

it must be because the purchasing power of money is less, otherwise the American workmen would leave their 13½ cent job in the Lehigh Valley to get the 20 cents paid by the Canada Cement company. The purchasing power of money in this country could be greatly increased and made much greater than it is even in the United States by the removal of duties from the necessities of life—clothing, food, building material, including cement itself. Then there would be no possible justification for the 11 cents which Mr. Jones himself admits his company receives over and above what the United States concerns are now charging at the mill.

But even if this reduction in the cost of manufacturing and transportation were made, what guarantee is there that the Canada Cement company would reduce the price of cement? The fact is that the price of cement is not based on the cost of production. The cost of production is only one factor in the price of any article. What really decides the price of a commodity is how much the seller can get for it—or in other words how badly the buyer wants it and at what price he can get it elsewhere. The price of cement, as Mr. Jones showed by figures, has fluctuated considerably during recent years. The cost of production and transportation have remained practically stationary, the freight charges being the largest item, but the price of cement at Winnipeg according to figures given by Mr. Jones was \$2.26 and \$2.35 in 1905; from \$2.35 to \$2.64½ in 1907; \$1.97 and \$1.77 in 1909; \$2.24 in 1910; \$2.20 in April, 1911, and \$2.05 at the present time. These fluctuations we submit, prove that the price of cement is not based on cost of production, but on what the company can get for it. The price of \$1.77 in July, 1909, was all that the cement companies could get, owing to competition among themselves which disappeared when the merger was formed. With internal competition eliminated the cement merger proceeded to justify the promises made in its prospectus of earning \$2,000,000 a year on an output of 4,000,000 barrels, and raised the price 47 cents a barrel. If they had gone any higher, it would have been cheaper to buy cement in the United States, pay the duty and ship it into the country, and since the merger was formed the prices charged by the Canada Cement company have closely followed those prevailing in the United States with the duty of 51½ cents a barrel added. This duty works out to 55.67 per cent. on the United States mill price of 92½ cents per barrel, the highest duty, we hope and trust, in the Canadian customs tariff. Mr. Jones contends that the railways get practically all the benefit of this enormous protection, but whether this is so or not it is an extortionate duty and its continuance is an outrage which the Canadian people should not tolerate. The government can remove the injustice by repealing the cement duties and compelling the railway companies to reduce the freight charges, but to reduce the freights without removing the duties would simply be to hand over the plunder from the railway companies to the cement merger.

VALUE OF UNITED ACTION

Now that the three provincial associations are preparing for the winter's work, it is of the utmost importance that so far as possible they should work in unison upon matters in common. There are a great many matters of federal jurisdiction, such as Manitoba Grain Act amendments, terminal elevator control, Hudson Bay railway, railway regulation, the tariff, and scores of others in which the three associations are equally interested. They are all moving for reform along these lines. By working together with the same end in view, the desired object will be accomplished in far less time and with greater ease. By working separately, there may be a lack of unanimity in some essential points and this would certainly militate against success in that issue. If through the efforts of the Western section

of the Canadian Council of Agriculture, all three associations could arrange to make a simultaneous and aggressive campaign upon even one or two vital matters, for instance, the tariff and railway and express rates, it would be possible to reach practically every farmer in the West in one winter. By a closer union between the three provinces, and a united front on matters of common interest, the full force of the great farmers' organization now reaching into every corner of the Prairie Provinces, could be devoted to a remedy of present unfair conditions. By this means there would be created a powerful public opinion, which would be a mighty force for good. All this good work has been going on for several years with splendid results, but even better results must assuredly follow united action by the three provinces. The manufacturers and other big interests realize the value of co-operation and the presentation of a united front. By so doing they have been enabled to keep the burden upon the farmers. Only by similar action will the farmers be able to lift that burden.

PROTECTION FOR THE FARMERS

The Farmers' Magazine, of Toronto, in its December issue, deals with an article published in The Guide of October 18, in which we pointed out why certain farm journals were supporting the protective tariff. After dealing with the attitude of The Guide, the Farmers' Magazine says:

"By inflammatory and misleading articles, we refer to those assertions that appear from time to time, to the effect that all the economic iniquities of our people would be forever eradicated, if the tariffs were removed from certain articles. Now, any student of unimpassioned authorities must come to the conclusion that tariffs are only an incident in economic disturbances, and the incidence of such forms of such taxation fall in many often unexpected places. The removal of tariffs altogether would not prepare for the consumer a mansion in his Utopia."

