

THE CARRIAGE MAKERS' TOLL

Among the many industrial amalgamations effected in Canada within the last two years is "The Carriage Factories Ltd." The individual companies absorbed at the time of the amalgamation was the Canadian Carriage Company with a capital of \$200,000; E. N. Heney, Co. Ltd., \$150,000; Tudhope Carriage Co. Ltd., \$300,000; Munroe and McIntosh Carriage Co., \$250,000. Total \$900,000.

The merged organization is capitalized as follows:—

Common Stock	\$2,000,000
Preferred Stock	2,000,000
Bonds	1,000,000
Total	\$5,000,000
Issued	\$1,200,000
Common Stock	\$1,200,000
Preferred Stock	1,200,000
Bonds	500,000
Total	\$2,900,000

That is to say the new merger has an issued capitalization of \$2,000,000 more than the companies absorbed had and apparently the only cash going into the merger is the proceeds of \$200,000 bonds to be issued to cover the cost of factories under construction. According to a statement in The Monetary Times, the affairs of each of the companies included in The Carriage Factories Ltd., were given out as follows:—

Net annual earnings after providing for cost of management depreciation and bad debts	\$ 163,280
Deduct:—	
Fixed charges:—	
Interest on \$500,000 first mortgage, 6 per cent. bonds	\$ 30,000
Leaving a surplus of	133,280

The future earnings of the merged company is estimated to be as follows:—

Net annual earnings after providing for cost of manufacture, depreciation and bad debts	\$ 163,280
Economies to be effected by the merger	50,000
Total	\$213,280
Fixed charges:—	
Interest on \$500,000 first mortgage, 6 per cent. bonds	\$ 30,000
Leaving a surplus of	133,280
Interest on \$500,000 of first mortgage bonds at 6 per cent. per annum (this includes \$200,000 additional bonds to be issued in 1910 to cover the cost of factories under construction)	\$ 30,000
Dividend at 7 per cent. on preferred stock	84,000
Total	\$114,000

Leaving available for dividends on common stock

As far as appears on the surface the \$2,500,000 of common stock and preferred stock was given to the stock holders of the absorbed companies in exchange for their stock of \$900,000. The above estimate makes provision for a dividend of 7 per cent. on the preferred stock and 8 per cent on the common stock which represents no cash value whatever, so that the business of the merged companies will have to provide dividends on \$2,000,000 more than that of the absorbed companies. This is a concrete illustration of how the Canadian manufacturers endeavor to convince the public that they cannot live without the protection afforded by the high tariff. By the Canadian census, in the year 1905, there were manufactured in Canada in the group which comprises carriages and wagons to the value of \$8,347,509. We imported that year, of the different commodities included in the group, automobiles and motor-vehicles of all kinds, \$672,128; cutters, \$448; farm wagons, \$186,281; freight wagons, and drays, \$36,371; buggies and carriages, pleasure carts and vehicles, \$107,087; complete parts of buggies, carriages and vehicles, (N. O. P.) \$96,368; sleighs, \$17,990, making a total of \$1,136,873 on which the government collected duty to the amount of \$371,000. The census return does not give the product of the individual industries comprised in the group; hence it is difficult to estimate what the tribute exacted by each industry as charged by the government is.

Applying the same rate of duty to the home manufactures the people of Canada pay approximately \$2,700,000 to this group of manufacturers. One striking feature of the imports under the group of carriages and wagons is that the importation of cutters, buggies and wagons has practically ceased on account of the prohibitive tariff. For the year ending March, 1910, we imported 18 cutters, 993 buggies, carriages, pleasure carts, and other vehicles, and 609 sleighs. The duty on sleighs is 25 per cent., on cutters, buggies, etc., 35 per cent.

