

The Grain Growers' Guide

Winnipeg, Wednesday, January 16, 1918

The People and the C.P.R.

The date for the additional tax levy on freight and passenger rates to commence in Canada is set for February 1. From then production will be handicapped by this pernicious ruling over which there is greater dissatisfaction and more open resentment than over any railroad decision or deal in Canada that we can recall. The Railway Commission in making this judgment seems to have regarded itself as the protector of the roads rather than an impartial board to see that the people of Canada are accorded justice. This decision makes it plain that the sympathies of the commission are not so strongly with the people as they were thought to be. There is no use beating about the bush. This decision is the most disquieting thing that has happened in this country for a long time and if put into and kept in effect can only create utter dissatisfaction, distrust and resentment at the railroads, the commission and the government. That feeling finds its main object in the Canadian Pacific railway. The other roads must be helped; the C.P.R. does not need it. This railway which once practically owned Canada seems now about to complete the operation. The taxes the C.P.R. levies on the people of Canada in the way of transportation charges are about equal to all the taxes necessary to carry on the functions of government in this country. Its power cannot be estimated. Does it still own Canada or does Canada own it? That is the issue. The parallel to the C.P.R. and Canada is best found in the influence Japan is reported to be now exerting over the people and resources of China for the benefit of the people of China.

The C.P.R. made no comprehensive public statement in defence before the commission in the West last summer but it filed a private statement, now published. In this it virtually claims that it owes nothing to the people of Canada for the present enormous values of its great land holdings. The real value of these lands should be taken at the time of contract, not 30 years later it contends. But the present enormous values of these lands are community created by the people brought to Canada by the government. Few deny the ambitious or colonizing work of the C.P.R. though some of the latter has been far from perfect. It claims allowance is not made for the expense of this. Will the C.P.R. take the original valuation of these lands plus a proportion of the expenditure just mentioned and turn over the remainder to the government? What it fails to mention is that during 30 years the people of Canada have had to pay the taxes on these lands while the C.P.R. reaped the harvest from their labor both in freight and land values. The C.P.R. maintains that its surpluses were made at legal rates and that these therefore bear no relation to the proposed increase. This argument is ridiculous on its face. The legality of these rates does not establish their justice. The West has constantly maintained that rates are too high and altogether inequitable. The C.P.R.'s argument on this point would justify any rates and any surpluses no matter how large, in other words, all the traffic will bear.

Its arguments on returns to shareholders can only be misleading. Much of its invested capital is represented in borrowings, interest on which is included in fixed charges and deducted from earnings. The shareholders always receive ten per cent. and that is all the government of Canada intended they should receive for there is a clause in their charter which by direct implication limits the dividends to that amount. Are additional earnings wanted to add to the speculative value of the stock? This road had at the end

of 1916, total revenues and surpluses from land sales, from operations, etc., \$305,739,345. Of this \$116,804,453 was surplus from operation. Last year it had a surplus of \$17,152,000. Its own estimate is that the new increase will give additional revenue in 1918 of \$17,300,000 though the increase in costs are estimated at \$19,376,000. In other words the C.P.R. does not intend to have its surpluses, its dividends or anything else distributed. It has no intention whatever of making the war sacrifices others are being asked and forced to make.

Canada is at war. Her sons are being sent abroad to fight and die. Her people are being asked to make the greatest of sacrifices. There is no room now for special privilege and the C.P.R. must recognize that. When national service is demanded all must place themselves at the disposal of the state. The C.P.R. was originally built to unite and consolidate Canada. Its attitude now is disrupting Canada. National control of railroads with no freight increases but with guarantees of dividends and interest is the only satisfactory solution of this problem.

The Brandon Convention

It is very doubtful if any one of the previous fourteen annual conventions of the Manitoba Grain Growers' Association registered such concrete progressive steps, such unanimity of sentiment, such whole hearted devotion to the cause of democracy as that just closed at Brandon. The unanimous decision to form a separate women's section was a great move. It was in line with action long since taken in Saskatchewan and Alberta, where the whole grain growers' movement has been greatly strengthened by giving the women better opportunity for developing their own peculiar phases of rural, social, educational and economic work. The new departure in Manitoba should help to electrify the whole movement in this province. It will also serve as a strong bond of attachment between women in Manitoba and the other Western provinces.

