

The Grain Growers' Guide

Winnipeg, Wednesday, July 24th, 1912

GRAIN GROWERS' SUCCESS

The results of the last year's business of the Grain Growers' Grain company, as announced at the annual meeting last week, will undoubtedly be received with much satisfaction by the shareholders throughout the country. By their own efforts the farmers of the West have succeeded in building up the largest grain company in Canada. It is an achievement of which every shareholder may well be proud. The profits for the last year were more than \$121,000, out of which a handsome dividend of 10 per cent. will be paid and the balance placed to reserve. The profits are a very necessary and very gratifying part of the annual report, but the good influence of the Grain Growers' Grain company in the commercial life of the West has benefited the Western community far more than dollars and cents can ever show. The conditions surrounding the marketing of grain in Western Canada are today such as to give the producer a larger portion of the real value of his grain than ever before. That this condition has been arrived at is today almost entirely due to the presence of the Grain Growers' Grain company in the field, and the general activity of the Grain Growers' organizations. No one will contend, however, that conditions are right even yet. It is doubtful if the complete solution will be arrived at until the farmers themselves provide facilities for the handling of grain from the time it leaves the farm until it reaches the consumer in the form of flour and other manufactured by-products. This is the particular field in which the Grain Growers are best fitted to carry on their work, and it is a field where enormous profits have been taken from the farmers in years past. The action of the Grain Growers' Grain company in taking over the Manitoba Government elevators, and also the C.P.R. terminals at Fort William, is undoubtedly a step in the right direction. The experiment in publicly owned elevators in Manitoba was an utter failure and the government had decided to get rid of the elevators. The shareholders at the annual meeting felt it would be wiser to take over these elevators rather than have them revert to the line elevator companies, who would again have an elevator monopoly in Manitoba. The president in his address to the shareholders outlined a magnificent future for the company, in which its activities would be extended to assist the shareholders in many of their difficult problems outside of the grain trade. Already the company has made provision for the time when it will embark in the lumber business and supply lumber at a reasonable price to its shareholders on the prairie, who are today being plucked by the lumber combine. The tremendous business which the company is now doing, and which will undoubtedly grow very rapidly year by year, makes the need of a larger capital imperative. Farmers who purchase stock in the Grain Growers' Grain company have a double satisfaction. They will draw a 10 per cent. dividend and at the same time add strength to an organization which is laboring night and day to better the conditions under which they live. The Grain Growers' Grain company has long passed the experimental stage. It is now an established fact, and if it is to continue to take its logical place as one of the greatest commercial concerns of Canada, it can only be done by the support of the farmers of the West. Every farmer who can afford it should have at least \$100 stock in the company. No man is allowed to hold more than \$1,000 stock, and the principle of "one man one vote" prevails. It is the most democratic commercial organization of its magnitude on the contin-

ent, and to this fact may be attributed a large portion of its success. We would like to see the farmers give much stronger support to the company during the coming year than ever before and we predict for it continued growth and usefulness.

RAILWAY COMMISSION INVESTIGATING

The Railway Commission is now making a tour of Western Canada and taking evidence on the question of freight and telegraph rates. It will be remembered that the last ruling given by Judge Mabey before his death, was that the West had made out their case against the railways on the charge of levying unjust freight rates. The commissioners now visiting the West are D'Arcy Scott, vice-chairman; Dr. James Mills and A. S. Goodeve. Western shippers and business men are thoroughly aroused over the extortion practiced by the railway companies in freight, telegraph and express rates. Endless evidence was submitted at Winnipeg to show how heavily the freight rates bore on the West and it was pointed out that these freight rates were charged upon the cost of the goods and paid for by the ultimate consumer, or, in other words, the farmers and working men. As the commission moves west further evidence is being submitted to show that the railways are plundering the West in a manner without parallel in the civilized world. The Manitoba Grain Growers' association, at Winnipeg, submitted evidence in support of the general Western demand. Telegraph rates throughout the West are from 50 to 200 per cent. higher than in Eastern Canada, and this despite the fact that the railways admit they can construct and operate telegraph lines cheaper in the West, and that the volume of business is greater in the West. Freight rates are from 25 to 175 per cent. higher in Western Canada than in the East, and the cost of construction and operation is cheaper according to the sworn statement of the railway managers. Railway lawyers are always on hand at the meeting of the railway commission and endeavor to the best of their ability to confuse the witnesses giving evidence against them. But the railways have kept the freight rate question in darkness as long as it was possible. The public now have the facts and are fully aware of the extortion practiced by the railways. The railway commission is receiving a mass of evidence which cannot be answered by the railways and before this year is ended we may expect a very material reduction in freight rates in the West upon the order of the railway commission. The business men of the West can do no better work towards building up this country than that of forcing the railways to give equitable freight rates.

