

Manufacturers Meet at Winnipeg

Discuss War Profiteering, Tariffs, Taxation, Railway Nationalization and Freight

Many matters of interest to the farmers of the West were discussed by the Canadian Manufacturers in their association convention held in Winnipeg last week. The position of the manufacturers with regard to munition making was vigorously defended, and charges of war profiteering declared to be unwarranted. The necessity of opposing any reductions in the tariff was affirmed, and the necessity for the maintenance of a tax on imports from Great Britain, vigorously asserted. Tariff preferences for the empire were strongly urged. Complaints were made that the business profits war tax was inequitable; the desirability of an income tax was pointed out and the government was asked to make a survey of the business of the country with the object of arriving at a true conclusion as to how the taxes should be imposed. The railways came in for considerable criticism, and a board of supervision for them suggested, though the increase of fifteen per cent. recently asked for was acquiesced in.

The retiring president, Thomas Cantley, head of the Nova Scotia Steel Company, strongly asserted that only the more efficient manufacturers had been able to make money out of war orders, and that those who had made money had richly earned it. The association was without politics, he declared, but they were free to criticize any government policy which would jeopardize or injuriously affect the manufacturing industries. He regretted the agitation in certain quarters in favor of a general lowering of the tariff, declaring it would be ruinous to Canadian business.

To Educate Farmers

C. G. Robson, of Edmonton, asked what stand Eastern manufacturers would take if their interests conflicted with those of the Western farmers. In reply, Thomas Roden, of Toronto, stated that they were looking to the manufacturers of Western Canada to educate the farmer as to the necessity of the tariff. In order to have large industries it was necessary to have an export trade. Farmers did not believe that manufacturers were exporting to any considerable extent, and the Western manufacturer should educate them through the press as to the importance of the export trade of Canada. A. W. White, of London, Ont., believed that the grain growers should have a tariff committee, through which they could learn the condition of the export trade that exists. Information as to the true amount of benefit derived by the manufacturers from the tariff was easily obtained. He claimed that on threshing machines after the manufacturer had paid the duty on the protected material that went into them, the net protection was not more than 14 per cent. Replying to the statement of the grain growers' representatives at Ottawa that they would like to have a true statement of the material entering into Canadian manufactures for home consumption upon which drawbacks were secured, he stated that there was not one dollar's worth of such material. S. R. Parsons, the new president of the association, believed that if they could sit around the same table and discuss these matters with the farmers, the farmers would be found very reasonable.

In the report of the tariff committee, it was stated that the question of removing all customs duties on importations into Canada of the products of the United Kingdom had been discussed. This it was stated was an impossible proposition, because of the higher rate of wages in Canada, and the greater cost of production due to Canada's more rigorous climate, which required better heated factories. Under such a fiscal policy labor would be inevitably driven from Canada to seek employment in the protected labor markets of other countries. Revenue to pay the war debt was another reason given for the maintenance of the tariff against old country manufactures. Strong ground was taken in favor of tariff preference for the Empire. The present system of drawbacks on materials imported and afterwards exported in a manufactured condition was vigorously defended, and representations made that the principle be extended to include materials such as chemicals which did not appear in the ultimate product, drawback to be allowed on proof of exportation of the manufactured product.

Considerable dissatisfaction was expressed as to the business profits war tax, which it was claimed did not fall with equity upon the different classes in Canada. The tax was discriminatory in that it taxed only excess profits of firms employing \$50,000.00 worth of capital or upwards. One effect had been to shake the confidence of prospective investors in Canadian industrial enterprises. Even from the limited enquiries made, word had come of enterprises abandoned that would have meant the investment of at least \$15,000,000.00 in manufacturing plants. George Douglas, of Toronto, stated that the objection was not to the amount of money being raised, but to the process. Canada was meeting only 10 per cent. of her war expenditures compared with Great Britain's record of 25 to 30 per cent. and the United States' record of 50 per cent. He advocated the imposition of an income tax on the whole community. Farmers were among the most prosperous men in the country he said, and they were exempt from taxation for war purposes. He suggested that a land tax might be levied to raise some of the money needed.

Freight Rates and Railway Policies

Considerable discussion took place regarding the proposed increase of 15 per cent in freight rates which has been asked for by the railways of Canada. The Eastern manufacturers generally took the ground that the increase was warranted by the increased cost of operation of the railways due to higher prices of labor and materials. Some of the Western men objected that such an increase coming so soon after considerable adjustments of freight tariffs would affect Western trade adversely, and that owing to the longer hauls, Western Canada would be more severely hit than Eastern Canada. The majority, however, favored letting the increase pass without protest, claiming that their greatest need was not for cheap rates, but better service. A resolution on the Canadian railway problem called forth a spirited debate which lasted throughout a full afternoon session. This resolution asked that immediate steps be taken by the Dominion government to assist in overcoming the desperate need for equipment by providing an ample supply of cars and locomotives and turning them over to the companies under lease or contract of purchase. It also asked that the government appoint a board of trustees to receive all monies of companies unable to meet their obligations, and to determine and supervise all expenditures of the railways to whom advances might be made.

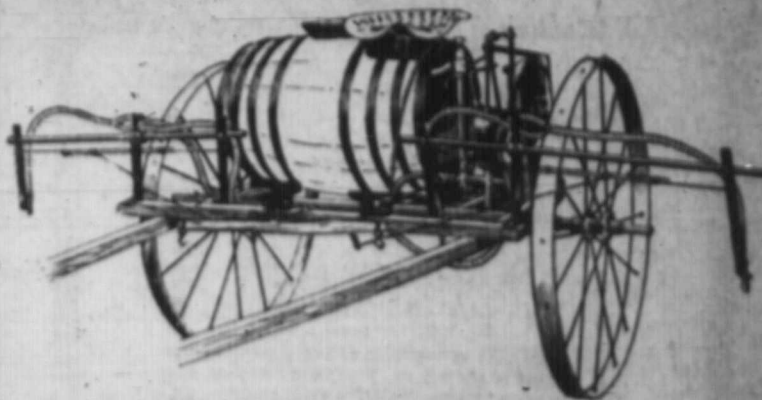
T. R. Deacon of Winnipeg, raised the objection that the government was no more endowed with creative power than the railway companies, and asked if it was advisable to invest large sums in equipment when all structural material was double its normal price. C. B. Watts, secretary of The Dominion Millers' Association came out strong for nationalization including the C.P.R., claiming that while Canada was at it she should not only take over the railway liabilities, but also the railway assets of the country.

Mr. Watts' sentiments were supported by a considerable portion of the convention, but not enough to carry them through. The proposal was made that the management of all the railways of Canada be concentrated in a single board of trustees to be appointed by the government, in order to afford immediate relief to shippers by co-ordinating the different railway systems. The final action of the convention was to pass the original resolution.

President Wood of the Canadian Council of Agriculture addressed the convention and made a strong impression. A fuller report of his remarks will be published in a succeeding issue of The Guide.

GRAIN GROWER NOMINATED

J. S. Wood, vice-president of the Manitoba G.G.A. has been nominated to contest the federal constituency of Portage la Prairie. Mr. Wood will make his campaign on the Farmers' National Platform and is being supported by the Grain Growers' Association of his district.



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