

in the fight which the farmers' organizations have been compelled to wage in order to secure a square deal for the farmers of this country.

### R. M. HORNE-PAYNE

Much indignation has been expressed, and rightly, at the advice recently given to the British public with regard to Canadian investments by R. M. Horne-Payne, a London financier. Mr. Horne-Payne, speaking at the annual meeting in London of the British Empire Trust Co., of which he is chairman, advised British investors to avoid Canadian municipal securities, and invest their money in railway and industrial enterprises. He claimed that municipal credit had been destroyed by Canadian cities raising constantly increasing and practically unlimited sums on the same assets and their policy of borrowing for short terms only while money is tight and interest high. If British investors follow Mr. Horne-Payne's advice Canadian cities and towns will either be compelled to go without the waterworks, sewers, pavements, lighting plants, etc., which they need, or go to some foreign country for the money, while British funds are handed over to the keeping of Mackenzie and Mann and other captains of industry. Who is R. M. Horne-Payne? He is a director of the C.N.R. and representative of the company in England, he is one of "The 42" who own one-third of Canada's wealth, and he is the gentleman who sent out a circular to thousands of people in England asking them to support the Canadian Countryman, established by Sir Edmund Walker, Z. A. Lash and others for the purpose of inculcating political views favorable to Special Privilege among Canadian settlers. We give British investors credit for being shrewd enough to disregard the interested advice of Mr. Horne-Payne, but, nevertheless, he has certainly done his best to injure Canadian towns and cities for the benefit of the Canadian Northern Railway. It might have been supposed that Canada had been sufficiently generous to Mackenzie and Mann to prevent one of their satellites making such an unjustified attack upon the credit of her cities and towns, but there seems to be no limit to what a sordid financier will do in order to make his stock manipulations profitable.

### 'THE WAR AGAINST WAR

The Balkan war, regrettable as were the economic waste and loss of life, will not be wholly loss to mankind if its lessons are learned never to be forgotten. There is good reason to hope for this happy result, judging by the way public opinion is being marshalled in favor of international peace. The world-wide money stringency, as all economists agree, is due partly to the sinking of so much capital in the actual hostilities between Turkey and the Allies, and is still more largely due to the vast sums expended every year by the Great Powers in war preparations. The men of money, without whose support war would be impossible, will have to be reckoned with more than ever before, now that they see how even a third-rate war ties up normal business development the world over. Here is what the Bankers' Magazine says on war:

"Bankers have come to dread war as one of the greatest enemies of national prosperity, and the shadow of conflict which forever hangs over one country or another has grown to be one of the malign influences with which business calculations must always reckon. The world's capital is needed as never before for the development of enterprise—the building of houses, the construction and equipment of manufacturing plants, and for the production of food and clothing. War and the preparation for war absorb for purely destructive purposes a constantly enlarging portion of the capital sorely needed for beneficent employment."

If the world's bankers, who supply the money for war materials, and the working-men, who do the actual fighting, stand

shoulder to shoulder against unnecessary conflicts, the gold-laced diplomats will have to wage their wars on paper.

### A PROTECTIONIST ARGUMENT

We do not know whether it is to be attributed to a wilful attempt to deceive, or just plain ignorance, but it is remarkable how often newspapers which support Protection attempt to mislead the public by statements which a very little intelligence must show to be absolutely incorrect. An error of this kind found in The News, a weekly paper published at Red Deer, Alberta, has been called to our attention. The News, in a recent issue said in its leading editorial:

#### MANUFACTURING AND

#### AGRICULTURAL PROFITS

The President of the Bank of Commerce, in evidence given before the Banking Committee of the House of Commons, said that one hundred representative industrial concerns in Canada, with a total capital and surplus of \$176,000,000, showed profits last year of 17.84 per cent. This was done for the purpose of showing that industrial establishments are doing better than banks, which in the same year made an average profit on capital and reserve of 8.84 per cent.

Another comparison, along a slightly different line, will be found equally interesting. The amount of capital invested in Ontario farm property was placed by the Bureau of Industries in 1909 at \$1,241,000,000. In the same year, which was a normal one, the total value of all the field crops in the province were placed by the same authority at \$167,000,000. Allowing in addition to this \$2 per acre for the returns from pasture land, gives a grand aggregate of \$173,000,000 as the gross returns from all the field crops of the province in the year named. That figures out at 14 per cent. on the capital invested. In other words, the total value of the farm crops of the province, in a normal year, represented a very much smaller return on capital invested than was represented by profits alone in the case of one hundred representative industrial establishments. If to the returns from field crops are added the value of live stock sold or slaughtered (and this live stock was produced from the product of field crops), the gross returns from farming in Ontario amounted in 1909 to only \$237,000,000, or a shade over 19 per cent. on the capital invested, while the profits over and above cost of operation of one hundred representative industrial establishments was only a little over one per cent. less.

