

can farmers visit Canada, and see for themselves the evils of protection before the tariff issue is finally decided in that country. At the same time they would be able to look into our system of handling grain through the elevators, which, though not perfect, is far in advance of their own.

A COSTLY BLUNDER

A blunder on the part of the late government and its legal advisors, which will cost the people of this country the neat sum of \$10,000,000, has recently been brought to the attention of the public. The matter arose in connection with the bonds of the Grand Trunk Pacific Railway, which the government in the first place undertook to guarantee to the extent of three-fourths of the cost of construction up to the limit of \$13,000 per mile on the prairie section, and \$30,000 per mile on the mountain section. These bonds bear interest at 3 per cent., and at the time the agreement was entered into it was believed that bonds could be sold at par. Owing to the large number of bond issues which were being made for transportation and other purposes, however, there was a decline in the financial markets of the world, and the Grand Trunk Pacific realized only from 80 to 92½ cents on the dollar when the bonds were sold. It was also found that the cost of the mountain section of the road was likely to far exceed the original estimate, and to provide for the deficiency a new agreement was entered into between the government and the Grand Trunk Pacific Railway Co., by which the limit of \$30,000 a mile on the mountain section was removed, and the government undertook to implement the difference between the face value of the bonds and the price they would bring on the market. This was done by modifying section 5 of the Act of 1904, so as to make it contain the following words: "The government may and shall . . . implement . . . its guarantee of the bonds of the said company to be issued for the cost of the construction of the said western division, in such manner as may be agreed upon, so as to make the proceeds of the said bonds so to be guaranteed a sum equal to 75 per cent. of the cost of construction."

The question was raised in the House of Commons at the time the agreement was ratified by Parliament, as to whether the implementing was to be in the form of cash or the guarantee of further bonds, but the Deputy Minister of Justice, Mr. Newcombe, and Mr. George F. Shepley, of Toronto, who is regarded as one of the ablest counsel in the Dominion, advised the Government that the meaning of the clause was clearly that the implementing should be by the guarantee of further bonds. Mr. Samuel Barker, the Conservative member of Parliament from Hamilton, himself a barrister, expressed a contrary opinion, but the government relied upon its own advisors. The Grand Trunk Pacific, however, seeing an opportunity to secure a considerable slice of money at the expense of the people of Canada, maintained after the agreement had been concluded that Mr. Barker's contention was correct. Their claim was repudiated by the government, and the Supreme Court of Canada unanimously decided against it, but the case was taken to the Privy Council in England, and that body decided in favor of the railway company. The intention of Parliament in ratifying the agreement undoubtedly was merely to guarantee further bonds, but the Privy Council disregarded this fact and found that the wording of the agreement gave the Grand Trunk Pacific Railway Company the right to have the deficiency made up in cash, and ordered the government to carry out the agreement under this interpretation. There is no appeal from the decision of the Privy Council, and consequently there is nothing to do but submit. It is to be hoped, however, that this case

will be a warning to all governments, when making contracts with railway or other corporations to leave absolutely no loophole which they can take advantage of to secure better terms than were contemplated at the time the agreement was made. The decision of the Privy Council in the C. P. R. tax exemption case is another instance of the success of corporation lawyers in persuading the Privy Council to read into contracts and acts of Parliament meanings which were never intended to be there. These and other cases in which the Privy Council has given its decision against the people and in favor of big corporations are also making the Canadian people wonder if it would not be better for Canadian courts to have the final decision where Canadian law has to be interpreted, except in cases where constitutional questions are involved.

