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FRUITS OF PROTECTION—HOW THEY AFFECT US FARMERS

E. C. Drury of Crown Hill, Ont., in a Series of Meetings in Peterboro County, Ontario, explains to the Farmers how "Protection has Gone to Seed." A Tax Equal to a \$4,000 Mortgage on Your Farm. The Light Turned Squarely on the Situation.

"WE farmers have been great fools. We have inherited our politics and swallowed them whole."

"I do not object when a man gets all he makes, but I do object when he takes what we make."

"We were willing to make sacrifices to establish home industries, but we are not willing to make sacrifices to make millionaires."

"We are fighting to prevent the curse of a money aristocracy."

"The cry Canada for the Canadians really means Canada for a very few Canadians."

"Do your party conventions represent your views? Do you control them?"

"What the farmers of this country need more than anything else is an independent farmers' organization."

"The Canadian Manufacturers' Association has thrown party politics to the winds. You can't tell a Liberal from a Conservative in that Association. It is time that we took a leaf out of their book."

"We are not urging Conservatives to cease being Conservatives or Liberals to cease being Liberals. What we want is to have the farmers stand together for their rights and pledge their respective party candidates to work for them."

The foregoing are a few of the trenchant remarks made by Mr. E. C. Drury, Secretary of the Canadian Council of Agriculture in a series of meetings of farmers which he addressed last week in Peterboro Co., Ont.

These meetings were held at Warsaw, Lakefield, Stewart's, Central Smith, Monaghan and Norwood, and ended on Saturday afternoon with a central mass meeting held in the Court House, Peterboro. At all points where there were Farmers' Clubs, they helped energetically to make the meetings a success.

The effects that the great farmers' deputation to Ottawa are having amongst the farmers of the country, were illustrated by the approval with which Mr. Drury's remarks were received at these meetings. At every meeting, with the exception of only one, where it was rather late to introduce a motion, the farmers, excepting possibly only two individuals, after hearing the speaker's simple, forcible explanations and moderate statements, endorsed the movement unanimously, and took steps to organize so that they can take their part in this great movement.

Mr. Drury, who was for two years Master of the Dominion Grange, has been prominent in all farmers' organizations for some years back. He is a Simcoe County farmer, and was one of the leading speakers on the farmers' deputation that went to Ottawa. As secretary of the Canadian Council of Agriculture, with which are affiliated the farmers' organizations of the west, he is in close touch with all of the details of this great movement. The farmers at these meetings re-

ceived Mr. Drury cordially as a brother farmer, who was doing all in his power to forward the interests of his fellow agriculturists.

Mr. W. L. Smith, Editor of The Weekly Sun, that staunch advocate of farmers' rights, spoke at six of these meetings, pointing out the need of organization and the benefits to be derived from reciprocity.

THE QUESTION OF PROTECTION

Mr. Drury conceded that protection under some conditions might aid in the establishment of infant industries, and the introduction of the policy might, therefore, have been justified on these grounds. The effect of the tariff now is to greatly increase the farmer's burden.

The price of farm produce cannot be materially enhanced by a protective tariff in any country where there is a surplus for export, as the price of all the surplus is set by the price of this exportable surplus. Nor can the tariff ever be of advantage to the farmer, as the only thing that will deter Canada from producing a surplus of agricultural produce, is the ruin of the agricultural industry. On the other hand, the tariff increases the price of everything that the farmer has to buy and, therefore, is a great disadvantage to the farming community.

"The price of manufactured goods is determined by the cost of production, freight rates and profits to the manufacturer and merchant. To these items is added the amount of the tariff, whether the goods are home made or imported." Mr. Drury explained how the price added to the manufactured goods which the average farmer buys amounts to \$200 a year. Of this tax \$150 is added directly to the goods. The indirect tax which is estimated at \$50, goes in higher wages for hired help, higher pay for the doctor, the school teacher, and the minister, higher cost of insurance, and so forth. It also adds to the cost of transportation, as the boats which carry away our exports have to come back "in ballast."

A HEAVY MORTGAGE

"Mr. Russell, the spokesman of the Canadian Manufacturers' Association, tells us about the prosperity of the farmer, but we know that a \$4,000 mortgage is a pretty serious proposition for any of us. This \$200 which we have to pay yearly because of the tariff, is equal to the interest on \$4,000 at five per cent."

"The manufacturers tell us that by continuing the protective policy our industries will increase in strength and in numbers to the point where competition between the various manufacturers will bring the price down." Mr. Drury gave several instances to prove that many manufacturers, by means of combines in restraint of trade, have limited production, strangled infant industries that offered competition, and then, to conceal their

immense profits, had watered their stock,—in at least one case, by 900 per cent.

50 PER CENT PROFITS

The case in point is the cotton industry. The operators in a cotton factory in Quebec had their wages cut 10 per cent., and struck in consequence. The explanation for the cut in wages given by the president of the company, was: "Unfortunately the cotton trade of this country does not receive sufficient protection and it is possible for the manufacturer of England and the United States to undersell us, which means that we do not secure all the business to which we have a right. With full protection our mills would be enabled to run full time and the companies would be in a position to give better wages."

In the Government investigation which followed it was brought out that each dollar's worth of common stock in this concern had been issued for 10 cents on the dollar. The concern was then paying five per cent. dividends on the face value of the stock. Under oath the secretary admitted to Hon. Mackenzie King that the shareholders were really receiving 50 per cent. dividends on the actual money invested. They had not asked for more protection since.

THE TACK COMBINE

Mr. Drury gave out the facts that have been brought to light in regard to the tack combine. A government investigation was ordered into this concern. When the books were produced, it was shown that all the firms united in it were limited to a fixed list of prices. Each factory was limited to a certain volume of output. If it exceeded this volume, only 10 per cent. of the returns from the excess volume went for their own benefit. The other 40 per cent. going into a common fund. So far as this carried that one factory which did not run at all during the year, obtained its share of the profits earned by the operations of the others. In one case a factory withdrew and operated independently. Prices were cut and the independent man ruined.

In another case a firm in Chatham began to import tacks from the United States. The combine cut prices in the neighborhood of Chatham until the imported goods were shut out, and then the old prices were restored. Mr. J. W. Curry, of Toronto, the Crown Attorney who investigated and exposed the manipulations of the tack combine, and who had pursued a number of investigations into the existence of combines in Ontario, gave evidence that this combine was not an isolated case. There were some 30 or 40 other combines organized in a similar way and for like purposes.

A steel plant in Hamilton was cited by Mr. Drury as one that, in order to have the Dominion Government bonus continued, watered its stock to the extent that whereas they could have paid nine to 10 per cent. dividends they only paid five to six per cent. on their watered stock.

Speaking of the position of the working man, Mr. Drury said that if such men would be injured by the reduction in the tariff, he would think very seriously before advocating the abolition of

(Continued on page 10)