

The Grain Growers' Guide

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Wheat at \$2.24½

The Canadian Council of Agriculture at its four days' session last week in Winnipeg, devoted its deliberations to a wide range of important subjects that demanded attention. Careful thought was given to every subject under discussion, and the results of the council's deliberations are set forth in the resolutions adopted, which are all recorded in the report of the session in this issue of The Grain Growers' Guide. This report will have the close and earnest attention of all our readers.

The matter of most immediate interest and importance is that of the price of the 1918 crop of wheat. The council's resolution was in favor of the price being fixed at \$2.24½ per bushel; and when the resolution to this effect was submitted at the open hearing of the Dominion Board of Grain Supervisors, at which all sections of the grain trade were represented, from the grain growers to the millers, the figure was given the unanimous approval of the entire assembly. Announcement was officially made on Friday that the price of the 1918 wheat crop is fixed at \$2.24½ a bushel.

The price named is three-and-a-half cents higher than the price fixed for last year's crop. The difference is accounted for by the increased freight rates. There is no need to draw attention to the outstanding consideration that the prospects are that the wheat crop of 1918 will be even smaller than the crop of 1914 was; and that, therefore, if the market were left uncontrolled to take its own course the price would certainly rise high above the level of \$2.24½ per bushel, and might easily rise half as high again, if not still higher.

The Council of Agriculture, the parliament of the organized farmers, held firmly to the principle of just consideration being accorded to the consuming public in even measure with the just consideration due to the producers, and were guided by this principle to the conclusion arrived at.

Nationalize the Wheels

There is no better arguer against government ownership in Canada than that able-edited capitalist newspaper, the Montreal Gazette. But its indignation at the thought of the nationalization of the C.P.R. makes it lose a little of its cool skilfulness in argument. In an article dealing with what it terms "the senseless outcry against an increase in freight rates," it says—

Advocates of government ownership prattle about appropriating the profits of the Canadian Pacific to meet the deficits of other systems, as though all the government has to do to nationalize the railways is to lay confiscatory hands upon the Canadian Pacific. There are not, however, many persons outside of Bedlam who seriously contemplate such an act of spoliation; and if the government acquired the Canadian Pacific in a legitimate way, there would be no net earnings from the system to bolster up the weaklings.

That is to say, it would not be "a legitimate way" of taking over the C.P.R. by the people of Canada, unless the price paid to the shareholders were fixed at such a valuation per share that the payment of dividends upon that valuation would leave no surplus profits from the operation of the C.P.R. system to be applied to meet the deficits of the other railway systems, the "weaklings," as the Montreal Gazette terms them.

Let us analyze briefly this contention. It is universally recognized that the C.P.R. stands second to none among the great railway systems of the world, in its efficiency

of management and operation. All the world knows, too, that the people of Canada have given the C.P.R. cash subsidies amounting to \$104,690,801, and millions of acres of lands, on which the C.P.R. has already realized \$128,810,124, with many millions of acres still unsold; and in addition have given the C.P.R. immense donations in the form of tax exemptions, etc. Without for a moment attempting to detract in the least from the credit due the C.P.R. for building up its system, it is plain that the system, as it stands today, is by no means in the position, say, of an industrial establishment, begun by unaided individual initiative and enterprise and carried on without receiving a dollar, or the equivalent of a dollar, in public assistance.

Why should the people of Canada, in nationalizing the C.P.R. pay all over again, with interest, the public assistance on which its giant growth and prosperity are built? It is not necessary here to go into, in detail, the melon-cuttings and other methods of division of huge sums of accumulated surplus earnings among the shareholders of the C.P.R. from time to time, which are matters of public knowledge.

It was said years ago at Ottawa that the C.P.R. was "the government of Canada on wheels." Under any possible method of dealing with Canada's railway problem which falls short of nationalization of the C.P.R. in addition to all the other railway systems, the C.P.R. is likely to become, proportionately at least, an even more powerful political influence than in the past.

