

### CAPITAL NOT TIMID

At the hearing of the Western freight rate case before the railway commission at Ottawa on June 19, ex-Judge F. H. Phippen, chief counsel for the Canadian Northern Railway, made the following statement to the commission:—

"If there is any radical interference with the railway rates through any inconsiderate or inadvertent action on the part of this board then we may wake up one morning to find the credit of the railways is down overnight, and that the capital necessary for the extension of the railways and the development of the Dominion will cease to flow in this direction."

This is the style of argument the railways and the manufacturers have been handing out for many years past for the benefit of the public. Now they have even the courage to make such a statement to the railway commission. The big interests are endeavoring to prove that capital is very timid, when as a matter of fact capital is the boldest of the bold. Capital takes every risk known to mankind and this talk of capital being "timid," and easily turned away from Canada, is balderdash. Capital is as bold as the Canadian Manufacturers' association in pursuit of tariff plunder, which is saying a good deal. The railway commission need not be alarmed by any veiled threats on the part of the railways. Public opinion is demanding redress. There is also a steadily growing sentiment in favor of nationalization of all the railways in Canada. Apparently there is no other way to drive big railway interests out of the political field and to secure a square deal from the railways.

### THE SPECULATION CURSE

"Real estate speculation," a Winnipeg business man remarked the other day, "is the greatest curse of Western Canada today." This may seem a somewhat strong statement, but nevertheless it is probably very near to the truth. In every city and town in the West there are a few men who are riding in big red automobiles, smoking fifty cent cigars and living on the fat of the land out of the profits of real estate speculation. These no doubt think the present boom is a splendid thing. They are making their pile hand over fist and never doing a minute's useful labor with either hand or brain. Many of these men, too, are honest, respectable, law abiding citizens according to our present code. Our economic system and the laws of the land permit and encourage their trade and it is the system and not the men who benefit by it, that should be blamed. The effect of the real estate boom is so damaging to the welfare of this country, however, that it is time the evil was recognized and steps were taken to place some check upon it. The most obvious effect of the inflated prices at which real estate is held as the result of the speculative fever, is the great increase in the cost of living. A man who desires to build a home in any Western town or city, must either pay an exorbitant price for a lot or go out on the prairie, perhaps miles from his work, to live. His alternative is to coop his family up in a small house or a couple of rooms and pay a rent which will be raised every year or two. Merchants, too, must either sink a large amount of the capital which they need for their business in the purchase of a store site or else pay a high rent, and of course they have to charge high prices for their goods in order to show a profit and get interest on their money. Governments, city and town councils, school boards and churches, when they require land for public purposes have to pay enormous sums for it, and the money comes out of the pockets of the public. In a hundred ways the high price of real estate makes living more costly to every one. Then a vast amount of money which is badly needed for legitimate business purposes is being tied up in real estate speculations and business naturally is suffering. Mayor Waugh, of Winnipeg, recently stated that he knew of twenty different companies which would establish factories in that city if they could get

local financial support, but the people who had made money in real estate were putting it into more real estate and with present prices it was difficult to get them to do anything else. The fact is that it pays better to hold valuable property vacant than to erect houses, shops or factories, though houses, shops and factories are needed in every progressive Western town.

Perhaps the worst feature of the situation, however, is the outside subdivision business which in many cases is fraud pure and simple. Farm lands, which are of absolutely no value for residential purposes, often ten to twelve miles from the centre of the city, are being sold in twenty-five foot lots, usually to people in distant places and by means of misrepresentation. Working men and working girls in Winnipeg are paying their \$20.00 down and \$10.00 a month for lots in the vicinity of small towns and villages in Saskatchewan and Alberta that will probably never be of any value except as farm land, and some of which are situated in muskegs and sloughs. People in the Eastern provinces and Great Britain are paying out their hard-earned money for the same kind of land out on the prairies around Winnipeg. Often the prices at which lots are sold to people at a distance, are much higher than they could be bought for on the spot. Incorrect maps, artistically printed and profusely illustrated but deliberately misleading literature, and big advertisements in the newspapers are used to aid the sale of these horizon subdivisions, and frequently almost as much money is spent by the promoters in advertising as in the purchase of the property. The inevitable result will be the bursting of the real estate bubble before very long. The sooner the slump comes the better it will be for the country, for every day the boom lasts there is more money going into fake propositions. There is no need for this wild-catting, for there is lots of money to be made out of bona fide real estate investments in Canada. Those who have studied the question say that every man, woman and child that comes into this country brings \$1,000 worth of land value with him. At this rate, with an immigration of nearly 400,000 a year, besides the natural increase in population, the value of the lands of this country is rising by a million dollars a day. This surely is a sufficient unearned increment for the real estate speculators to appropriate and one would think it would be policy for them to be content with this. Our own belief is that this one million dollars a day of increased land value created by the growth of population should belong to the public, and be used for public purposes. It could be taken by the public through the substitution of the Taxation of Land Values, and at the same time the real estate speculator would find his occupation gone.

