

# The Grain Growers' Guide

Winnipeg, Wednesday, April 15th, 1914

## PROTECTION IS TRIUMPHANT

The "National Policy" of High Protection and the Canadian Manufacturers' Association policy of "Canada for (3,000) Canadians" are both officially recognized and endorsed in a most tangible manner in the tariff changes announced in the budget laid before the House of Commons by Finance Minister White on April 7. After the most strenuous protestations of regard for the welfare of the farmers the government has decided to reduce the duty on binders and mowers only. But tariff plums are literally showered upon the manufacturers, the steel gang securing the lion's share. The copy of Hansard containing the complete and official statement of the finance minister had not reached The Guide office at the time of writing, but from press reports the tariff changes are ascertained to be as follows:

1. The duty on binders and mowers is reduced from 17½ to 12½ per cent. The manufacturers of these implements will still enjoy a rebate of 99 per cent. on the duties paid on most of the raw material used in these implements. There is no reduction in the duty on any other farm implements or machinery. This is a concession to the farm machinery manufacturers.

2. Wire rods, used for fence wire, nails and other purposes, which have been on the free list, are made dutiable at from \$2.25 to \$3.50 per ton. Provision has been made, however, that where the wire is manufactured into farm fences the duty will be rebated. There is no rebate of the duty to nail factories. These duties were granted by the government by the request of the Dominion Iron and Steel Co., of Sydney, Nova Scotia, and of the Steel Company of Canada, Hamilton, Ont., who are the only Canadian companies now making iron rods. Steel companies have enjoyed bounties and tariff favors in the past to the extent of nearly \$40,000,000 but have been again successful in getting further tariff plunder from the people of Canada by the consent of the government.

3. The Hamilton By-product Coke Ovens Co. has been made happy by securing a rebate of 99 per cent. of the duty paid on bituminous coal used for making coke. This will enable the company to water its stock and increase its dividends. When this same coal is imported to burn in stoves to keep people warm it will still pay a duty of 53 cents per ton.

4. Brass sheets, bars and rods have been on the free list since 1908 as they have not been manufactured in Canada. A new plant for the manufacture of these products has been established in Toronto recently and Mr. White has come to their rescue by placing a duty of 10 per cent. on these items. The price of brass will go up ten per cent. for the benefit of one manufacturer, regardless of the profit he may make.

5. Ditching machines were placed on the free list last year, but the parts were overlooked. This year the parts are also placed on the free list. They are not "Made in Canada."

6. Charcoal for use in the manufacture of pig iron is placed on the free list, but for other uses it pays 17½ per cent. It is made free because it is the manufacturers' "raw material."

7. Caustic soda and hypo-chloride of lime have been on the free list. They are used in the manufacture of soap, paper and other substances. The Canada Salt Co., of Windsor, Ont., has been manufacturing these products for three years profitably, so far as we know. They are now placed on the dutiable

list and the cost of soap and paper to the consumer will be increased.

8. Pig iron used for the manufacture of articles which are exported to foreign countries for the use of foreigners, is placed on the free list. When used for the manufacture of articles which will be used in Canada by the Canadian people pig iron pays a duty of from \$1.50 to \$2.50 per ton. This is a tax on Canadians to provide a bonus to foreigners.

9. The Finance Minister announced that the past two years had been prosperous ones for the steel companies and that the outlook for the future was also good. In order to give these companies a positive guarantee of prosperity he decided to allow them to charge the public higher prices for their products by increasing the duty on structural steel by order-in-council whenever desired, and also by increasing the duty on iron and steel tubing, this latter being a special concession to the Page, Hersey Co., Welland, Ont.

10. Canadian quarrymen and stonecutters' hearts are gladdened by a license to take higher prices out of the public thru an additional protection upon their products to the extent of 15 to 20 per cent. This will make the cost of building higher and consequently will be followed by higher rents.

11. A large number of items of "raw material" are placed on the free list when used in Canadian factories, but when used by the ordinary people they still pay the regular duty.

