

The Grain Growers' Guide

ADDRESSED TO THE FARMERS OF



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SPECIAL PRIVILEGE PLEADING

In this issue we reproduce an article by Sir Geo. W. Ross from the Toronto Globe and re-published in the London Standard, and another by G. Wallace Carter, Secretary of the Free Trade Union, from the Westminster Gazette. It is to the article by Senator Ross that we wish to draw special attention because he is being heralded in England as an eminent Canadian statesman, and one who knows the needs of his country. Any person reading Senator Ross' article will admit that he could not have made a better case for the railways and corporations if he had been retained especially for them. We do not know whether he was retained by them or not. He seems to be very much worried for fear the railways shall not pay their present big dividends and he is also alarmed lest the Chicago Board of Trade go into gambling more extensively than at present. The interest of Canadian farmers lies heavily upon his heart, but he is sure that the farmers do not know what they are talking about. Sir George's whole article deals with the interchange of natural products and he gives no attention whatever to the fact that the Canadian farmers would benefit to the extent of millions of dollars by reciprocity in agricultural implements. He seems to think that the demand for a lower tariff is a mere case of generosity to the United States. But the Canadian farmers are not worrying at all about the United States. What they are looking for is a square deal. The farmers of Canada realize that the tariff for which Sir George pleads is a mere attempt to work up interest for the benefit of the corporations. Sir George well knows, or at least he should know, that the Liverpool market regulates the price of grain, and that all his alarm about the Canadian wheat being used to bolster up the American article is nonsense. Sir George also lays great stress upon the imperialistic side of the question. Our idea is that imperialism, if it is to be any good, should be based upon common sense. The reason that British Preference is considered favorably in Canada is not because of the imperialistic sentiment, but because it has a tendency towards the reduction of tariff in general. We trust our readers will pardon us for giving so much space to this article by Senator Ross, but it seems necessary, in order that our readers may know just what buncombe is being

thrust upon the English people. Sir George Ross is a man who made a hopeless muddle of Ontario and when he got his deserts at the hands of the people of that province he was afforded shelter in the refuge for worn out politicians—The Senate. The only way to disprove to the world such statements as Senator Ross has published, is to make the Ottawa delegation a large one and present a clear cut case to parliament. Then truth will prevail, and not till then.

THE C.P.R. SURPLUS

The annual report of the Canadian Pacific Railway Company for the year ending June 30 last, is one of special interest to every farmer in Western Canada. It shows that railway businesses are exceedingly profitable. The following statement indicates the prosperity of the Canadian Pacific Railway Company:

Gross Earnings	\$91,980,400.33
Working Expenses	61,149,334.40
Net Earnings	\$33,830,065.93
Net Earnings of Steamships in excess of amount included in monthly reports	909,235.60
Interest on Deposits and Loans	\$904,742.19
Interest from Minneapolis, St. Paul & Sault Ste. Marie Ry. on bonds held by the Company	159,720.00
Interest from Mineral Range Ry. Co., on bonds held by the Company	50,160.00
Interest from Montreal & Atlantic Ry., and on other securities held by the Company	71,214.08
Dividend on St. John Bridge & Railway Extension Company Stock, held by the Company	50,000.00
Dividend on Alberta Ry. & Irrigation Co. Stock held by the Company	86,531.02
Dividends on Minneapolis, St. Paul & Sault Ste. Marie Ry. Preferred and Ordinary Stocks held by the Company	1,104,110.00
	2,420,477.29
Deduct Fixed Charges	\$37,173,608.76
	9,916,940.33
Surplus	\$27,438,728.43
Deduct amount transferred to Steamship Replacement Acct.	\$900,000.00
Contribution to Pension Fund	80,000.00
	980,000.00
	\$26,458,728.43
From this there has been charged a half-yearly dividend on Preference Stock of 4 per cent., paid April 1st, 1910	\$1,102,399.98
And a half-yearly dividend on Ordinary Stock of 3 per cent., paid April 1st, 1910	4,500,000.00
And interest on Installments on New Stock Subscriptions paid July 1st, 1910	417,179.32
	6,019,579.30
	\$20,439,149.13
From this there has been declared a second half-yearly dividend on Preference Stock of 4 per cent., payable 1st October, 1910	\$1,112,333.33
And a second half-yearly dividend on Ordinary Stock of 3½ per cent., payable 1st October, 1910	5,230,000.00
	6,342,333.33
Leaving net surplus for the year	\$13,896,815.80
In addition to the above dividends on Ordinary	

Stock, one per cent., was paid from Interest on Land Funds.

"The working expenses for the year," the report states, "amounted to 64.38 per cent. of the gross earnings, and the net earnings to 35.62 per cent., as compared with 69.92 and 30.08 per cent. respectively in 1909." In regard to the land sales of the year, the report states that "They aggregated 975,030 acres, for \$14,468,504.33, being an average of \$14.84 per acre. Included in this area were 143,421 acres of irrigated land, which brought \$26.39 per acre, so that the average price of the balance was \$12.78 per acre." It may further be noted that the reports states that the "Company owns 7,339,722 acres of land in Manitoba, Saskatchewan and Alberta, and 4,474,094 acres in British Columbia."

Thus it is seen that in addition to paying all expenses and dividends, the Canadian Pacific has a surplus of nearly \$14,000,000 for one year's operation. What more is needed to prove that the C.P.R. is taxing the people of Canada beyond all reason. The Canadian Pacific was built entirely with public money and then given to the Company. It is a magnificent railway system equalled by none other in the world, but all talk of competition is a pure myth. The time has certainly arrived when there should be an investigation of the business of the Canadian Pacific Railway. It has now a strangle hold upon Canada, where it can levy toll equal to that of the Dominion of Canada itself. The total revenue of the Canadian Pacific Railway is practically the same as that of the Dominion Government, yet the people of the West united would have some control over the Dominion Government but they have none over the Canadian Pacific Railway. The freight rates on the C.P.R. are extortionate. No one will doubt it in the face of their \$14,000,000 surplus. Here is a work for the organized farmers. The tariff is just now commanding all their attention, but the railway question must also be dealt with in the very near future.

INJUSTICE TO WORKING FARMERS

Every farmer in Western Canada must realize that there is a radical wrong somewhere in connection with the ownership and taxation of the land. When a farmer invests his money, and his labor, and his brains in making a quarter section, or a half section produce the best quality of grain, or of stock, he enriches the country and incidentally increases the value of his land. When the half section next to his is vacant and not used for any purpose whatsoever, its value nevertheless increases as fast as that of his own land which is being worked. The farmer is increasing the value of the vacant land next to him and getting absolutely no benefit from it. The community gets the same amount in taxes from the vacant as the occupied land but no more. All along the railways throughout the West there are thousands, and millions of acres of land held by men and corporations who merely want to take advantage of the additional value created in that vacant land through the efforts of farmers tilling the land near by. Many a farmer is compelled, by the high price of land, to go ten miles from the railway, when there are dozens of vacant quarter sections nearer to the railway. The farmer thus located gets only a portion of the value of his labor; the rest of it goes into the increased value of the vacant land. Improvements and stock are not taxed on Western farms. But that does not make the matter right by long odds. If the farmers located under circumstances such as we have outlined would give careful consideration to the matter they will realize that it is only simple justice to place a heavy tax upon vacant land. The community, by imposing heavier taxes upon vacant land, would receive back a part of the value which the community creates and thus attain to a more equitable distribution of wealth. This is no mere scheme for taking money out of a man when the opportunity offers. It is only com-