

The Brain Browsers' Guide

Winnipeg, Wednesday, January 24th, 1917

DEMAND NATIONAL GOVERNMENT

There is a steadily growing demand for National Government in Canada. Independent thinkers have favored National Government ever since the outbreak of war. A good many Liberals also favor the idea, but now leading Conservatives and some Conservative newspapers are advocating that party and patronage should give way to the best interests of the State. The leading financial journals are also advocating a National Government. The general tenor of these united demands are that there should be a re-arrangement of the cabinet to include some of the leading members of the Liberal party, representatives of organized agriculture and organized labor and some able business men selected entirely for their ability and regardless of whether or not they are members of parliament. The pressure is growing stronger each day on the Government, but still there is no suggestion from Ottawa that the Government will sacrifice any of the glory and spoils of office for the general welfare of the State. The only objection the Government can have to being nationalized is that some members of the present cabinet will lose their jobs, and naturally each one thinks the "other fellow" is the one who should lose his job first. It will remain to be seen whether the members of the present Parliament and the members of the present Government are big enough to solve this problem.

THE TARIFF AND CORN SYRUP

Every housewife knows the value and extensive use of corn syrup. There is a duty of 32 per cent on corn syrup importations entering Canada. This means that the farmers' and laborers' wives in Canada are paying 21 cents more per ten pound tin, or over two cents per pound more for Canadian corn syrup than they would have to pay for an equally good imported brand if there were no tariff on syrup. Here are the figures from one of the largest wholesale houses in Winnipeg:—

	Canadian Syrup with tariff	Imported Syrup without tariff	Extra cost
Cost to Winnipeg wholesaler, per case of six 10 lb. cans...	\$3.34	\$2.18½	\$0.93
Cost per case to re- tailer	3.71	2.67	1.04
Cost per case to farmer	4.64	3.34	1.30
Cost per tin to farmer	.77	.56	.21
Cost per lb. to farmer	.07 7/10	.05 6/10	.02 1/10

But even with the restrictive tariff large amounts of corn syrup are being brought in and sold right now below the price of our Canadian syrup. Macdonald-Chapman, one wholesale grocery firm of Winnipeg, sold over three carloads of imported syrup costing \$6,600 in the month just preceding Christmas. Mr. Macdonald states also that Canadian manufacturers force the wholesalers to sell syrup at a certain stated price, and if this price is cut either on their own or imported syrups they refuse to supply more Canadian made syrup to such wholesalers.

C.P.R. TAX EXEMPTION

It will be very welcome news to a large number of people living in Western Canada that in the year 1921 the tax exemption on C.P.R. lands will expire. It has been a great hardship on many school districts and municipalities where there are large areas of vacant C.P.R. land that they have not been able to levy any tax upon. The original agreement with the Canadian Pacific Railway company was made on October 21, 1880 and ratified by parliament on February 15, 1881. By this agreement the C.P.R. secured \$35,000,000 worth of completed railway built by the Government, \$25,000,000 in cash and 25,000,000

acres of hand-picked lands along the main line of the railway from Winnipeg West into British Columbia. Subsequently the company accepted cash in lieu of 6,000,000 acres, so that they only received 18,000,000 acres. One clause in this remarkable agreement with the C.P.R. reads as follows:—

"Clause 16.—The Canadian Pacific Railway and all station and station grounds, workshops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof and the capital stock of the company shall be forever free from taxation by the Dominion or by any province hereafter to be established or by any municipal corporation thereon; and the lands of the company in the Northwest Territories until they are either sold or occupied shall also be free from taxation for twenty years after the grant thereof from the crown."

