# The Grain Growers' Guide

Winnipeg, Wednesday, September 18th, 1912

## THE FARMER PAYS

For the next few weeks we are going to place before our readers some facts that other journals usually keep secret. We are going to show some of the inside workings of the machinery of publication. We want our readers to know these facts and then they will be in a position to help us. To begin with we might say that last year it cost us on an average about $3.50 to produce the 52 copies of The Guide that we send out to a subscriber for $1.00. It is practically the same with every other newspaper and magazine in the country. The subscription price pays only a fraction of the cost of publishing the paper. The difference in the cost is made up by the revenue received from advertisements. In the evolution of the newspaper business the cost has been lifted off the subscriber and placed upon the advertiser. But though a part of our revenue comes from the advertisers yet in the end it is all paid by the men and women who read The Guide. They pay it indirectly just as they pay the tariff tax, but they pay it just the same. Every article advertised in The Guide is something intended for the farmers' use. When a farmer buys a binder he pays not only the actual cost of manufacturing the binder, but also the freight charges, the manufacturers' profit, the agents' profits, the cost of collection and the cost of advertising that binder. It is all charged up in the price which the farmer pays. Now we can see easily that the ultimate purchaser of a binder, a suit of clothes or a barrel of flour pays all the charges incidental to the production, advertising and sale of the article.

In the head offices of all well regulated factories it is known just how much it costs to advertise an article. Every firm today knows that the right kind of advertising pays. The science of advertising is now fully recognized. It costs today $93.00 for a full page advertisement in The Guide. The largest advertisers are the ones who do the largest business. A full page advertisement in The Guide is worth $93.00 because it goes into the hands of 25,000 farmers who will read it and decide whether they need the article advertised. In no other way could the advertiser bring his goods before these 25,000 farmers so cheaply. When The Guide has more readers the value of advertising space is greater and we shall shortly raise the price to $125.00 per page.

Thus we see that the farmers pay the full cost of printing and publishing The Guide, though they pay the larger portion of it indirectly through the advertisements. This fact is not thoroughly understood by our readers. But these facts will set the matter before them in a clear light. Next week we will show how these facts can be used to the great benefit of every reader of The Guide.

## WHO ORGANIZES WAR SCARES ?

To the average individual it may seem strange that any persons should be interested in organizing war scares or actually promoting war between nations. Students of history are aware that France is the traditional enemy of England and that the French and English armies have faced each other on the battlefield in many parts of the world. Yet now the French and English nations are upon terms of utmost good will and the possibility of war between them is considered inconceivable. On the other hand the English and German nations have always been very friendly. Their royal families have intermarried. Emperor William and King George are both grandsons of Queen Victoria. Travellers through England and Germany tell us that the disposition of the two peoples towards each other are most cordial and friendly. Yet now the press of the world daily contains dispatches relating the grave danger of war between England and Germany. Now, no one will doubt that the presence of the two great navies in charge of able and ambitious officers, whose only hope for glory is through war, presents great possibilities. The people of Germany and England are very highly civilized and are world leaders in commerce, science and the arts of peace. Every intelligent German and Britisher realizes full well that war between the two nations, no matter which was victorious, would cost untold millions of money, thousands of human lives, the destruction of an immense amount of property, and an unprecedented financial panic in every civilized country. It would verify General Sherman's definition, "War is Hell." British and German statesmen both declare the friendliness of the two nations.

Why then is the war scare kept before the people so continually? The maintenance of great navies and armies has developed great armament manufacturing institutions with immense capital investments. In order to pay dividends on this capital it is necessary that nations keep on developing navies and armies. The best way to compel nations to maintain armament is through war scares. We are told on high authority that the manufacturers of artillery and armour plate, and battleships, and military stores of all kinds revive and promote war scares in order to profit by the increased government expenditures thus secured. In Germany there is the Krupp Gun works, whose employees constitute a city in themselves. The original Krupp died a few years ago worth tens of millions of dollars. The Krupp concern is said to control a considerable section of the German press and to have ambassadors or representatives of its own in every important capital in the world. The power of "King Krupp" has been an important feature in Germany's military policy and his power is felt in every capital in the world where military budgets are raised or expended. Is it not quite possible that similar influences are at work in Great Britain? The following shows the capital invested in six great armament manufacturing companies in Great Britain in 1909:—

