

The Grain Growers' Guide

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U.S. Packers' Combine

One more great stroke of governmental action against the plundering of the many by a powerfully organized, greedy few is added to the record by the action of the Federal Trade Commission of the United States, which, after searching investigation, has recommended to President Wilson government acquisition and control of all the principal stockyards, cold storage plants and warehouses, refrigerator cars and cattle cars in the United States. This the commission recommends in order to destroy a monopoly which it declares Swift & Co., Armour & Co., Morris & Co., Wilson & Co., Inc., and the Cudahy Packing Co., exercise, not only over the meat supply of the country, but over other necessary food supplies.

The report of the commission, based upon exhaustive hearings and investigations in a number of the chief cities of the United States, states that the power of the five great packing companies "has been and is being unfairly and illegally used to manipulate livestock markets, to restrict interstate and international supplies of feed, to control the prices of dressed meats and other foods, to defraud both the producers of food and the consumers, to crush effective competition, to secure special privileges from railways, stockyard companies and municipalities, and to profiteer." A sweepingly comprehensive setting forth of typical high-handedness, as carried on in a highly-organized and linked-together system of plundering the public by predatory "big business."

The following are the recommendations made to President Wilson by the commission to put an end to that plundering:—

- 1.—That the government acquire, through the railroad administration, all rolling stock used for the transportation of meat animals and that such ownership shall be declared a government monopoly.
- 2.—That the government acquire, through the railroad administration, the principal and necessary stockyards of the country to be treated as freight depots and to be operated under such conditions as will ensure open, competitive markets, with uniform scale of charges for all services performed, and the acquisition or establishment of such additional yards from time to time as the future development of livestock production in the United States may require. This to include customary adjuncts of stockyards.
- 3.—That the government acquire, through the railroad administration, all privately-owned refrigerator cars and all necessary equipment for their proper operation and that such ownership be declared a government monopoly.
- 4.—That the federal government acquire such of the branch houses, cold storage plants and warehouses as are necessary to provide facilities for the competitive marketing and storage of food products in the principal centres of distribution and consumption. The same to be operated by the government as public markets and storage places under such conditions as will afford an outlet for all manufacturers and handlers of food products on equal terms. Supplementing the marketing and storage facilities thus acquired, that the federal government establish, through the railroad administration, at the terminals and points of consumption, central wholesale markets and storage plants with facilities open to all upon payment of just and fair charges.

Thus once again the greed of private enterprise which built itself up into a system of giant strength and used its giant powers for the exploitation of the public has drawn down upon its own head retribution and led to governmental action for the establishment of the necessary public control to ensure justice and fair dealing.

War Profiteering

The charges brought against the British Cellulose Company by the Committee of National Expenditure in Great Britain make disquieting and most unpleasant reading for Canadians. The company, it would appear, is largely Canadian; it was formed in March, 1916, with a capital of £4,000, divided into 160,000 shares of the value of sixpence each. After less than three years operation in the manufacture of cellulose acetate, a war material, the company was absorbed into a new company, with a share capital of £3,500,000 in £1 shares. Only £455,000 of these shares were paid for in cash; the other shares that were taken up were acquired on the basis of one share in the parent company being exchanged for one share in the new company. The value of the shares of the new company, so the cable report states, is established by actual sales at £14 10s. per share. The shareholders in the original company, who exchanged their shares for shares in the new company thus received a nearly six-hundred-fold increase; or to put it in our money, they got for each share representing 12 cents another share worth \$70.33.

Leading London newspapers are demanding that there be a searching investigation into the affairs of the Company, and the British government has promised that there shall be such an investigation under oath. When the cable brought the first news of this matter last week, the feature of it which gave ground for disquiet in this country, was the fact that names of Canadians were prominently mentioned in connection with it, and in the forefront of them the name of Sir Sam Hughes, who at the time of the formation of the original company was Minister of Militia for Canada. The report of the Committee of National Expenditure states that Sir Sam held 1,000 shares in the first company, and holds 5,000 shares in the present company. The Prudential Trust Company of Montreal is reported as the holder of 4,470 shares in the original company, and is declared to have figured more or more largely in the business as time went on. Naturally the question which at once suggested itself was in regard to what names were concealed behind the name of the Prudential Trust Company. With earnestness that will watch intently for the outcome, the people of Canada add their voice to the demands of the British press and people that daylight be let in thoroughly upon this whole business.

The Protectionist Campaign

It is quite apparent that the protection forces of Canada, or at least a large body of them, have set out on a high tariff campaign. The annual address of Mr. Parsons, president of the Canadian Manufacturers' Association, has been published as a paid advertisement in a large number of papers all over Canada. The Canadian Industrial Re-construction Association is composed of leading protectionists of Toronto. Sir John Willison, former editor of the Toronto Daily News is the president, and we understand is devoting his time to publicity work for the association. Sir John is one of the ablest writers and speakers in Canada. He recently made an address in Eastern Canada on conditions after the war. This address was published as a paid advertisement in many newspapers throughout Canada. It was extraordinarily clever—let us not disguise the fact. Sir John in his address did not men-

tion the tariff at all, but all his facts and figures and conclusions were prepared in such a skilful manner as to suggest that a protective tariff was absolutely necessary for the salvation of Canada. The protectionists undoubtedly have millions at their command to carry on such a campaign, and are using this money to maintain and increase the tariff protection they now enjoy. No person can legitimately complain against this publicity campaign being waged by the protectionists. It is above board and in the open. The only thing to do is to meet it and expose the fallacy of the arguments advanced by the protectionists.

It must be remembered that the great majority of the press of Canada is protectionist, and will support the protective tariff. The press of Canada is largely owned or influenced by protectionist capital or by politicians under the control of protectionist influence. The whole plan of campaign is to influence public opinion, and thus influence parliament when the tariff question comes up for consideration. The present Ottawa government is undoubtedly largely protectionist. There are a few low tariff and free trade members in the cabinet, but the most of them whether they are called Liberal or Conservative are known to be out and out protectionists. These are facts that must be considered. Canada has a democratic form of government by which parliament is supposed to represent public opinion. If the manufacturers in their campaign can influence the electors to support a protective tariff it will be continued. If not, then the tariff will be lowered.

The farmers in Western Canada should consider this matter soberly and seriously. The protective tariff has imposed a tremendously heavy burden upon this western country. The close of the war will see a great drop in the price of everything the farmer has to sell. The price of wheat will go down very rapidly, and other grains will follow. Livestock prices may not slump quite so quickly but are bound to have a steadily downward tendency. On the other hand, the price of things the farmer has to buy, and which are now greatly increased because of the protective tariff, will not go down so rapidly because they are chiefly controlled by the manufacturers and the interests that own the supplies of raw material. The tendency of course will be downward, but not nearly so rapidly as the drop in prices of farm products.

The whole situation simply means that the farmer's revenue will be reduced quickly and largely at the close of the war, while his expenditure will not be reduced in the same proportion. A protective tariff which increases the price of practically every thing the farmer has to buy will thus hit the farmer heavier after the war than it has for many years past. For this reason the views of the organized farmers should be placed before the people of Canada just as vigorously as the views of the organized manufacturers. The farmers are the chief wealth producers of Canada. If they hope to retain a fair share of the wealth they produce they must be prepared to spend a proportion of their income in educating the people of Canada on the tariff question. It is just as necessary for the farmers of this country to spend money to have the tariff reduced as it is to spend money on any farm improvements they intend to make. The seriousness of the present situation cannot be too strongly emphasized, and it should be the subject of the most careful consideration