### THE LUMBER DUTY

A dispatch from Ottawa last week in the Winnipeg Telegram states that no duty is to be collected on rough lumber as a result of Judge Cassells' decision of a week ago. The case has been appealed to the Supreme Court for a final decision. We take it from the dispatch sent out by the Minister of Customs that no duty is to be levied at the present time, but there has been duty levied on rough lumber by the government in the past. The price of lumber has also gone up recently as a result of the decision of Judge Cassells. The Minister of Customs, in his attempt to placate the British Columbia lumber combine, has added 25 per cent. duty on lumber to the already heavy burdens of the Western people. Rough lumber has been duty free for 18 years and should be duty free for all time to come. If the Supreme Court upholds Judge Cassells' decision it is the duty of the government to rectify the matter by legislation at the earliest possible moment. The burden on the West is now well nigh unbearable. It will be a poor policy for the government to increase it.

### CEMENT SHOULD BE CHEAP

A dispatch from Edmonton says that the Edmonton Portland Cement company, located 140 miles east of that city, will be ready for operation by October 1, and will then turn out fifteen hundred barrels of cement daily. We have referred before to the prospectus issued by this company six months ago for the purpose of selling stock, in which they declared that they could manufacture cement at their plant for 78 cents per barrel, but that they calculated the selling price at \$3.05 per barrel, after allowing an average of 25 cents per barrel for freight. This is a profit of 200 per cent. on the output. The only reason that this is possible is because of the high duty on cement. The Dominion government has reduced the duty to 26 cents per barrel, which figures out at about 33 per cent. This is only a temporary reduction. Surely the figures in connection with the Edmonton Portland Cement company are sufficient proof that there is no need of a tariff on cement in Canada, as this company will be able to meet all comers with the greatest of ease. Millions use cement, but the profits go to a handful of men. By keeping up the tariff the millions pay tribute to the few.

The Toronto News, which aspires to the position of archangel of the High Tariff, in a recent cartoon represented Hon. Mr. White as a lion-tamer, whipping into obedience the lion of Protection by means of the reduced cement duties. That idea is all right so far as it goes. Indeed we did not expect to see so truthful a portrayal of Protection in the organ which is usually grinding out the Made-in-Canada tunes of the C.M.A. But the News should not have put the lion in a cage. Everybody knows that this "protected" beast of prey is free to stalk from Halifax to Vancouver, demanding from each and every resident of the Dominion a heavy toll of money and labor, which is the very lifeblood of the nation. Moreover, we must pay this tribute year after year with a smiling face, because, forsooth, this monster was raised in Canada, or we are dubbed "unpatriotic."

On June 20 the board of railway commissioners at Ottawa handed down a decision re-affirming their previous order on the Hazelton townsite case in British Columbia. The previous order was annulled by the Dominion Government and was the first time a federal government ever revoked an order of the Railway Commission. The Government turned the question back to the commission for further consideration and this re-affirmation of the order is the result. If the Railway Commission is to be of any use to Canada it should not be interfered with by governments for political purposes.

Where is Max Aitken, the man who cemented his way to knighthood? Now that the cement question is to the front he should be around to give his opinion. Max knows more of the essentials regarding cement than any man living.

If the success of the Made-in-Canada train is to be judged by the number of converts to protection then it will be disappointing to the Canadian Manufacturers' association. It was hardly an exhibit of "infant" industries.

The tinkering with the lumber duty has not even been claimed in the interests of justice by the Minister of Customs. No one will regard it as a tactical triumph.

The Saskatchewan politicians should have no difficulty in rousing up the people to the support of their "grand old parties" in such hot weather as this.