| | Issued share Capital. | Debenture Capital. |
|---|---|---|
| Vickers' Sons & Maxim..... | £5,200,000 | £2,956,200 |
| Cammell, Laird & Co. ..... | 2,372,895 | 1,728,511 |
| Armstrong, Whitworth & Co. | 4,210,000 | 2,500,000 |
| Wm. Beardmore & Co....... | 2,000,000 | 1,716,521 |
| John Brown & Co. ......... | 3,218,500 | 1,018,292 |
| Thames Ironworks Co....... | 600,000 | 261,044 |
| Total .................... | £17,601,395 | £10,180,668 |

Even in these six companies it will be seen that there is more than $135,000,000 invested. Without huge expenditures for war preparation by the British Government these companies could not pay dividends on their capital. The English Investors' Review examined the shareholders' list of three of these companies and found the names of three dukes, two marquises, 128 earls or barons, 32 baronets, 30 knights, 13 members of parliament, 19 justices of peace, 43 military or naval officers, four large financiers and 17 newspaper proprietors or writers. These facts indicate the quality and influence of the investors in armament factories. It will be noticed that they have a powerful influence in the British parliament and that they control an important section of the British press. It would be a financial loss to every one of these investors if the British Government should curtail its naval armament. Therefore there is every inducement to them to promote war scares and thus increase war taxes, which the common people have to pay. These facts are already in the possession of the people of Germany and Great Britain and there is an ever growing feeling in both countries against the crushing burden which they are compelled to carry. The hope of international peace lies with the peace advocates of all nations working in harmony and for the common good.

## SIR THOMAS' SCHEME

Sir Thomas Shaughnessy, president of the C.P.R., was in Winnipeg on September 8th, and handed to the press a carefully prepared statement in defence of the new issue of stock which the company intends to make next month. Sir Thomas admits that "the policy and affairs of the Canadian Pacific are proper subjects for discussion and criticism by the public and the press of Canada." This is quite an admission from the C.P.R. Considering that the people of Canada have given the C.P.R. enough in hard cash or its equivalent to build their entire system it seems only reasonable that the public should have some voice in its policy. Sir Thomas regards the "melon-cutting" as a mere bogey and disposes of it with a wave of the hand. But in the past ten years the melons cut by the shareholders have run up to more than $60,000,000. Not one cent of this went into the treasury of the company, but into the pockets of the shareholders. Yet the public are compelled to pay dividends upon it just the same. The new issue of stock is to be $60,000,000. It is expected that the company will issue this at $175 per $100 share, if the government permits it. The market price is $275 per share which means that for every $175 that the shareholder pays for his stock he gets a free gift of $100. The sale of the $60,000,000 in stock at $175 would put $105,000,000 into the company's treasury and an additional $60,000,000 into the pockets of the shareholders. If the market price dropped to $250 per share the "melon" would still be $45,000,000. This is the situation before the government and the people of Canada. Sir Thomas states that the C.P.R. no longer takes refuge behind the 10 per cent. clause in its original charter. He says "it was a condition of the original contract that was swamped and buried by the growth of the company's earnings, and it could not be pleaded now even if the company desired to do so." This is another satisfactory admission. Sir Thomas states that the railway commission is now in control of the C.P.R. rates. For this reason he does not see that the government should compel a reduction in rates before allowing another stock issue. Sir Thomas refuses to consider the big profits from the sale of C.P.R. land as an argument for reduction in freight rates. He forgets that Sir John Macdonald in giving the company such a huge grant of land argued that the profits from the land would enable the C.P.R. in a short time to give lower freight rates than any other railway in the world. But the C.P.R. has divided up the profits from the land sales among its shareholders and still keeps its freight rates higher than nearly all other railways in the world. Sir Thomas says the government should not fix the price at which the new issue of stock shall be sold. If the government does take such action, he contends, then the government should guarantee that the price of stock will never fall below that figure. It is evident that Sir Thomas' statement is an effort to draw a herring across the trail and get through another juicy melon for the benefit of the shareholders. He intimates that if the government refuses