MANITOBA ELEVATOR SITUATION

The statement issued by the Manitoba Elevator Commission and published on another page shows that in general the farmers of Manitoba are patronizing the public elevator system well. The agitation in favor of public elevators in Manitoba has been carried on for several years and now that there are a large number of these elevators in actual operation the only hope of their success lies in the support of the farmers. Farmers are the only people who raise grain and grain is the only thing that is handled by the public elevators. If the farmers do not put their grain through the elevators, then the elevators will not pay. It is apparent to all who have studied the elevator situation that the only hope of real success is for every elevator in Manitoba to be operated under the government system. The milling companies are holding out very strongly and are exhibiting little or no sign of their willingness to dispose of their elevators. Naturally one milling company does not care to sell unless the others do. They can all be brought to terms, however, by the action of the farmers. If the farmers of Manitoba will support the public elevator system and insist that every shipping point in the province be served by public elevators the milling companies and every other elevator company will be extremely anxious to sell. It has come to our notice that at several points in the province the farmers are not supporting the public elevators. This is unfortunate. Charges in the public elevators may be higher in some cases than in the line elevators but when everything comes under the public system the service and charges will be far more satisfactory than can be secured in any other way. A public elevator system, covering every point in the province which will special bin the farmers grain and clean it thoroughly giving the farmer the screenings, will be of immense benefit to every farmer. He will save freight on his screenings and have them for feed as well. The line elevator companies have not, in the past, made a practise of cleaning grain satisfactorily. They do not want to clean grain. They much prefer that the farmer should ship his dirty wheat to Fort William and pay freight on the screenings, because the terminal elevator companies can then sell the screenings for \$9 per ton and make a very handsome profit on this side line. The freight on screenings for a year amounts to a very large sum. This would all be saved to the farmer under an efficient system of public elevators. One of the difficulties which has followed the purchase of elevators by the government is that small farmers, having less than a car load to ship find it hard to dispose of their grain. The Grain Growers' Grain Company have assisted materially in the solution of this problem. They have placed buyers at a number of points where there are public elevators and have thus been able to take care of the street wheat offered. Farmers should give the Grain Growers' Grain Company every support and should ship to them their car lots as well as the small quantities that are left over. There is no reason why the farmers of Manitoba should not ship their grain to the Grain Growers' Grain Company and put it through the public elevators. If this became general the elevator system would be made right and the grafts of the Elevator Combine would be gone. The milling companies would dispose of their elevators and compete on even terms by buying their wheat

on the sample market which will be operated in Winnipeg next year. The only way by which the farmers can make the market system right is by supporting their own company and the public elevators in which their own money is invested. When a farmer sells to line or milling elevators he must necessarily accept their weight, grade and dockage; when he puts his grain through government elevators he gets government weights.

THE POLITICS OF BUSINESS

The manufacturers of Canada have not a very strong voting power, but they have the money and lots of it. They are willing to spend their money to make more money. If they have to contribute half a million dollars to election funds, in order to have the tariff arranged so that they can add \$10,000,000 to their annual revenue it is a good investment. The manufacturers are hard headed business men. They realize that it is part of their business to keep the tariff high and to make the farmers pay the piper. In the olden days of the National Policy the manufacturers always contributed to the campaign fund of the Conservative party of Canada. To-day the same manufacturers are doing the same business under the same protective tariff and there is every reason to believe that they are making the same contribution to the campaign fund of the Liberal Party that they formerly did for the Conservative party. There is no use disguising the fact or beating about the bush, the manufacturers know that the tariff is a robbery but they know that it brings them millions of dollars every year, and are willing to pay a portion of the illegitimate gain to the source which they received it. We cannot see any difference between the two political parties in Canada on this score. It is our national disgrace. There are farmers in Canada who think that the Conservative is the only honorable party, while others are sure that the Liberal party is the only incorruptible one. We cannot see that the names of these two parties stand for anything. They are only two divisions of the same party that stands for special privilege. Are the farmers in Canada going to allow the handful of manufacturers with their millions of money to dictate to the parliament. If not, they must see to it that no M. P. is elected in any rural constituency who is not pledged to do all in his power to eliminate the system of tariff robbery. The farmers have the power to do whatever they like if they would only use it, but they must forget that they are or were ever supporters of either political party. They must be farmers first, last and all the time.

The market editor of the Free Press, in its issue of September 30 has this to say about the Winnipeg wheat market:—"When trades were closed on Thursday it was found that the enormous total of 14,000,000 bushels had changed hands during the morning. Friday's were heavier and more general and it is possible that when to-day's trades are closed between 17,000,000 and 18,000,000 bushels will have changed hands." Just think of it! 32,000,000 bushels in two days! It would be interesting to know how much of this was actual wheat and how much wind. It is very probable that 31,500,000 bushels would be wind. The net result of this forced selling of wind was that the price of wheat which was \$1.01 on 24th September was reduced to 97½ cents on 30th. That the slump was due to the selling of "wind" is quite apparent from the fact that the market could not be maintained at that low price and in a few days recovered the loss that was then sustained.

Day by day letters are being received by The Guide endorsing the scheme of sending a large delegation to Ottawa. It seems to be the only way by which the rights of the people can be protected. Special privilege must be overcome by the demand of the masses.