It will be noted that the railway property of the company is free from taxation of all kinds for all time to come. The land was supposed to be free for twenty years. The agreement, however, was not very carefully drawn up and the company very shrewdly took care not to get their patent from the crown until 1901 and 1903. Parliament intended that the land should be taxed twenty years after the agreement was made, but on account of the wording of the contract the company held that taxes could not be imposed until twenty years after they got their patent. This was carried thru to the Supreme Court of Canada where the C.P.R. was upheld so that this land will not be taxable until 1921, that is twenty years from the date of the patent. The land which the company secured in this free grant was estimated by Sir Thomas White, Finance Minister in 1913 to be worth \$250,000,000. The special privilege of tax exemption on this land has been estimated at from \$30,000,000 to \$40,000,000. The tax exemption on all the property of the company must amount to immensely more than this. The burden of tax exemption on the land has all fallen on Western Canada with no compensation. In addition the freight rates on the C.P.R. in Western Canada were shown a few years ago to average about 75 per cent. higher than in Eastern Canada. After a very exhaustive investigation by the Railway Commission it was discovered that the West was being discriminated against, but by some process of reasoning, understood only by themselves, the Railway Commission ruled that this discrimination was justified. Some slight reductions in rates were made, but freight rates in the West today are from 60 per cent. to 70 per cent. higher than in the East. The express companies are merely a side line of the railway companies and by a ruling of the Board of Railway Commissioners, express rates for the Prairie Provinces were fixed at 66½ per cent higher than Ontario and in British Columbia at 100 per cent higher than in Ontario. This is the experience with one railway company. The Canadian Northern railway also received immense tracts of land as bonuses toward railway construction and the G.T.P. was given great privileges also. The nationalization of all these railways, which is part of the Farmers' Platform, would not only reduce or eliminate privileges, but would bring about a reduction in freight rates in Western Canada that would be of tremendous advantage in the development of this country. While it is very difficult to work out in exact figures the unjust railway burden on the people of the Prairie Provinces it must be nearly, if not quite equal to the unjust burden of the Protective Tariff.

An Ottawa announcement hints that the government may take over the Western mines in Alberta if the trouble between the operators and the miners cannot be settled. It is a good thing to know that the interests of the people are being considered.

GOVERNMENT MUNITION FACTORIES

J. W. Flavell, Chairman of the Imperial Munitions Board, speaking at the Women's Canadian Club, Toronto, on January 13, announced that there were 600 munition factories in Canada. Every province, except Prince Edward Island has one or more of these factories and over 400,000 men and women are employed in them.

Mr. Flavell also stated that national factories for munitions manufacture were in the course of construction. His statement on this subject was as follows:—

"We are at the moment constructing national factories for the manufacture of various munitions. One commenced a few weeks ago will cost \$2,500,000, and another we hope to complete in 30 days, using 900 men in the building, will cost about \$2,000,000. Another we decided to erect a few days ago, and which we hope to complete by midsummer, is estimated to cost \$1,750,000. A series of factories in connection with the proposed establishment of an aeroplane service will entail an expenditure of between ten and fifteen millions."

The people of Canada will be glad to know that the government has at last been aroused to the need of national munition factories operated at cost. This decision should have been arrived at long, long ago. It would have increased the output of munitions and reduced the cost. So far no announcement has been made that the government intends to take a good slice of the huge profits made by the private manufacturers of munitions.

REPAYING SEED GRAIN CHARGES

It is announced from Ottawa that Sir Thomas White, Finance Minister, has made arrangements with the Canadian Bankers' Association by which all payments made by Saskatchewan and Alberta farmers on the Seed Grain and Relief advances of 1915 will be handled without charge by the banks. Up to date the banks have charged exchange on these payments as it is customary in the transmission of money thru banks, but the government to facilitate these repayments has had this new arrangement made. Farmers, it is stated, may obtain drafts from any bank, payable to the Dominion Land Agent for the district or to the Deputy Minister of the Interior, Ottawa, without any charge for exchange. It is very desirable that this Seed Grain and Relief indebtedness should be wiped off as quickly as possible, not only for the benefit of the farmers themselves, but because in the Provinces of Saskatchewan and Alberta particularly, it has interfered greatly with first mortgage security and will have a tendency to increase the rates of interest on mortgages.

SASKATCHEWAN GOVERNMENT LOANS

It is announced that the Saskatchewan Government has decided to inaugurate a system of government loans to farmers somewhat on the basis of the New Zealand system. Full details are not yet available, but the legislation will be brought before the House at the ensuing session. Loans are to be for 30 year periods on the amortization principle, with the privilege of repaying them at any time. It is expected that by midsummer all three of the prairie provinces will have joined up with British Columbia in some scheme to give farmers money on mortgages at the lowest possible rates and the best possible terms.

REGISTER THE WEALTH

Under the new corporation tax system, inaugurated by the Dominion Parliament last year, the Federal Government now has a fairly complete census of the corporation wealth of Canada and can figure out to a reasonable certainty what revenue can be produced by