TWO PROTECTIONIST PARTIES

An erroneous idea prevails in some quarters that since the September elections there has been a complete realignment of the political parties at Ottawa, on the tariff and kindred questions. Some claim that the Opposition is the low tariff party, and the government is the high tariff party. This is a most decided error. The fact is that both parties are high tariff, and decidedly protectionist. As it appears today the Opposition is the party of high protection and the government party is the party of higher protection. For fifteen years the Liberal party preached revenue tariff and practised protection; preached democracy and pandered to privilege. The only serious attempt at tariff reduction was the introduction of the British Preference, and it was afterwards so mutilated for the benefit of the manufacturers as to be of very little benefit to the people of Canada. The only other attempt was the reciprocity agreement, which practically did not touch the protective tariff in any degree. It was a magnificent charter of liberty for the farmers of Canada, in so far as their own products were concerned, and reflected much credit upon the late government. But it left the protected manufacturers with their privileges intact. During the campaign the late Government gave many definite promises all over Eastern Canada that there would be no further tariff reductions. We all know what happened. Attacked by the forces of Special Privilege and weighed down by the record of the late government the reciprocity agreement was defeated. But now, all that is passed and we have the future to look to. Is there any hope whatever of tariff reduction from the two parties now in the House of Commons at Ottawa? There would be hope if the members of the House really represented their constituents. But practically every member in the House both from the East and the West represents his party first. This applies to our Western members, and we should always bear this in mind. Our Western members largely represent the Western people only so far as they are permitted to do so by their party leaders. There is only one example during the present session of a Western member voting against his party, viz., W. H. Sharpe, on the Grain Bill. With this exception, there is as yet no one among them with the courage and conviction to stand up against his party in support of any great principle in favor of the common people. Just as long as our Western members are party slaves there is little hope of reform. Canada is the most party-ridden country probably in the world. The curse of party permeates every feature and phase of our national life. The spoils system, which is the chief stronghold of the party game, and the party caucus, makes a majority of the ordinary members merely rubber stamps to be manipulated by the party officials. We elect representatives to carry out the wishes of the people, but when the party whip cracks they forget they are men. In practically every other civilized country there are several parties in Parlia-

ment and a goodly number of independents. But in Canada there are not. The two parties have everything divided between them and there is no representation of the interest and welfare of the people in the Parliament when the two parties decide otherwise. The party caucuses meet and decide upon matters of national importance regardless of the people who elected them to their offices. If every member from the Prairie Provinces was a true representative of his constituents he would be in favor of tariff reduction, and very considerable and immediate reduction, regardless of his party leaders. If the members from the Prairie Provinces were to stand together they could accomplish a great deal. But until we can convince one or other of the parties that it is to their advantage to espouse the cause of the common people there is little hope in sight. If we can carry on our educational work and show the people themselves how they are being plundered today, we will be able to force both the Opposition and the Government to give relief from the present oppressive tariff. The present low tariff sentiment in Canada is due entirely to the fact that the people are partially aroused to a true knowledge of the situation. Not all of the people are yet aware of the fact, but they must become so. And this can only be done through the efforts of the organized farmers. Education is our only hope. Political parties will never give the farmers a square deal till they have to, though both parties profess to love the farmers to a remarkable extent. Let us then consider this matter seriously, and see if we cannot increase the membership of the Western Associations and strengthen the cause. This will certainly have its effect in Ottawa.

ROOSEVELT CONVERTED

Governor Woodrow Wilson and Theodore Roosevelt, one of whom may be president of the United States next year, are both strongly in favor of the incorporation of the Initiative, Referendum and Recall into the constitution of the United States. Already it is spreading throughout more than half of the individual states. In Canada, the Alberta provincial legislature has endorsed it. In the rest of Canada the politicians who are now opposed to it and sneering at its advocates will soon be declaring their belief in this great democratic reform ever since childhood. We have no need to be discouraged. We are gaining ground, and may yet outstrip our friends to the South in the struggle for democracy. Direct Legislation can hardly be such a hair brained scheme as some of our politicians would lead us to believe.

More than one million miners have quit work in Great Britain, and the country faces a crisis as serious as if the battleships of the enemy were surrounding the Island Empire. The whole trouble has been caused by a condition of affairs that prevents the workingman in the mine from getting a square deal. The mines are monopolized by a few who have received Special Privileges from the hands of the British Parliament. Many of the demands of the miners are radical, but certainly they have every right to receive full payment for their labor. The same situation is bound to appear from time to time, as long as our natural resources are held by monopolies. In years to come Canada will face similar troubles, if our natural resources continue to be alienated as they have been in years past. When Parliament wakes up to the fact that human life and liberty is worthy of some attention and that there are other things in the world than wealth and property, improvements may be looked for.

Don't forget that the annual co-operative number of The Guide will be published on March 27, and every farmers' association should send in reports of their co-operative buying at once. These reports must reach The Guide office not later than the 20th to be in time for publication.