

Britain's Greatest Victory

1838-1847

By J. A. Stevenson

ARTICLE VI

Free Trade At Last Triumphs

In this startling development the League had played a most important part and they determined to push their advantage home. They held a mass meeting in Manchester and announced other meetings throughout the country. Sir James Graham warned Peel that the Anti-Corn Law ferment was about to commence and that it would be the most formidable movement of modern times. The chief reason why the ports were not thrown open at once was the knowledge that the League was strong enough to prevent them from being shut again. The landlords were inclined to chance the issue of the next six months rather than part with their precious law, but the storm of agitation began in good earnest. The Duke of Wellington was bitter in his opposition, but Cobden warned him that notwithstanding all his victories in the field he had never yet entered into a contest with Englishmen in which he was not beaten. Meanwhile the Queen sent for Lord John Russell and asked him to form a ministry. Lord John wrote and asked Cobden to accept the somewhat subordinate office of vice-president of the Board of Trade. Cobden courteously declined, preferring to remain as the out-of-doors advocate of free trade. He said that he could render more efficient assistance in carrying out the free trade policy in that position than in any official capacity. Lord John was unable to form a ministry; all his possible colleagues had agreed to the repeal of the Corn Laws, but other differences arose.

Peel Changes His Mind

On the failure of his rival Peel withdrew his resignation and resumed the duties of Premier. He believed he could carry his party with him, but he signally failed and Lord Stanley and the Protectionists withdrew. The Tory party had tolerated his passing of Catholic Emancipation which he had opposed for years, but the majority of them would not follow him in a second reversal of traditional policy. Peel has been described as a most laboriously conscientious man and it was his conscience which became involved in the change of commercial policy. He could, as he told Cobden afterwards, have parried the power of the League for three or four years, but he had come to the conclusion

that the maintenance of the tariffs was not only unsound but dangerous, not only impolitic but unjust. He believed that no man had a right to the title of statesman who had not the courage to change his course on being convinced of some error. He accordingly took upon himself the onus of the task of repealing the Corn Laws. When Peel first left office, Cobden openly exulted in his downfall, but some of his friends remonstrated with him and he admitted that his outburst had been indiscreet and in bad taste. By way of reparation he proceeded to organize the League in order to give efficient support to the Premier. Another great meeting was held in Manchester, where it was resolved to collect a quarter of a million sterling; £60,000 was subscribed on the spot. The League publicly and frankly promised their whole support to Sir Robert Peel in carrying out his measures for free trade. A few weeks later an opportunity occurred in Parliament and Peel and Cobden finally made up all their differences with mutual apologies and expressions of esteem.

Nation Behind Free Trade

After the session opened, the Premier announced his proposals. There was to be total but not immediate repeal of the Corn Laws; three years must elapse before the ports were fully opened and during this interval there was to be a sliding scale. The Protectionists demanded an appeal to the country, but Cobden met them with defiant tests of national opinion. He proved that four-fifths of the Conservatives of the Northern towns were followers of Peel and there was no chance of protection gaining a numerical majority. It might carry the pocket boroughs and certain special county preserves but a majority gleaned from such a source could not face the vast moral preponderance of public opinion which was as yet inadequately represented in Parliament. The first reading was passed by a majority of 337 to 240 and then the question of Ireland occupied the attention of Parliament. The ministry introduced a Coercion Bill which the Whigs opposed and as a result there was a curious balance of factions.

Corn Bill Becomes Law

Lord John Russell and the Whigs were

opposed to the Coercion Bill for Ireland which Peel's ministry proposed and there was a danger that an alliance between them and the Tories, now led by brilliant but unfortunate Lord George Bentinck, might turn Peel out of office. Cobden hoped that Peel would seize such an opportunity to dissolve and set about the formation of a mixed progressive party in which the League could be incorporated. He was much annoyed at the attempt to parade the Whig aristocracy as ardent Free Traders. However, the crisis passed and after twelve nights and 103 speeches the bill passed its first reading. The amendment of C. P. Villiers that repeal should be immediate as well as total was lost by a huge majority. On March 27, the Corn Bill was read a second time by a majority of 88 and it finally passed the Commons on May 15, by a majority of 96. The Peers, though the proposal was disagreeable to most of them including the Whigs, made a much less effective opposition than was commonly anticipated. The second reading was carried by 211 against 164. Amendments were moved in committee but failed to meet acceptance and Lord Stanley declined to divide the House on the third reading. The Conservative Peers acted on the policy laid down by Peel himself when he took over the leadership of the party, that when a political battle has been lost decisively by the Tory party in the House of Commons the defeat should be accepted as final. His successors should have remembered this doctrine in 1910.

A note from Cobden to his wife is interesting. It runs:—

"My Dearest Kate.—Hurrah! hurrah! the Corn Bill is law, and now my work is done. I shall come down tomorrow morning by the six o'clock train in order to be present at a council meeting at three and shall hope to be home in time for a late tea."

