

The Grain Growers' Guide

Winnipeg, Wednesday, January 2, 1918

The Increase in Freight Rates

The Railway Commission has granted a marked increase in freight and passenger rates. This amounts to approximately 10 per cent. on freight rates in Western Canada and 15 per cent. in Eastern Canada. Increases in passenger rates are 15 per cent. on all lines except in British Columbia. Specific increases are allowed on certain commodities. Grain, for instance, to Fort William must pay an additional two cents per 100 pounds and 15 per cent. increase on the rail haul east of there. The increased rate to Fort William alone on the 1916 grain inspections would amount to approximately \$4,000,000. On goods coming west, as most of such necessities must at present, the increase will be 15 per cent. to Fort William and 10 per cent. west of there. On lumber, much needed by prairie farmers, the increase will be from three cents to five cents per 100 pounds from British Columbia mills to prairie points and will mean price increases of \$1.00 to \$1.50 or more per 1,000 feet. There are, of course, certain limitations and variations to this general increase, but the result is substantially what the railways have been demanding for months. As the West has the long freight haul, naturally most of the cost falls on it. It is estimated that the additional revenues derived by the railways on this increase will amount to \$40,000,000 or over next year.

It is particularly unfortunate that the Railway Commission should have granted these increases at a time when no further burden should be put on production, and that is mainly where this burden will fall in the West. The case presented by the Western people before the various sittings of the commission in the West last summer certainly was never publicly met by the railways in any manner that appeared to warrant such a decision, and the bald statements of the commission on this question will need some elucidation to satisfy Westerners. The increase is granted, the commission states, to increase the net revenues of the roads, which have been decreasing so fast as to endanger the efficiency of the country's transportation. The difficulty with this position is that most of the increase resulting from this grant goes to the C.P.R., which ought to be content to bear its fair share of sacrifice the same as any other individual or corporation during war time, and that this increase cannot secure the results it is supposed to. Railway officials have repeatedly stated that their present difficulties are due mainly to the scarcity of skilled labor and materials, but especially to the former. This cannot be remedied during the continuance of the war by any increase in rates. They also claim that they are not able to maintain their rolling stock and lines in a proper state of repairs and if the proper repairs were made on these their profits would be greatly lessened. There is some truth in this argument, but there is nothing in the commission's decision to guarantee that the money derived from these increases will be used in any but the usual method of declaring dividends. If the increased rates were granted in order to maintain Canada's transportation at proper efficiency, it should be guaranteed that such will be done.

Out of the additional \$40,000,000 it is estimated this increase will cost the country, the C.P.R. will derive about \$22,000,000. In 1916 the C.P.R. had surplus profits of nearly \$18,000,000 after paying its 10 per cent. dividend, which alone requires \$26,000,000. Outside its special income account this road made \$9,000,000 on railway operations proper above dividend requirements, and the profits of the system could fall off \$19,000,000 and still leave enough to pay the usual dividends. The C.P.R. has grown marvellously wealthy

from the development of Canadian resources by the people of this country. The C.N.R. now belongs to the government and the present increases will not overcome the difficulties of the Grand Trunk system. The granting of such a subsidy to the C.P.R. now is certainly not satisfactory to the people of Canada and must only result ultimately in government action. There has long been need for co-ordination and co-operation in Canadian railway operation. In United States, where similar increases in rates were asked for, the government has taken over the operation of the railways. All government transportation will pay the necessary rates to properly operate the roads and if these rates must be higher, the people will know they are paying legitimate war taxes, not corporation dividends. Very similar action was taken early in the war in Britain. Such action must come in Canada. The action of the Railway Commission in this matter is a bitter disappointment to Western people.

