letter to you and the copy of his memorandum which you sent to me.

Yours very sincerely,

Geo A MacKay
Dean

Encls.2

OUR FAILURE IN IMMIGRATION.

Proposal (1) "Apply the system of protection in full measure to secure the home market for the producer".

This proposal assumes that the Canadian producer when assured of the home market will be able to produce at a cost no higher than the cost of his foreign competitor, otherwise the Canadian consumer will be called upon to pay the duty, or part of it, in the shape of excessive prices, but this possibility is ruled out under Proposal 3.

There seems no reasonable ground for assuming that the monopoly of the home market will equalize costs as between Canadian and foreign producers. It is the continuation of differences in costs that makes the larger part of international trade desirable and permanent.

Proposal (2). "Bonus the manufacturer on his exports to enable him to undersell trade rivals in foreign countries."

This is dumping and is sure to arouse the animosity of other countries and lead to retaliation.

We penalize goods dumped into Canada and now, under this scheme, propose to dump Canadian goods abroad. Other countries - Germany, for example, before the war in the case of sugar and other exports - caused tariff wars by bonusing exports.

Proposal (3). "Compel the Canadian manufacturer to sell at cost plus a reasonable profit".

Under modern methods of production with many separate commodities produced by the same corporation the element of joint cost - overhead cost - is so important that it is practically impossible to determine the cost of each separate commodity. The American Tariff Board has found it pretty well impossible to determine cost. Manufacturers are naturally unwilling to disclose what little information they possess. Cost, as far as it can be allocated, varies greatly between manufacturers. What particular manufacturer's cost is to be taken as the criterion?

For the most part Canadian manufacturers reckon cost by the American price, plus most of the duty.

Watered stock hinders the determination of cost. Moreover price is not determined by cost but by demand.

Proposal (4). "Preventive laws".

Wholly impracticable. Could not be done and would not be tolerated if it could be done.