

# The Commercial

WINNIPEG, FEBRUARY 27, 1893.

## WASTING THEIR ENERGIES.

All business men who have had any experience with the law will admit that recourse to law is at best a very unsatisfactory way of obtaining justice. It is a proverbial saying that the winner at law is often the loser. This is literally true. The expense is so great that even the one who wins a suit often does so at an expenditure in excess of the sum recovered. The question therefore arises: Why should business men go to law? Among the better class of business men at least, recourse to law seems almost entirely unnecessary. Law suits which arise out of disputes or misunderstandings, could in most cases be fairly, quickly and inexpensively settled by the submitting of the case to the arbitration of a few business men. There are few disputes, indeed, arising among business men, which could not be settled more equitably by a board or a committee of business men than if the law were invoked. Such a committee would settle even an intricate case in a very brief time, in comparison with the tedious process at law, while the expense in the former case would be trifling in comparison with the law costs.

Wherever business men have organizations, a board of arbitration should be appointed for the settlement of differences among business men. It is pleasing to notice that this idea that business men should settle their disputes among themselves, instead of going to law, is making headway. In England the principle is becoming well recognized, and is making practical progress. The London Chamber of Commerce was one of the first bodies to move in the matter. That body, working in co-operation with the corporation of London, established some few years ago what is known as the Chamber of Arbitration. This chamber or board has been given almost complete legal power to enforce its awards, and the favor with which it has been received may be imagined when it is stated that thousands of cases come before the body annually.

In connection with some of our Canadian boards of trade, boards of arbitration have been established. This feature of our boards, however, has not been given that prominence which its importance demands, and the arbitration committee is seldom called upon to investigate a case. The Winnipeg board of trade, for instance, has given its arbitration committee no work to do for the past year.

The Toronto board of trade has now under consideration a plan for extending the usefulness of its board of arbitration. In some of the states of the union official state boards of arbitration have been appointed, principally for the settlement of labor troubles, or disputes between employers and employees. The principle of settling disputes by arbitration is evidently growing. This is satisfactory. Law is so hedged about with red tape and technicalities, that very often justice is lost sight of in the endless confusion of technical quibbles. Law is not adapted to this age. It is not what

business men want. What is required is a speedy and inexpensive plan for the settlement of disputes, free from the perplexing technicalities of law, so that justice may not be so frequently defeated by the introduction of technical points which have no real bearing upon the merits of the case.

## COMBINES.

In connection with the tariff, the question of combines is more or less prominent. The two are inseparable. Combines flourish under a protective tariff. The first step necessary to form a combine is to shut off outside competition. This is what a protective tariff does, thereby giving the combines a clear field to operate in. The formation of combines has gone on very rapidly of late in Canada, and a large list of goods is now controlled by a combination of some sort. In the hardware line especially, many combinations have been formed. Most of these combinations could not exist without the protective tariff. The removal of the tariff would bring in foreign goods, and thus the combine or trust would be broken. It is claimed that the general policy of these trusts is to advance the price of goods as far as it can be done under the protective policy. That is, prices will be fixed just low enough to keep out foreign goods of a similar class, without regard to the cost of home manufacture. In this way full advantage of the tariff is taken to extort unreasonable prices from the home consumer, thus making the tariff additionally burdensome upon the consumer.

The formation of trusts and combines has been the means of bringing our protective policy into bad repute with many who formerly sympathized with it. The wave of popular feeling against protection which is now sweeping across the country, is in no small measure due to the formation of these combines. Straight protectionists are declaring that the tariff must go, where it becomes a means of harboring combines and trusts.

The Winnipeg board of trade, a body which contains many who have favored the protective policy, has had the question of combines under consideration. The following resolution, passed at a meeting of the board held last week, will be interesting in this connection:—

Whereas, during the past year a large number of trade combines or trusts have grown up in Canada, and in some cases the avowed objects of which are to crush out all legitimate competition in the sale of numerous lines of staple goods, and in most cases to hold the prices of such goods at abnormal values, to the great injury of the consuming public of the Dominion; and whereas such combines and trusts are formed by manufacturers who enjoy great privileges and protection from foreign competition under our present national protective tariff, and have by their present action abused these privileges and protection by making them a shelter for the extortions of their combines or trusts, an abuse never intended to be tolerated by the original framers of the National policy, and which cannot now be tolerated without making said protective policy a heavy burden to our Dominion. Therefore, be it resolved by this board, that the Dominion government be urged to introduce immediately such legislation that will dissolve combines or trusts and that such legislation shall include provisions which will enable the Governor-General-in-council to reduce and abolish the

import tariff on any and every class of goods in connection with which a combine or trust for the upholding of prices or otherwise hindering competition has been or may be formed in the Dominion.

## THE TARIFF CHANGES.

The growing discontent with excessive tariff taxation has not been alleviated by the small crumbs promised by the government, in Minister Foster's budget speech. In fact the government has simply gone far enough to aggravate, rather than appease the public demand. It is certainly aggravating to be informed that the government recognizes the popular demand for reduced tariff taxation, and considers a revision of the tariff necessary, and yet declares that the people will have to wait a full year or longer before anything will be done. There are several features of the tariff which require very little study to demonstrate the need of a change. These should have been dealt with at once. The two small crumbs, in the shape of the reduction in the coal oil and binder twine duties, seem like a mockery of popular feeling.

There is a feature of the recent tariff changes which may be considered. The demand for a reduction in the duty on coal oil was so general that the government was obliged to deal with it at once. It seems strange, however, that the only other article, the duty upon which has been reduced, is that of binder twine. The need of a reduction in the duty upon this article was not more pressing than in the case of many other commodities. In fact, there would have been considerable competition in binder twine this season, had there been no change in the duty. The Ontario government has established a binder twine factory in connection with the central prison at Toronto, and the plant has now been in operation for a short time. One or two farmers' companies have also been established in Ontario for the manufacture of twine. In view of these facts, there seems to be something peculiar about the reduction in the twine duty, while other pressing features of the tariff are staved off for a year or more. In reducing the twine duty, can it be the desire of the government to get a slap at the Ontario government enterprise in the binder twine line, as well as to check the farmers' binder twine companies.

## TAXATION.

The knotty problem of taxation, which has agitated municipal circles in Winnipeg so long, is now to be transferred to the local legislature, the civic authorities having at last arrived at a basis of agreement. Legislation will now be asked to enable the city to put the proposed system into operation. The principle of the plan is to abolish personal taxation upon stocks of goods, plant of manufacturers, etc., and in lieu thereof establish a business tax based upon rental values, with certain modifications of the straight rental basis in certain instances. The practical effect will be to reduce taxation upon business men and firms carrying large stocks of goods or valuable plant, and compel a number of businesses and professional men, who previously were entirely exempt, to contribute toward