

The Brain Browsers' Guide

Winnipeg, Wednesday, May 27th, 1914

LONDON AND NEW YORK VIEWS

The London correspondent of the Wall Street Journal, of New York, wrote recently in that paper as follows:

"An exaggerated importance has been given here to the decision of the Dominion Railway Commission in the proceedings between the Western Canadian cities and the railroads. The reduction of rates ordered in Saskatchewan, Alberta and British Columbia is not ground enough for a fall of eight points, for instance, in Canadian Pacific. We are told by the company that the consequent loss in net receipts is about \$60,000 a month, which, as it is said, might easily be made good in a month or two with a recovery in trade. What explains the ill-effect which the decision has had upon the stocks of Canadian railways is the advertisement which it gives to the fact that they are liable to the disadvantages of Government control and intervention. The average investor had not realized that Canada had a body analogous to the Interstate Commerce Commission."

But the plain fact of the matter is, of course, that Canada has not in the Dominion Railway Commission a body which in actual effect is at all comparable to the Interstate Commerce Commission in the United States. By their fruits shall ye know them, and there is no comparison between the actual control of the railway corporations, their financing and their rates in the United States—control exercised in the interest of justice—and the workings of the system in this country by which the Dominion Railway Commission deals out, instead of justice, scraps and fragments by way of quieting down the public demand for justice.

The Interstate Commerce Commission grapples with the fundamental problems presented by rate questions that come before it. The Dominion Railway Commission dodges the fundamental problems. The recent prodigiously lengthy and elaborate judgment handed out at Ottawa as the result of the long-continued Western rates inquiry will bring into operation on September 1 next considerably lower freight rates on many commodities in the West, especially in Saskatchewan and Alberta and the lake region of British Columbia, but the fatal weakness of the judgment lies in its utter failure to deal with the fundamental issue presented for arbitrament: No attempt is made to equalize freight rates thruout the Dominion. There are some reductions made in some western rates, but the general level of Western rates is left higher than the general level of Eastern rates—a discrimination proved to the hilt to be absolutely unjustifiable, piled up evidence proving unanswerably the injustice of it having been adduced before the Commission.

The judgment fails absolutely to establish the principle of equality of rates between all sections of the country, a failure doubly shameful from the fact that it was proved before the Commission that the cost of railway construction and operation is less in the West than in the East, and that the density of traffic—that is to say, the earning capacity per mile of track—is greater in the West than in the East.

There is another interesting London utterance to be cited in this connection. The London Times, in a leading article in its issue of May 5, entitled "American Views on Canadian Freight Rates," says:

"In American railway circles the decision of the Canadian Railway Commission ordering reductions in freight rates in the Dominion has naturally attracted a good deal of attention, and we learn from our New York correspondent that there is considerable speculation there as to what extent such reductions will curtail the revenues of the Canadian carriers. He writes that some New York traffic men have come to

the conclusion that the result is not likely to be so serious for Canadian railroads as has been predicted, and that the politicians at Ottawa have made a great success in seeming to give the Western Provinces a great deal without really giving them very much."

This is a somewhat ruthlessly cynical drawing aside of the curtain by the London Times. It discloses the plain truth of the whole matter, which is that Parliament is making use of the Dominion Railway Commission as a means of escaping from its own duty. But Parliament is not going to be able to continue for all time to make the Railway Commission its shield. The time will come when the principle of equalization of railway rates thruout Canada will have to be established by an enactment placed by Parliament on the Dominion statute book, such enactment ordering that the Railway Commission shall enforce that principle.

But it must be admitted that there are no signs of such a Dominion statute being enacted in the immediate future.

ROBBING THE POSTOFFICE

A Western farmer has sent us a copy of the "Federal Press Bulletin," a journal with a sub-title "A Weekly Review of Canadian Political Affairs." Upon examination of this journal we find that it is published by "The Federal Press Agency," Room 40, Citizen Building, Ottawa, Canada. It also announces in its pages that it is "published in the interest of the Liberal-Conservative party," and will be sent free to anyone upon request, together with ten other pieces of literature published for the same purpose. The envelope in which this journal was mailed to the farmer who sent it to us is postmarked "House of Commons, Canada, Free," and bears the stamp of "J.S., Member of Parliament, which we judge is the postage frank of John Stanfield, M.P., the Conservative whip. This is conclusive proof that it was mailed in the House of Commons postoffice and was carried thru the mails postage free. Undoubtedly immense quantities of this same material are being sent post free thru the mails, and thus robbing the postoffice of a considerable revenue.

