

The Grain Growers' Guide

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MANUFACTURERS AT OTTAWA

The Canadian Manufacturers' Association presented a lengthy memorial to the Dominion Government on January the thirteenth, protesting against any change in the tariff. Space forbids the publication of the entire memorial in this issue, but it will be published later. The summary, however, which we publish, indicates the tenor of the manufacturers' representations, and the reply of Sir Wilfrid. The manufacturers say that they represent \$1,200,000,000, and as there are not more than 2,400 bona fide manufacturers in the Canadian Manufacturers' Association, this estimate of their own makes the average wealth of the manufacturer \$500,000. Yet Sir Wilfrid Laurier makes no comment upon the prosperity of the manufacturers, while he at once caught up and elaborated upon a remark that the farmers' wealth averaged \$10,000. If, as Sir Wilfrid says, a farmer worth \$10,000 is not suffering, certainly a manufacturer worth \$500,000 is not in a very bad way. The fact that 2,400 manufacturers have accumulated \$1,200,000,000 in wealth during the last thirty years—and it must be so, because the manufacturers say so—is a good argument for tariff reduction. According to their own figures the average wealth of a manufacturer is half a million, but as we know there are some manufacturers in Canada not worth more than \$25,000 there are a great many others rolling in millions, and yet they have the nerve to go before the government and plead poverty. The manufacturers still plead "Infant Industries" and ask for continued protection in order that they may specialize. Such pleading is a clear indication that the manufacturers have no intention of giving up protection as long as they can hold it. The memorial also set forth the advantages which would also accrue to the farmer on account of the "home market." It hardly seems worth while for the manufacturers to ask that the farmers be protected against themselves. The "home market" myth has been completely exploded and is not a factor in tariff negotiations so long as there are farm products to export from Canada. The British Preference, which the manufacturers have supported and held up as a proof of their loyalty, was also dealt with, but the manufacturers objected to any increase in the British Preference, whereas the farmers' loyalty went far enough to have free trade with Great Britain. The British Preference, as it stands in the Canadian Tariff Schedule today, is a preference in name only because the duty levied on British imports is heavier than the duty levied on all other imports. In conclusion the manufacturers pointed out that the tariff stood in the same relation to them as experimental farms, terminal elevators and the Hudson's Bay Railway stood to the farmers. They neglected to say, however, that all that the farmers asked for would not take one cent out of the pockets of other classes of people in Canada, while the protective tariff is a permit issued by the government to the manufacturers to take money out of the pockets of all Canadian consumers. Sir Wilfrid, in his reply, was very guarded and emphasized the fact that Canada was a democracy, and that his government was a democratic government. He said: "The difficulty is to know whether we should listen to the voice we heard a month ago, or the voice we heard today." In other words, it appears to us that it is a question whether he should listen to the voice of money or the voice of the people, because the manufacturers cannot claim to represent

anything more than themselves. In 1893 Sir Wilfrid Laurier expressed the feeling of farmers today, in regard to the tariff, and it is the principle which he advocated at that time that the farmers want to see him put into effect today. He says now that the aim of his government is to bring about reforms by the process of evolution. He has been fourteen years working out this process of evolution, and the tariff burden upon the farmers is today more than it was then. How long, then, will it be before Canada has the freedom of trade that Sir Wilfrid declared for in 1893 and that the farmers asked for last month? Sir Wilfrid assured the manufacturers that Mr. Fielding and Paterson could be relied upon not to unduly disturb existing conditions. We agree with him thoroughly, but it will only be a matter of a few weeks until the public is informed as to what measure of reciprocity will be secured with the United States. The lesson which the Canadian farmers can learn from the manufacturers' memorial and Sir Wilfrid's reply is that they should strengthen their organization and stand by the platform which they laid down on December 16, 1910. That platform was in the interests of Canada as a whole, and the farmers should see that it is carried into effect.