The Liquor Traffic

National prohibition is at last in sight. On December 22 an order-in-council was passed by the Dominion government providing for the rapid curtailment of the liquor traffic. The measure affects all liquors and beverages containing more than 2½ per cent. of alcohol, except that used for medicinal and industrial purposes. Importation from other countries into Canada except in the case of liquor actually purchased before that date was stopped on December 24, and will be altogether prohibited after January 31. After April 1 the transportation of liquor into "dry" territory within Canada will cease. A definite assurance is given that the manufacture in Canada of liquor for beverage purposes will also be prohibited, the date to be set after further investigation. As a result of this measure every province in Canada except Quebec will be "bone dry" in three months, and it may be only a matter of a few months until total national prohibition will be fully in force.

In no part of Canada will the decision of the government to prohibit the inter-provincial traffic in liquor be more welcome than in the West. The helplessness of the provinces to prevent liquor being shipped in after they had prohibited its open sale has been exasperating. The beneficial results of provincial prohibition have been largely offset by this mail order liquor business. The protest against what was a plain subversion of the will of the people has been continuous and emphatic and the prospects of having the inter-provincial trade prohibited will be a source of general satisfaction. From the national standpoint the speedy destruction of the liquor traffic is demanded by every consideration of national economy. The folly of destroying millions of bushels of grain yearly while the world is confronted with a famine of foodstuffs could not long prevail. It has perhaps done more than anything else to cut the ground from under the campaigns for increased production and saving. The action of the government is taken under the authority of the War Measures Act and will therefore become non-effective one year after the close of the war. It can be predicted, however, that once the liquor traffic is ousted from Canada it will never be allowed to return.

Attend The Conventions

The great Farmers' Parliaments will soon be meeting again. On January 9, 10 and 11 the Manitoba Grain Growers' Association will hold its annual convention at Brandon. The

United Farmers of Alberta meet in Calgary from January 22 to 25. The Saskatchewan Grain Growers' Association Convention will be held in Regina from February 12 to 15. All the conventions promise to be live ones. It is important that they be fully representative of the organizations and they can only be such if representatives are present from every local. There never was a time in the history of the west when greater problems were being faced by the farmers. The tremendous importance that food production has assumed and the fact that the organized farmers are better represented than ever before at Ottawa should mean that in the deliberations of the next parliament the demands of the farmers will receive greater consideration than they have in the past. The proceedings of the conventions will be scrutinized with more than usual attention by the government. If any legislation in justice to agriculture is forthcoming it will be largely based on the recommendations of the conventions. The Farmers' Parliaments are practically the only means in Canada by which the demands of the farmers can be crystallized. The interests of the organized farmers can be served in no better way than by the fullest possible attendance of both delegates and visitors at the conventions.

Government Operation of Stockyards

The Federal parliament recently enacted legislation empowering the Minister of Agriculture to conduct and regulate the public livestock and produce markets of Canada. That something of this nature should be done has frequently been advocated by farmers' organizations in Western Canada. The fact that most of the stock yards have been tied up to the big railway companies who primarily have their own interests at heart has not been conducive to the proper growth of the livestock industry. Corporation ownership and operation of these markets has not helped to engender public confidence, even though some have been well handled. That such ownership has not proven as efficient as it should, or at least has fallen short of maintaining accommodation where such should be kept, is very apparent. It is well demonstrated at Winnipeg. The Union Stock Yards at Winnipeg are owned jointly by the three big railway companies, two of which have recently been unable to make the necessary additions to the yards, while the C.P.R. would not undertake these alone. The result has been that accommodation in weighing facilities, yardage off the scales, loading facilities, etc. have been over taxed and shippers have suffered seriously in consequence. Weighing that should have been finished early has had to be continued until late at night, causing much waiting and waste. The yardage accommodation for weighing stock off the scales needs to be doubled. One platform has had to be used for unloading and reloading and much of the latter has had to be carried on at night. During much of this unloading and reloading process, other cars have had to stand out in the yards a long time, and the resulting discomfort and shrinkage to the stock has meant loss to the farmers. There are other features about these yards which might be distinctly improved. The Calgary stock yards also has undesirable features that have not been conducive to the proper handling of stock on that market. At Edmonton the situation between the stock yards and abattoir people was far from satisfactory for a long time and shippers were not encouraged to market their stock there.

Western Canada is a great and growing