The League Dissolves

In such wise was the battle for free trade fought and won in Great Britain. It was the irony of fate that on the very day on which Peel's great measure passed the Lords his ministry was beaten in the Commons on the Irish Coercion Bill by a coalition of Whigs and Protectionists. It soon became obvious from the mild attacks of the Protectionists that the free trade

triumph was more than a temporary victory and that its principles were deeply instilled in the mind of the nation. The League had no interest in the varying fates of the two historic parties and it was determined to dissolve at once. When the final meeting was held and the announcement was made by the chairman that the Anti-Corn Law League stood conditionally dissolved it is said that "a deep silence fell upon them all as they reflected that they were about to finally separate with friends with whom they had been long and closely connected and that they had no longer in common to pursue all the objects which had been the most cherished of their lives."

Many men had aided in the work and had given freely of their time and money, but the names with which the triumph of free trade in England will ever be most closely connected are Richard Cobden, Sir Robert Peel and John Bright. The story of the contest may well be concluded by recounting the generous peroration which Sir Robert Peel made on the eve of his final resignation.

Peel's Generous Tribute

"In reference to our proposing these measures I have no wish to rob any person of the credit which is justly due to him from them. But I may say that neither the gentlemen sitting on the benches opposite, nor myself, nor the gentlemen sitting around me—I say that neither of us are the parties who are strictly entitled to the merit. There has been a combination of parties together with the influence of the Government, has led to the ultimate success of the measures. But, Sir, there is a name which ought to be associated with the success of these measures: it is not the name of the noble Lord, the member for London, neither is it my name. Sir, the name which ought to be, and which will be associated with the success of these measures is the name of a man who, acting, I believe, from pure and disinterested motives, has advocated their cause with untiring energy, and by appeals to reason, expressed by an eloquence, the more to be admired because it was unaffected and unadorned—the name which ought to be and will be associated with these measures is the name of Richard Cobden. Without scruple, Sir, I attribute the success of these measures to him."

The C.P.R. and Taxation

By John W. Ward

This is the Concluding article of the Series on the History and Financing of the C.P.R. Here the privileges which the C.P.R. enjoys in exemptions from Taxation are dealt with and suggestions are made as to the means which should be employed to make the railway the servant of the People

The Canadian Pacific Railway, as is well known, has never paid taxes either upon its land grant or upon the railway, stations, shops or other property used for the purpose of working the road. The exemption of the railway and railway property from taxation was provided for by the original charter of the company, which contains the following clause:—

"The Canadian Pacific Railway and all stations and station grounds, workshops, buildings, yards and other property, rolling stock, appurtenances required and used for the construction and working thereof, and the capital stock of the company shall be forever free from taxation by the Dominion or by any province hereafter to be established or by any municipal corporation therein."

Some idea of the value of this exemption may be obtained from the assessment rolls of the city of Winnipeg. In that one municipality, Canadian Pacific property to the value of \$8,115,000 was exempted from taxation in 1912. If this property had belonged to any one else taxes amounting to \$97,380 would have been collected, but the

Canadian Pacific Railway paid not a dollar. Since 1883 the Canadian Pacific Railway has been saved under this clause no less than \$1,174,202 in taxes in the City of Winnipeg alone.

The right of the Canadian Pacific Railway to enjoy freedom from taxation on its railway property has never been questioned. It is a right deliberately conferred upon the company by parliament because the Canadian Pacific

Railway was practically a public work, constructed mainly at the expense of the Dominion for the benefit of all the provinces. But with that privilege conferred by parliament goes the obligation imposed upon the company of giving an efficient service at the minimum of cost.

A Legal Quibble

The exemption from taxation of the

land grant of the company rests on a totally different basis. In the original contract between the Dominion and the Canadian Pacific Railway, it was provided that "the lands of the company in the northwest territories, until they are either sold or occupied, shall also be free from such taxation for twenty years after the grant thereof from the Crown." The contract was made in 1881, and by 1884 the company had earned the grant, and the land had been surveyed ready for them to make their selection and take possession. It was expected therefore that the twenty years would expire in 1904, which seems to have been reasonable. But after the twenty years had expired and municipalities and school districts in which the Canadian Pacific lands were situated endeavored to collect taxes, the lawyers employed by the company made the claim that the twenty years did not date from the time the land grant was given to the company, but from the time the company took patent. At that time the Canadian Pacific Railway had not finished selecting its lands, and practically all the land for which

C.P.R. EARNINGS AND DIVIDENDS FOR THE LAST 12 YEARS

	Gross Earnings	Operating Expenses	Net Earnings and receipts	Available for Dividends	Rate of dividend per cent.
1901	\$30,885,203	\$18,745,828	\$13,042,800	\$5,736,965	5
1902	37,503,053	23,417,141	15,044,739	7,334,825	5
1903	43,957,373	28,120,527	17,123,658	10,071,400	5½
1904	46,469,132	32,256,027	15,904,373	8,318,276	6
1905	50,481,882	35,006,763	17,059,751	9,105,686	6
1906	61,669,758	38,696,445	24,042,760	16,592,215	6
1907	72,217,527	46,914,218	27,667,789	19,156,033	7
1908	71,384,173	49,591,807	24,446,999	15,676,922	7
1909	76,313,320	53,357,748	25,262,000	15,835,028	7
1910	94,989,490	61,149,534	37,175,668	27,258,728	7½
1911	104,167,808	67,467,977	37,818,180	27,807,109	10
1912	123,319,541	80,021,298	44,402,691	33,877,754	10

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