THE C.P.R. DIVIDEND

The recent announcement of the directors of the Canadian Pacific Railway that they will henceforth pay a ten per cent. dividend marks a new era in railway history in Canada. Last year the company paid eight per cent. dividend and had a surplus of \$14,000,000 left in the treasury. The history of the Canadian Pacific Railway, from a financial side, is a somewhat mysterious one, and it is very difficult for the best legal minds today to determine what control parliament has over that railway company. But however that may be, it is plain to everyone that the profits of the C.P.R. are enormous and that if the company was properly capitalized, freight rates could be equalized throughout Canada and reduced fully 20 per cent. The land which the C.P.R. now holds is worth probably \$150,000,000, and every cent secured from this over and above the bare expenses is profit, because there was no capital invested in the land. It was a straight gift from the people. Therefore every cent that comes from the lands should go into maintenance and not be added to the profits. C.P.R. stock which has been issued by the directors at from 55 to 125 is now worth 205. A great many people have made fortunes out of this advance in C.P.R. stock, and the total money thus made by the advance of stock came out of the pockets of the people and went into the pockets of a few big shareholders and not into the treasury of the company, where it should have gone. If the advance of the dividend to ten per cent. would give the control of rates into the government, why did the C.P.R. directors advance that dividend? The explanation would appear to be that various speculators holding C.P.R. stock wanted to make money out of it. They knew that the moment the dividends were increased the price of stock would soar upon the market. The directors of the company and the big shareholders of course knew beforehand when the dividends would be increased and bought all the stock they could at the low price and put the profit in their pockets when the increase was declared. The capital stock of the C.P.R. is today nearly half water, and the people

are paying excessive freight rates to provide dividends upon this water. The Dominion government has full control over increase of railway capitalization and a year ago permitted an increase of \$30,000,000 against strong public opinion. This increase, which allowed the directors to put about \$15,000,000 into their own pockets, enabled the company to hide for a time its huge profits. Upon Sir Wilfrid Laurier must rest the responsibility of this last increase in watered stock, because it rested solely in his hands to say whether or not the increase should be made. Today the C.P.R. is the strongest corporation in Canada and has the country very nearly by the throat. It refuses to reduce rates and refuses to pay taxes upon its land, even though the intention when the charter was granted in 1881 was to that effect. Here is some work for public spirited members of the House of Commons.

INTERNATIONAL PEACE

The attention of the world's statesmen today is being turned more and more towards the desirability of reducing the tremendous expenditures involved by the up-keep of armies and navies. Germany and Great Britain have for years been adding to their tremendous burden of expenditure on war preparations. Other nations are following along and it is estimated that the annual expenditure by the nations of the world for the up-keep of armies and navies is not less than \$2,000,000,000. In the case of England and Germany the burden is reaching the breaking point and the common people are protesting. This mania for war preparation is a relic of the dark ages when nations were ready to fly at each other's throats upon the slightest provocation. Today civilization has advanced to the place where great armaments are not needed. Nearly all the great wars of the past have been caused by the ambition of rulers or statesmen, or to turn the minds of the common people away from grievances at home. Few or any of the great wars of history were entered into for the benefit of the common people, but the cost both in life and property was nearly all borne by them. The rise of democracy is rendering wars more difficult because enlightened public opinion is the greatest power in the world, and it is against war. Every great war, even though only two nations are directly involved in it, disrupts the trade relations of every nation. International free trade would be another potent factor for peace. The great minds of the world are looking to arbitration as a means to settle international disputes, and already the Hague Tribunal has solved a great many problems that would have been settled by war years ago, and has thus saved the expenditure of millions of dollars and thousands of lives in bloody warfare. Up to the present nations have hesitated about arbitrating questions of national honor, but President Taft a short time ago publicly stated that such questions could be arbitrated as safely as any. This statement coming from so prominent a statesman will receive serious consideration from all nations of the world. If a similar attitude were taken by the leaders in Germany and Great Britain and United States, these three great nations could bring about disarmament within ten years. Would not this be a good subject for discussion when all the premiers of the British Empire confer at London in May next? Could they possibly be engaged in better work? The annual waste of two