The above, though not so credited, originally appeared in The Weekly Sun, of Toronto, and is no doubt a perfectly accurate statement. The News, however, goes on to say:

This, at least, will be food for thought for the thinking farmer, as it shows that the manufacturer and banker is really making a less profit on money invested than he is, and that the manufacturer is not the monster some Liberal papers paint him.

In this comment the editor of The News fails to distinguish between gross returns and net profit. He takes the total value of the field crops and live stock produced on the farms, and compares it with the net profits of the manufacturers and bankers. He assumes that all the money that the farmer receives for his grain and cattle, and the value of all the grain and other feed which are consumed by his stock are clear profit. In his calculations the farmer has no expenses. He pays no wages, receives his twine as a present and has his threshing done free of charge. If these things were true, then, indeed, the farmers, on the figures quoted, would be making nearly two per cent. more interest on the capital they have invested than the manufacturers. But, alas, it is not so. If the Red Deer News cannot produce better arguments in favor of Protection at home, it had better devote its editorial columns exclusively to the ready-made stuff sent out to local papers from the Protectionist headquarters at Ottawa, which is often equally false but usually more ingenious and plausible.

Woman suffrage goes marching on. Last Thursday Governor Dunne, of Illinois, signed a bill enfranchising 1,000,000 women. There are now nearly 2,000,000 women voters in the United States. The Illinois bill goes into effect on July 1, and already the women of Chicago are planning to clean up their city.

### ARTHUR MEIGHEN'S APPOINTMENT

The appointment of Arthur Meighen to a cabinet position is only the fulfilment of general expectation on the part of the public. As the member for Portage la Prairie he has made a name for himself in the House and has easily outclassed in ability the rest of the members of his party west of the Lakes. In the five years he has been a member of the House Mr. Meighen's progress has been rapid and he has given other and older members an example of what hard work and much study may accomplish. Mr. Meighen is a keen student and a wide reader and is one of the best debaters in the House, and is one ready on a moment's notice to come to the defence of his party when skilful argument is needed. What Mr. Meighen's attitude will be henceforth on questions of vital interest to the West remains to be seen. During the last three years of the Liberal government, Mr. Meighen was a low tariff advocate and generally a good progressive. Since the change of government he has however, avoided subjects which cause strife within his party. Mr. Meighen has a brilliant career before him, but we trust that he will not allow the exigencies of the party game to blind him to the needs of the people.

A few weeks ago, when China was hard pressed for money, the Standard Oil Company, according to a London Times correspondent in China, came forward with a beautiful offer. In return for the sole rights to exploit petroleum in China for a term of years, Standard Oil was willing to give an immediate loan of \$135,000,000. Wasn't that pure philanthropy toward the struggling young Republic! The American trust could well afford, not a loan, but a straight gift of \$135,000,000 in return for the absolute monopoly in a country of 400,000,000. Fortunately the Republican leaders, Dr. Sun and others, are too firm believers in public ownership of natural resources to be caught with any such bait.

We are glad to note that several members of the Borden cabinet, including the minister of finance, are planning to visit the West during the parliamentary recess. If these ministers want their trip to be informing and profitable they should get out of range of the representatives of Special Privilege, away from the button-holing individuals who make a practice of filling up members of the Government with stories of the universal prosperity of the people and the impossibility of the Government doing anything more to better conditions—except, of course, a little more Protection here and there. If Hon. Mr. White and his colleagues can get out of earshot of these smooth-spoken folks and study conditions first-hand, they will see that the complaints of the West are moderate in tone and in harmony with justice.

With reference to the statement in The Guide that the Laurier government gave land grants to the Canadian Northern Railway, a contemporary points out that this is not strictly in accordance with the records. The Canadian Northern, we are reminded, secured its claim to land grants by buying two old charters dating from the old Conservative regime—the Winnipeg and Southeastern and the Winnipeg and Hudson Bay. These charters, however, would have expired through failure to construct if they had not been extended from time to time, and the Liberal government, in permitting them to be kept alive with the land grant clause attached, became equally responsible with their predecessors in office.

Australia, New Zealand and South Africa have government owned railways. Canada has railway owned governments.

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