PROTECTIONIST IN EFFECT

The Manchester Guardian (England) criticises the Canada and West Indies reciprocity agreement very severely, describing it as "protectionist in intention and effect." The Guardian points out that the West Indies cannot reduce their tariff on Canadian imports without a serious loss in revenue, therefore the only way for them to give the agreed preference to Canadian goods is to raise their tariff upon all other imports, particularly American. This action, of course, will raise the price of everything affected by the reciprocity agreement to the West Indies negroes and other consumers. The Guardian believes that the West Indies have been induced to enter into the agreement with Canada by a fear that if they do not consent, Canada will withdraw from them the

slight preference, which was voluntarily given some years ago. This inside information shows how the Canadian protectionists will wield the club over the smaller rival when they have the opportunity. Even the poor negroes of the West Indies must pay toll to the protected industries of Canada.

THE BONUS EVIL

Errors die hard. That has been one of the tragedies of man's long history. If the only thing necessary for the banishing of an injustice were to show that it is an injustice, progress would be as swift and easy as it now is slow and difficult. But the pity is that even after a certain abuse has been exposed, and the thinking men begin to agitate for reform, the special class benefited vigorously resists any change. That is why a protective tariff persists in every country, except England, although the pleas advanced for this sort of extortion on the food, clothing and other necessities of life to enrich the protected interests, have time and again been exposed. Bonus-giving by towns and cities is just such a tax on the many who cannot afford it for the benefit of a few who do not need it. And the wastefulness and absurdity of the system have repeatedly been pointed out. The favored few, however, aided by any system of handing out public money are often able to humbug the public by representing their own enrichment as the welfare of the public in general. Towns and cities compete with each other to secure factories and other industries until the object in view appears to be how much land, tax exemption or other bonus they can give away to a clique of capitalists who have graciously signified their intention of locating wherever they could get the most for nothing. Widespread as this evil is today, a change is coming. A strong body of public opinion is growing up which will seal the doom of special privileges, however piteous the whine of pampered interests. While the recent municipal congress held in Winnipeg was by no means a unit on this question, and several advocated a bonus in particular instances, yet the majority of the delegates and certainly the weight of argument were directly opposed to the bonus in any shape, manner or form. Even those favoring its limited application admitted that there would be a gain all round if every town and city agreed to shut down entirely on the present insane policy of vying with each other to secure industries. Manufacturers and railway magnates have reduced this scheme of playing off one city against another to a fine art. How they must chuckle when they succeed in getting several communities competing as to which one can hand over the biggest present of the people's money without going bankrupt. Very often a skilful promoter will get in this way more than enough to set him up in the business over which the town has got so excited. In any case, what becomes of the bonus? It is never used, as its advocates often claim, to pay the employees better wages than they would otherwise get. The workmen are paid just as little as the manufacturer can get the work done for. Anything beyond the lowest possible cost of production goes into the manufacturer's pockets, and loses no time in getting to its destination. While it is very pleasant to see the ratepayers solicitous for the prosperity of these magnates, one cannot help thinking there are many better ways of spending their all too limited money. If the cities agreed to stop bribing bonus-chasing promoters, industries would naturally locate where it was most economically