

The Grain Growers' Guide

Winnipeg, Wednesday, January 10th, 1912

UNPATRIOTIC WINNIPEG

We have been anxiously searching the columns of the protectionist newspapers and magazines expecting to see them with one voice demanding an increase in the duty on Portland cement. If the protectionist theory is right, if it is in the interest of the country that import duties should be imposed on articles of foreign production and manufacture which will preserve the home market of the home producer, the fact that an American concern has been able to under-bid the Canada Cement Company and sell 25,000 barrels of cement to the city of Winnipeg, is undisputable proof that the cement duty is not sufficiently high. The cement industry of Canada is evidently not "adequately protected." The duty of 12½ cents per 100 lbs. on Portland cement together with the duty on bags is equal it is true to an ad valorem duty of over 60 per cent., but the fact that this is not sufficient to shut out foreign competition, as proven by the latest purchase of the city of Winnipeg, is ample evidence that 60 per cent. is not "adequate protection" in the case of cement. If the protectionists really believe in protection they will surely demand that the duty on cement be increased to 100 per cent. so that this great industry and the millions of capital (largely composed of water), which are invested in it, may not be wiped out. If the duty on cement had been 20 cents per 100 pounds instead of 12½ cents the price of the Lehigh Valley Portland Cement Company would have been 7½ cents per 100 pounds more than it was or \$6,562.50 more on the contract for 25,000 barrels. The Canada Cement Company would then have been able to secure the contract at the price tendered by its agent. The city of Winnipeg would, of course, have had to pay \$3,500 more than it did for the cement and the Dominion treasury would have lost the \$15,000 which it will collect in duty; but the tax payers of Winnipeg who are saving that \$3,500 and the citizens of Canada who benefit by the \$15,000 that goes into the Dominion treasury are surely not so selfish as to place their own interests before those of the patriotic promoters of the Canadian Cement Merger, or to think that that \$18,500 would be better in their pockets than in those of the promoters and shareholders of that company.

The only trouble is that if the duty had been 7½ cents a hundred pounds higher, the bid of the Canada Cement Company's agent would probably have been that much higher too, and the bad Yankees would still have got the contract. The fact that there was only one Canadian tender, and that from the representative of the Canada Cement Company, shows that the merger has no competitors in this country so far, at least, as supplying Winnipeg is concerned. The merger knew, of course, that it might have competition from across the line and in making its bid had this in mind. It calculated no doubt that at the price of cement in the United States, and with the duty which must be paid on imported cement, it would secure the contract at the price which it quoted. But its calculations were wrong. For once the merger over-reached; it tried to grab too much and failed to get anything. It will probably be a lesson to them, and next time the city of Winnipeg or any other large user is in the market for cement they will quote a figure which, though much higher than that which an American concern would be willing to sell cement for, will come just below the American price plus duty.

An important point to be noticed in connection with this contract is the undertaking given by the Lehigh Valley Portland Cement Company that the city of Winnipeg will

receive the benefit of any reduction in duty which may take place before the delivery of the cement. In the case of agricultural implements the opponents of a reduction in the duties have asserted that the price would not be lowered even if the duty were removed; that by a combination of the Canadian and the United States manufacturers prices would be maintained at the present high level even if free trade were established, but in the contract made between the city of Winnipeg and the Lehigh Valley Portland Cement Company, it is expressly stated that in the event of the duty on cement being reduced or a rebate being secured by the return of bags, every cent which is thus saved will come off the price which the city will pay. For ourselves one thing is very clear. If the Canada Cement Company cannot produce cement so as to sell it at a profit without tariff protection of over 60 per cent. they had better go out of business. They would better leave the marl and limestone in the ground conserving these natural resources until they can be profitably worked, and invest their capital in some enterprise which can stand upon its own feet and prosper without becoming a burden upon others. We believe, moreover, that it is more important that the people of Canada should have cheap cement for sidewalks, houses, and farm buildings, than for the promoters and shareholders of the Canada Cement Company to make big profits by selling at exorbitant prices and the Canadian railways to collect high freight rates for carrying it. There is every natural facility for the production of cement in this country at as low a cost as in the United States and the only factors which make it impossible for Canadian cement manufacturers to compete with their American rivals are artificial conditions, such as watered stock financing and high freight rates which have been created by the special interests for the purpose of bleeding the general public.