The decision to double the annual membership fee is scarcely less important. With the rising cost of everything two dollars now accomplish little more than one did a few years ago. The readiness to pay for benefits of organization is a very true gauge of how much they are desired. There was a strong sentiment in favor of making the annual fee five dollars and that ought to be set as the goal for next year.

Unanimity of opinion on the essentials to winning the war and a spirit of readiness to bear the burden of sacrifice necessary to that end pervaded the whole gathering. Wherever there were differences of opinion such were only in regard to the best methods of obtaining results. The desirability of complete mobilization of the moral and material forces of the nation, often strongly expressed before by the grain growers in annual convention was reiterated in the spirit of this year's meeting and in a number of the resolutions carried unanimously before it. The resolutions on labor and on hog production demonstrated this. There was equally strong evidence that there is no weakening of convictions on economic questions. The correctness of the contentions of the grain growers on fiscal policies have been amply confirmed by the effects of the war and their case has thus been greatly strengthened. Never was a free trade resolution received with a finer burst of enthusiasm than that dealing with the duty on agricultural implements which carried unanimously.

Greater emphasis was placed on the power of education and the value of true community service in advancing the ideals of democracy. This is one of the great signs of the times in

Western Canada. It was best expressed in these words by President Henders:

"We should see that there is developed in each community the elements and knowledge essential to democracy. Democratic rule requires that the average citizen be an active, instructed and intelligent ruler of his country, and, therefore, the success of democracy depends upon the education of the people along two principal lines, first political knowledge, and second, and what is of far more importance, political morality."

"What is the safeguard of democracy? Is it not universal education? And education in its final analysis is only thought. Right education is therefore right thinking, and right thinking can only come through accurate information. The people should be taught particularly on these subjects which relate to government and citizenship. In other words, citizens should and must be taught to think about their duties and responsibilities. This is manifestly the work of our association. No other organization is so peculiarly adapted for this great work."

This year a larger number of young and able men took a leading part in the discussions. Leaders are constantly needed and such augurs well for the future.

A War Necessity

The progress of the war has forced an agricultural situation that will be difficult to remedy. The man power already called to arms has created a labor shortage impossible to meet with men. The need of food produced in Canada is the greatest in history. It may be that the food production of Canada will be the deciding element of this war. Food production can only be kept up by the greater use of modern agricultural machinery. It must be used more generally than ever and it must be brought into use as quickly as possible. Although the farm population of the prairie provinces is much reduced, it would be quite possible for those remaining to work a larger acreage than ever if they were using agricultural machinery to the limit of its possibilities. The cheaper agricultural machinery is, the more will be used. The duty of 27½ per cent. on farm tractors greatly reduces the number of tractors in use. The same applies to all other kinds of agricultural implements in varying degrees. The cheap automobile has also become a practical necessity on prairie farms. It saves a tremendous amount of time to farmers in their work. Furthermore, the cheap automobile enables women to render assistance to the men that was previously impossible. In the West those left must do their bit in producing food. It is a dangerous situation that exists and a fearful responsibility for the Union Government to retain the duties on agricultural tractors, implements and cheap automobiles during this crisis. The loss of revenue by placing these articles on the free list will be small compared with the increased production of food.

The resolution passed at the Brandon convention urging that all machinery and implements needed in food-production be placed on the free list reflects the attitude of Western farmers on this question. This resolution was passed unanimously at a joint meeting of Grain Growers and live stock men. It carried with a burst of enthusiasm. The delegates were behind it to a man. There is no time to be lost. The crop of 1918 must be increased by every means possible. No measure can have greater or more immediate effect in relieving the acute situation that exists than placing the machinery needed for food-production on the free list. If this is left until parliament assembles in March it will be too late to affect this year's output. The urgency of the demand for more food calls for the immediate passing of an order-in-council removing the tariff from farm machinery as a war measure.