The only way to solve the problem and prevent the possibility of "a government of Canada on wheels," is for the people of Canada to nationalize the wheels. That is to say, take over the stock of the C.P.R. on an equitable plan—say, at its average price over a period of years. The dividends due to the former shareholders would then be paid out of the public treasury. What difference should it make to the shareholder whether his equitable dividends—he is entitled to no more—come to him from the company or from the country?

Man is More than a Mechanism

In a pamphlet by Professor W. C. Clark, of Queen's University, Kingston, Ont., the case against the fixing of maximum prices is elaborately stated from the point of view of the strictly scientific political economist. Professor Clark condemns even the fixing of wheat prices on this side of the Atlantic.

Without going into his whole argument it may be noted that he says it is difficult to see where the harm arises from holding supplies for a rise in prices, as speculation of this sort "is a legitimate device for keeping consumption more equable than production." He writes further—

But it will be asked with horror, do you justify the taking of a profit of 80 per cent. on the capital invested in a meat-packing plant—to quote a beloved Canadian example. In reply it may first be noted that the reduction of that profit to zero would have reduced the price of meat only to a very slight extent. In the second place, if there was no unfairness in the securing of the contracts, the policy of the company in taking the highest market price was best in its own interest and in that of the public. But that is far from saying that such huge profits should be left with the company; it is rather a case for such drastic taxation as has recently been announced.

Of what value are the abstractions of political economy in a world turned topsy-turvy? Under any conditions, they are not to be regarded as of supreme importance.

There is only one test of the rightness of an action or a policy; and that its results. Economic abstractions are like the abstractions of higher mathematics. They are all right as abstractions; but it must never be forgotten that economics is not ethics.

The sciences deal with man as an animal, a living machine; but man is more than a mechanism. We read on a page of the most vivid of the histories of the French Revolution

It is true that we men are partly mechanism. The political economists tell us that our actions are the product of self-interest, and point us to the fact that we must eat in order to live. But is not it equally true that men have starved to death in devotion to something higher than self-interest?

If Thomas Carlyle were living today would he not add that men in greater multitudes than ever before are now grappling with death, not out of self-interest, but out of their devotion to a future for humanity which they themselves will never share.

Much Ado About Farm Gardens

"Seated at his desk, in his swivel chair, he formed regulations for the population of various districts about whose ways of living he knew very little."

We are reminded of this bureaucrat in one of Rudyard Kipling's stories of India, when we consider one small item in the Income Tax form furnished from Ottawa for the farmers to fill in.

The farmer is required to write down the value of all products of his farm consumed on his farm, including garden truck. There is no such question in the city man's Income Tax form, requiring him to state the value of the vegetables from his war garden eaten by himself and his family, or the poultry and eggs produced in his back-yard for the family table.

Why should thrift on the farm be penalized thus? Why this discrimination against the farmer? It is but a small matter relatively, but it is none the less inequitable for that. Farmers' gardens are usually cultivated by the women and children for the sake of securing some vegetable food stuff for the family. Not a few grain growers buy everything of this kind they use.

The department at Ottawa, finding a great range of variation in the values stated in reply to this question is perturbed in its bureaucratic mind, not knowing that there is in actual fact a great range of variation in the amounts. In its perplexity the bureaucratic mind has conceived the idea of fixing an arbitrary valuation (\$100 per head annually was the amount mentioned in a letter from Ottawa in connection with this idea) for the farm products of all kinds consumed on the farms.

One case where \$10 was the value stated was investigated, and the statement was found to be correct. Incidentally, it is to be noted that in the case of the farmer who grows vegetables for sale, the amount of his sales as stated by him in filling out his Income Tax return is not questioned at Ottawa, but with the stuff grown in his kitchen garden for his family's use it is different.

Why all this to-do about a simple matter of home-grown vegetables? Why should the bureaucratic mind, which leaves the city man's kitchen garden out of account, exercise itself at all about the farmer's kitchen garden?