12. And so on ad nauseum.

Mr. White, with the kindly and disinterested assistance of the protected interests, has apparently hunted Canada all over in order to hand out concessions to manufacturing plants thruout Eastern Canada. In each of these cases it will mean extra profits to the pets of the Finance Minister while the burden will be forwarded to the common people. He states that this is not a general tariff revision but only a few items. How much more he intends to give to the manufacturers when he gets time for a real revision it is difficult to estimate. It is a high protectionist budget from beginning to end with a sop thrown to the farmers on binders and mowers with the hope of appeasing them and keeping them quiet while the Special Interests are enjoying a real banquet. The reduction in duty on binders and mowers will probably reduce the price on binders by about \$4 and on mowers by the same proportion, while the increased duties in other directions will indirectly take more than that out of the pockets of the farmers every year. When Mr. White was taken into the cabinet it was declared by his opponents that his appointment was a concession to the protected interests and his method of tariff making certainly is a strong support of that contention. His solicitude for the farmers was pure buncombe which will not deceive any one. He would have been more in accord with his actions had he paraphrased the famous expression of old Commodore Vanderbilt and said plainly, "The Farmers be Damned," because that is what his budget has written all over it. Mr. White knows nothing about conditions in the rural west. He has lived in the atmosphere of the counting house and has been chiefly concerned in seeing that his money was drawing a good rate of interest and that the bonds he floated brought a high price. Living in Toronto he has been continually surrounded by the protectionist and privileged atmosphere and has what might be well described as the "Toronto Attitude." His idea is that the most im-

portant people of Canada are the wealthy gentlemen in Toronto and their social companions with whom he associates, and if they are well cared for then the common people may rustle for themselves. No one is prepared to dispute the claim that the "Toronto group" is in the saddle and is ruling Canada. But there is bound to be a day of reckoning. The people of the West are now comparatively few in number but they are gaining strength and are not always going to be hewers of wood and drawers of water for the "Toronto group" and a few of their friends of the Watered Stock Brigade.

## RAILWAY COMMISSION'S FINDING

The result of two years' investigation of western freight rates by the Board of Railway Commissioners was announced on April 7. Numerous reductions in rates have been ordered, to take effect on September 1. The judgment handed down by the Commissioners covers more than 200 pages and is very elaborate in its dealings with the various matters brought before the Board. The more important reductions in rates may be summarized as follows:

1. The standard rates in Alberta and Saskatchewan are reduced to the Manitoba standard, which is a reduction of 15 per cent.

2. Coal rates from Alberta mines and also from Souris in the Prairie Provinces are reduced substantially.

3. Railroad rates on sugar from Raymond, Alta., to the Prairie Provinces are reduced about 15 per cent.

4. Special distributing tariffs from wholesale centres in the West are reduced to the Winnipeg basis, or about 15 per cent.

5. Local grain and flour rates are reduced from 20 to 30 per cent. and also by the provision that the Fort William rates be the maximum. The U.F.A. demand for reduced rates on grain and flour to B.C. is partially granted.

6. Special reduced mileage rates are granted on sugar, butter, eggs, dressed meats and dressed poultry, and the rates on vegetables in Saskatchewan and Alberta are reduced to the Manitoba basis.

7. Rates on cement from Alberta and Saskatchewan plants are reduced to Winnipeg basis.

8. Alberta and Saskatchewan rates on fence posts, fire wood, brick, steel, gravel and sand are reduced to the Manitoba basis.

9. The rate on pig iron from Fort William to Winnipeg is reduced from 20 to 13.4 cents per hundredweight.

10. There is no reduction in live-stock rates nor in thru grain rates.

It is impossible to say what these reduced rates will mean to the consumer or how much revenue it will take from the railway companies until they have been in operation for some time. It is quite evident that the reduction will be beneficial to the Prairie Provinces, particularly Saskatchewan and Alberta, as there are very few reductions in Manitoba. The Railway Commission has undoubtedly performed a great deal of labor upon the investigation and in the preparation of its judgment. An examination, however, of the judgment and the reductions in rates, shows it to be far from satisfactory, and very far from giving to the West the justice that was demanded.

One of the most important features of the finding of the Railway Commission is that Western Canada has been very seriously discriminated against by the railways. In the past the railway companies have always denied this discrimination and protested most vigorously that the West has been getting a square deal. The Railway Commission have at least settled this matter definitely and shown beyond all possibility of dispute that the West has been getting a very raw deal in freight rates from the very beginning. Despite this glaring discrimination the Rail-