Now we do not think any person will ever say that The Guide looks upon the tariff as the only economic evil in the country. We have pointed out the other evils very clearly and the most of them are closely connected with the protected interests. Further on in the same article, the Farmers' Magazine says:

"There is nothing to be gained by bringing prejudice and indiscreet enthusiasm to one's aid. That there are evils in protection no one will attempt to deny. Farmers' Magazine believes in a moderate protection as a working policy for all classes in Canada at the present time; not for the good of the manufacturers solely, but as a national policy in which all our people are interested. It also believes in governmental supervision and adequate adjustments so as to bring about the greatest good to every class concerned. And there are some articles of consumption upon which the tariff should be completely removed. But even with the removal of the tariff the results would not be as great to the farmers as some of the advocates would lead them to believe. Our main strength lies in an efficient and fearless governmental control of organization of capital."

Thus we see that our critic believes in "moderate protection" for the benefit of all the people of Canada. This is what the Canadian Manufacturers' Association believes in, and it is what The Guide does not believe in. The Farmers' Magazine says that there are some articles of consumption upon which the tariff should be completely removed. This statement we agree with heartily and would be glad if our critic had the courage to mention just what these articles are. For instance, the Farmers' Magazine might discuss the tariff on agricultural implements. It is doing a good work in publishing articles of general information, but its tariff policy is certainly not in the interests of the farmers. We have yet to see how the farmer can be benefitted by paying 25 per cent. more than the market value of practically all that he buys. Will the Farmers' Magazine kindly show where this benefit is?

THE C.P.R. MELON

The Canadian Pacific Railway has announced a new stock issue. There will be \$18,000,000 issued at \$150 per \$100 share, each present shareholder being allowed to purchase one new share for every ten now held. These shares are worth \$240 each today on the market. Thus each shareholder gets \$90 for nothing. Thus for \$27,000,000 that goes into the treasury of the company \$16,200,000 will go into the private pockets of the shareholders. This is called a "melon" and it is certainly a juicy one. This stock cannot be issued unless by permission of the Dominion government. As long as the C.P.R. is allowed to charge its present rates the melons will continue to grow. Most of them are grown in the West. Mr. Aikens and Mr. Bennet should be pleased to see their old friend the C.P.R. piling up the burden on the Western people.

It seems strange that our Western Liberal members in the House of Commons have discovered the iniquity of the protective tariff while the Western Conservatives, who knew all about it last year, seem to have forgotten. If the Liberals had learned it several years ago it would have been better for them and for the country. If the Conservatives continue to forget they must be reminded.

It is announced at Ottawa that the first work of the tariff commission will be to investigate the farm implement industry and to advise tariff changes. We predict that the feeling of the farmers will have as much to do with the reduction recommended as will anything else. It will be wise for the farmers to let the government know that farm implement manufacturers need no protection whatever.

Has the Hudson Bay railway gone into cold storage? We have become so accustomed to seeing the "Road to the Bay" trotted in and out of its hiding place for election purposes that we are now becoming hardened. But nevertheless if the government intends business it will find the West in an appreciative mood.

If Arthur Meighen, M.P., would bring forward his resolution to reduce duties on agricultural implements at the present time he would get the support of the Liberal members, judging from appearances. Would it not be sublime to see both sides unite on a measure of real value to the common people.

If freight rates on implements in Canada are high it is not the farmers' fault. It is the fault of the manufacturers. If the Canadian Manufacturers' Association would devote as much energy and money towards reducing freight rates as they did to defeat reciprocity they would see the rates come down.

W. F. Cockshutt, M.P., in the House of Commons on December 5, said that the Grain Growers' Association was a "blind guide." That is a hint to the Western farmers to decide upon what they want and then go after it. Mighty little aid may be expected from Mr. Cockshutt.

Mr. Borden deserves the thanks of the Canadian people for refusing to hold two sessions this winter instead of one, and thus preventing a \$750,000 raid upon the public treasury.

If some of our poor manufacturers who are sacrificing themselves every year for the benefit of the farmers could only be induced to go into farming, everyone would be glad to see the huge profits they would make.

Senator Jones might explain to the Senate the little matter of the Johnston Harvester Co., and how he sells his implements cheaper in United States than in Canada. It should prove interesting.

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