A SOUND PRINCIPLE

On January 4 Premier Roblin, of Manitoba, made a public announcement of the program for the ensuing session of the legislature. The outstanding feature of the forthcoming legislation will be the creation of a Public Service Commission, to have control of all publicly owned utilities in the province and to have, in addition, power to regulate and control, to the extent of provincial jurisdiction, all public service corporations in the province. These corporations will be, in the words of the premier, "steam and electric railways, gas and electric lighting, telegraphs, telephones, grain elevators and any other utility, publicly owned as well as privately owned corporations that give public service." This commission, the premier states, is to be absolutely divorced from party politics, and is to be "a poor man's court, where he can, with confidence and without cost, make his complaints, have his wrongs redressed, and feel that he has as much right to make such complaints and ask for such relief as if he were the wealthiest man in the province." The principle upon which this new legislation will be based is decidedly sound. The only way by which public utilities can be operated in the interests of the public is by placing them under a commission where the political machine cannot reach them. Public ownership is making rapid progress in Manitoba, and if Mr. Roblin can provide a system by which they can be operated upon a business basis, he will be performing a distinct service to his generation. Public ownership and public control of public service cor-

porations are among the best means of safeguarding the interests of the people in this intensely commercial age.

BAREFACED FALSEHOODS

Every regard for decency and truth has been ignored by the Winnipeg Telegram in the bitter and unscrupulous attack made upon the Manitoba Grain Growers' association and The Grain Growers' Guide in its editorial columns on January 6. In its deliberate attempt to injure the Grain Growers' association by the injection of party politics, it has stooped to deliberate falsehood. This has been done by the Telegram by publishing only a part of a paragraph from the memorials presented to Mr. Borden at Brandon on July 20, 1911. The Telegram says that in presenting the terminal elevator question to Mr. Borden, that "R. C. Henders, Roderick McKenzie and their organ (meaning The Guide) disavowed public ownership and operation of terminal elevators," and the Telegram attempts to prove this by quoting the following from the memorial presented to Mr. Borden by Peter Wright, director of the association:

"Respectfully urge that you, sir, as leader of the Opposition, should use your influence to facilitate the passing of this bill (the Canada grain bill) at as early a date as possible, so that we may benefit by its being in operation for this year's crop."

But the Telegram, to suit its own ulterior purposes, did not print the very next sentence in the very same memorial presented to Mr. Borden by Mr. Wright in the same breath. This sentence was:

"We would also ask your support in the matter of making financial provision for the commission to acquire those elevators, either by purchase or lease, as we believe that absolute control cannot be secured otherwise than by government operation."

By not printing this sentence, the Telegram deliberately misstated the facts. This is one falsehood nailed. The next falsehood of the Telegram in the same article is as follows:

"Was it on the instructions of the association or on the instructions of the board of directors that when an election was announced, R. C. Henders, Roderick McKenzie and the organ of The Grain Growers' Grain company (meaning The Guide) ignored Premier Laurier's refusal to operate the Hudson Bay railway under government auspices and declared that it was:

"Very much gratified at the assurance that the government of Canada was going to build a railway towards Hudson Bay in the near future, to be owned by the government in perpetuity."

Now, this sentence, which the Telegram quotes to support the meanest attack ever made upon a public body, is taken from the memorial presented to Mr. Borden at Brandon on June 20, 1911, by R. J. Avison, director of the association. But the very next sentence in the same memorial read to Mr. Borden by Mr. Avison at the same moment, says:

"While thus gratified at the prospect of a government owned railway to the tide waters at Hudson Bay, as long as there is a possibility of any or all of the existing railway corporations getting control of the operation of that road, they (the people of Western Canada) cannot rest content. Nor will they be satisfied until an assurance is given that the road will be operated in such a way that the traffic charges, both passenger and freight, will be so arranged as to meet the carrying charges on the cost of building and operating, such carrying charges to apply to the water portion of through export and import rates, on goods imported as well as exported, and the road operated by a commission appointed by the government."

But the Telegram did not print this because it would expose its falsehood to its own readers. Further, for the benefit of the Telegram, it is well to note that these