

The Grain Growers' Guide

ADDRESSED TO THE FARMERS OF



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A USELESS BILL

As was anticipated in THE GUIDE last week, the Manitoba government has prepared a new elevator bill which was on Monday submitted to the legislature by Hon. G. R. Coldwell. This bill is changed slightly from the one which the government originally submitted to the Grain Growers. The alterations that have been made, however, do not constitute the desired improvements, from the standpoint of the Grain Growers of Manitoba. The bill which the government has placed before the legislature contains all the obnoxious clauses which the Grain Growers were unable to accept when presented to them in the original draft of the bill. The bill which the government has asked the legislature to consider, contains three provisions which can never be satisfactory to the Grain Growers. Two of these provisions, namely, that providing for expropriation and that providing for a 60 per cent petition by farmers before an elevator may be erected will render the entire scheme of government ownership useless. If the system were operated according to the bill, these two provisions would greatly hamper the commissioners in using their best judgment. The provision for an independent commission, which is the chief requisite, in the minds of the farmers, is not in the bill. The bill now before the legislature does not even demand that the government shall appoint a commission. It is left entirely to the discretion of the government as to whether a commission shall be appointed or whether the whole system of elevators shall be controlled and conducted by the Minister of Public Works. This provision is almost certain to render the system ineffective. Such a control as the bill provides for would not be fair not just either to the government or to the farmers and cannot help but be a source of continual annoyance and dissatisfaction so long as it exists. No doubt the government will send the bill to the Agricultural Committee of the legislature for consideration, and while there it will be discussed in detail.

The three principles which should be most carefully considered by the farmers are those which we have just enumerated. There is no need of any expropriation clause in the bill. Expropriation proceedings are seldom satisfactory and should not be resorted to unless demanded by necessity. An independent commission clothed with the proper powers would provide a satisfactory elevator system without resorting to expropriation. Existing elevators could be bought or leased on terms of mutual

satisfaction to the contracting parties. If these negotiations failed, then the commission should be empowered to provide by erection, elevators where needed. It is hard to conceive just why the government should insist upon a provision for expropriation when all previous experience shows expropriation to be a most unsatisfactory method of conducting business.

The other provision for a 60 per cent. petition by farmers in a community surrounding a shipping point is equally dangerous. To secure this petition, it would be necessary for the farmers to carry on a campaign that would probably lead to serious trouble locally. The owners of the elevators, and other unfriendly monopolistic influences would combine to defeat the petition. The defeat of a few such petitions would be regarded as a condemnation of the whole system and the government would be able to present some justification for discontinuing the acquisition of an elevator system. There is no system by which a 60 per cent. petition of farmers could be secured. This scheme is not possible even if it were desirable.

The farmers of Manitoba have already expressed themselves in favor of public elevators, and there is not the slightest danger of them not using the elevators when they get them. It is a significant fact that during the past season with the present unsatisfactory elevator system in Manitoba, that only approximately 25 per cent. of the grain of the province was shipped over the loading platform. This is sufficient proof that the farmers will use, and want to use the elevators if they can do so, with a feeling that they can secure justice by so doing. The loading platform is seldom or little used where there are farmers elevators. With this in view, and the well-known sentiment of the farmers of Manitoba, and the exhibition which they have given of loyalty to their own institutions, there cannot be advanced any legitimate reason for demanding a 60 per cent. petition before they are given a publicly owned elevator at their shipping point.

It may or may not be significant, but the fact is that the bill now before the legislature does not in any way commit the government to take one single step towards a government system of elevators. It says the government "may" do certain things, but it no where provides that the government "shall" either appoint commissioners or do anything else that it otherwise provided for in the bill. The government deems it inadvisable to place the elevator system in the hands of a commission which will be independent of any political control. To say that a commission appointed under the provisions of the bill now before the legislature would be independent, would be an utter farce, no matter what government may be in power. This bill does not necessitate any power whatsoever being delegated to the commission. As we said before, it does not even necessitate the appointment of a commission, much less give the commission any power.

We have endeavored to look at the bill as provided by the government from a standpoint of fairness to the Manitoba farmer who grows the grain and whose grain will be taxed to pay for the elevator system which will be provided by this bill. We cannot see how the bill, should it become law, will give any satisfaction to the Manitoba farmer, or provide the relief he is seeking. We believe that we voice the sentiment of the farmers of Manitoba when we say that it would be far better to have no change in the present conditions than to have the bill now before the legislature become law.

SCIENTIFIC LEGALIZED GRAFT

In considering trusts, combines and corporations that prey upon the public by means of unjust prices for their products, it is well to understand just how such power is sometimes secured. We are all aware that these interests

have great influence over our governments and legislators, and by exercising this influence can secure valuable legislation. To get down to the root of the matter, it is very often necessary to go back to the organization of such corporations. It is well to know the privileges contained in their charters. Very often their stock is sold at a low figure and their dividends are always declared on the par value of their stock. This has been done in scores of cases by railways and other large interests in Canada. For instance we might take a company organized with a capital stock of \$1,000,000. This stock in the beginning may be sold at as low as ten cents per share, when the par value of these shares is \$100 each. The profits of the concern are declared by dividend upon the entire \$1,000,000., whereas the money placed in the company by the shareholders was only \$100,000. There are cases in Canada where a dividend of as high as ten per cent. has been declared upon such "watered" stock. Ten per cent. dividend upon \$1,000,000 capital would be \$100,000, but when this sum is considered in the light of the \$100,000 representing the actual money received for the stock, the situation changes. The dividend, instead of being ten per cent. is really one hundred per cent. If the dividend had been announced as only five per cent. in spite of all these facts these companies will go to the government and demand special privileges because they are paying only five per cent. dividends. They claim that this five per cent. is not even interest on their capital when the real truth of the matter is, that they are paying fifty per cent. dividends, and the facts are withheld from the public. This is one of the ways by which the public is continually swindled. Of course, it is a legalized swindle, but a swindle nevertheless.

The legislatures of Canada by allowing such graft to continue, are openly assisting combines to take unjust profits from the people. There is no reason why all stock in companies, chartered by legislatures or under any legislative acts, should not be sold at par value, then the public should know just what dividends were being paid upon the stock of their companies. In the early days of the Bell Telephone Company, much of the stock was sold as low as three cents per share, which eventually became worth many hundreds of dollars per share. The profits on this stock would thus be many thousand per cent. The fact is well-known that very small investments in the Bell Telephone stock in early days has made many of our millionaires of the present day.

NOT A QUESTION OF CONFIDENCE

Speaking in the legislature last week, J. W. Robson, M.P.P., devoted considerable time to an academic discussion of the elevator question. He maintained that the demands of the Grain Growers' Elevator Committee was a motion of want of confidence in the government. He said he could not support such a stand. He stands for straight government ownership with full control in the hands of the government. The Winnipeg Telegram quotes Mr. Robson as an authority and supports his contentions. There is no doubt but that Mr. Robson has given some time to the study of the problems which he discussed in the legislature. Mr. Robson has been a Grain Grower for some time. He has, however, been more intimately, and for a longer time, associated with the political life of the province. With all due respect to Mr. Robson we submit that his political affiliations have fully as strong, if not a stronger, hold upon him than his affiliations as a Grain Grower. In admitting that Mr. Robson is a student, and well informed on economic questions, the fact must not be overlooked that there are other men whose opportunities of studying the elevator question have been better than Mr. Robson's. They are the men today representing the Grain Growers on their elevator committee. We