We have also received recently the literature from the headquarters of the "Canadian Liberal Party" at 63 Sparks street, Ottawa. Their official organ is "The Canadian Liberal Monthly." This journal and other campaign literature is sent out under the postal frank of "A. B. M., M.P. (whoever that may be), and is mailed in the House of Commons post office, so that the post office loses another part of its legitimate revenue.

Premier Borden must be aware of this abuse of the franking privilege. If the political parties want to publish journals for the benefit of their "loyal supporters" they should do so in the open and pay their postage bills like men, as do all regular journals. We cannot see that members of Parliament have any more right to publish a journal and send it out free than we have to send out The Guide free. Yet we have paid the postoffice thousands of dollars to mail The Guide to its readers and for our general business correspondence. There is a large amount of correspondence that a Member of Parliament is justly entitled to send free thru the mails, but he is not entitled to rob the postoffice of its legitimate revenue. What difference in principle is there between this method of robbing the postoffice of its revenue and the act of a postal clerk who deliberately steals money from the same service? The clerk would be sent to jail for such an act.

CO-OPERATIVE CREDIT BILL

The co-operative credit bill introduced by Hon. Arthur Meighen on May 13, and briefly referred to in our Ottawa letter last week, is the same bill, except in a few of its details, that has been before parliament in several previous sessions. The bill provides for uniform machinery thruout the Dominion, enabling the formation of co-operative credit societies on somewhat similar lines to those which have been successfully established in Quebec, and which have been described in The Guide by their founder, Alphonse Desjardins. In 1907 the bill passed the House of Commons, after being very fully reviewed by a special committee, but was killed by the Senate. In 1909 and again in 1910 it was re-introduced by the late F. D. Monk, as a private member's bill, but failed to pass owing to the government not giving time for its consideration. Last session Mr. Meighen, who was then a private member of the House, brought it in once more, and it died again for the same reason. Now, however, since Mr. Meighen is fathering the bill as Solicitor-General, it becomes a Government bill and as such has precedence over bills introduced by private members. Mr. Meighen, in moving the first reading on May 13, said he hoped to get the bill thru this session. The friends in the House of the big financial interests are known to be against co-operative banks, however, and it is extremely unlikely at this late stage of the session that sufficient time will be allowed by the government to enable the passage of the bill. Truly it is easier for a camel to go thru the eye of a needle than for a democratic measure to pass the Canadian Parliament.

ENCOURAGING MANUFACTURERS

Last week was "Made in Winnipeg" week in the Manitoba capital, and manufacturers, retailers and citizens generally co-operated to bring the products of local industries before the public and to urge Winnipeg people to help build up a bigger and better city, by using goods made in local factories. The object is a most worthy and commendable one, and the response which has been made by the citizens shows that western cities, as well as the older cities of the East, are developing a civic pride and a local patriotism that will be for the good of the community. We would point out, however, that there are better ways even than this of developing and adding to the industries of Western Canada. Manufacturers, like the farmers, have heavy burdens to carry when they endeavor to establish themselves in Western Canada. In the first place the manufacturer who locates in a Western city is held up by the real estate speculators who have secured control of all the available sites and who will neither use the land themselves nor allow anyone else to do so unless they are paid an exorbitant price. Time and again representatives of British and Eastern Canadian manufacturing concerns have come to Winnipeg and entered into negotiations for the establishment of branch factories, only to find that they cannot pay the price demanded by the real estate speculators and then conduct their business profitably. Recently a group of capitalists desired to establish a factory in Winnipeg, and found that for the bare land which they required they would have to pay as much as it would cost for land, building and plant in London. Winnipeg has cheap electric power, Medicine Hat has cheap natural gas, Lethbridge has cheap coal, and other cities have their peculiar natural advantages,