

The Grain Growers' Guide

Winnipeg, Wednesday, September 30th, 1914

OUR TRADE RE-ADJUSTMENT

Almost immediately upon the outbreak of the war the commercial shipping of Germany and Austria was driven from the seas by the British and French fleets, and the foreign commerce of both these nations has been completely severed. In addition to this an immense number of Belgian factories have been destroyed and many others closed on account of the war, and the same applies to the war zone in Northern France. This disruption of trade will cause enormous losses to the countries in the war zone, as well as to countries that may have no part in the war whatever. The magnitude of the calamity caused by the war is beyond estimate and is felt in every corner of the world. As a result of the war every commercial nation is compelled to re-adjust its business, and that re-adjustment will be accompanied by heavy losses for some and great opportunities for others. Those countries to whom Austria and Germany had been shipping manufactured goods must now secure them elsewhere, and this affords a great opportunity to our Canadian manufacturers who are in a position to produce the goods formerly provided by these two European countries. We are glad to note that the Canadian Manufacturers' Association, as well as the Dominion Government and the press of Canada generally, is alive to this situation and is endeavoring to take advantage of it to the utmost. Canadian goods in the present crisis can undoubtedly be introduced into many new markets, and it will depend upon the energy and enterprise of our manufacturers to hold these markets when German and Austrian commerce is released by the close of the war. It should not be forgotten that as soon as the war is over German and Austrian shipping will be released and these countries will make unprecedented efforts to recover their trade. They will be successful at least in renewing the trade in products which they are naturally suited to produce, because in those lines their cost of production will be lower than that of their competitors. For this reason it would be folly for us to attempt to establish in Canada industries not suited to our conditions in order to capture this temporarily suspended trade of Germany and Austria, as it would only prove to be an additional economic burden upon our people. It should also be remembered that free trade, or at least free imports, would allow our manufacturers to decrease their cost of production and this would provide them with an essential quality in their goods for a successful export business.

Aside from the matter of foreign trade, however, we have a great industrial problem at home. Many of our manufacturers were exporting to Germany and Austria and have lost this trade entirely, while the demand from Great Britain, France, Belgium and Russia will be of course greatly reduced. This forces upon our manufacturers who are thus affected the necessity of a re-adjustment to meet the new conditions and it will undoubtedly mean a severe handicap in some cases. The Canadian Manufacturers' Association is officially urging its members not to take advantage of the war to increase prices of the necessities of life and thus turn a national calamity into personal gain. The Association is also urging its members to keep their factories in operation at full time if possible, and if not on part time, even the profits may be somewhat reduced. This action on the part of the Canadian Manufacturers' Association is not only sound patriotism, but it is sound business also.

Another phase of the campaign now being prosecuted vigorously by the Canadian Manufacturers' Association, as well as by the press

of Canada generally, is to encourage Canadian consumers to buy Canadian made goods. This also is a sound business policy, as in all of our Canadian cities we now have a large number of unemployed who must be maintained by charity, which is not only humiliating to the recipient, but a dark blot upon the nation as well. It is far cheaper from the standpoint of dollars and cents, and immeasurably better morally, to set the unemployed at work producing something we need than it is to have them supported by charity. For this reason, in this time of national crisis, it is advisable for the Canadian people generally to give a preference to Canadian made goods where prices and quality are equal. If this policy were adopted in every Canadian home for the next few months it would set the wheels of Canadian industry humming and greatly relieve the problem of unemployment in our cities. The manufacturers have declared their purpose of keeping their factories in operation even at reduced profits and it is the patriotic duty of the Canadian public to assist them by their patronage. Our manufacturers, however, on their part must meet this patriotic action on the part of the consumers by maintaining the quality of their output and keeping their prices as low as possible.

We have always seriously disagreed with the Canadian Manufacturers' Association on the matter of the protective tariff and we believe that if Canadian industries had been adjusted to a free trade basis they would have felt the shock of the war much less than they have. However, the crisis is upon us and we must meet it as best we can. Necessity demands prompt action which can only be given thru increased patronage of home made goods by our own consumers. If this should be accompanied by tariff reduction it would decrease the cost of production in our Canadian factories and enable them to hold the Canadian market against all comers by providing goods of a quality and at a price which would defy competition. If on the other hand the present situation is seized upon by the manufacturers—a proposition which they entirely disclaim—to secure additional tariff favors for their own personal benefit at the expense of the Canadian public, it will most certainly be followed by reprisals on the part of the consumers. We shall hope that the Canadian public support the Canadian manufacturers in the present crisis and that the manufacturers themselves will not turn this opportunity to private gain.

Another phase of the question which must be recognized is that by patronizing Canadian industry we shall to a great extent decrease our imports of manufactured goods which will mean decreased customs revenues for the Dominion Government. These revenues have already fallen off by a total of \$20,000,000 in the past year and the Dominion Government must seek new sources of revenue. If the Canadian public patronizes Canadian industries, as they are advised to do, custom revenues will fall far below the amount actually required to defray the expenses of running our national government. Probably after all this is not an unmixed evil for the reason that it will force the Finance Minister to seek new revenues and may possibly induce him to draw upon the great resources of our land values which were intended by nature to produce these revenues. It is also possible that the Finance Minister may deem it wise to impose an income tax as has been done in Great Britain and South Africa and some of the European countries. If the Finance Minister should be compelled to tap both of these sources of revenue it would be found so agreeable to the public and so easy and certain to collect that the policy of raising revenues

by means of the tariff would be seen to be not only unsafe but inequitable as well.

THE NEW FREIGHT RATES

The new freight rates ordered by the Railway Commission as a result of the Western Freight Rates Enquiry, are now in force and the principal changes are shown in a table which appears on another page of this issue. It will be observed that considerable reductions have been made in the rates to all four Western provinces. Manitoba gains the least, but that is because the old rates to Manitoba points were, in proportion, lower than to the provinces further West. The new rates will affect considerable savings for the farmers of the West, for besides paying freight indirectly on a great many things which they buy locally, they are today, thru their various co-operative agencies, paying large sums to the railways themselves. Apples from the East and West, flour, sugar, coal and indeed almost if not all the goods which the co-operative grain growers are buying thru their organizations will cost less because of these new freight rates. This success should be a great encouragement to the farmers of the West to continue their work of organization, education and agitation. The inquiry which resulted in these reductions was the first real investigation of railway freight tariffs ever made in Canada. The investigation was, of course, strongly resented by the railway companies, who appeared to do everything in their power to prevent the real truth from being known, but public opinion was so strong that the investigation had to be held and a measure of relief had to be given. In forming and expressing public opinion, the Grain Growers' Associations and the United Farmers of Alberta did their part, along with the boards of trade and other bodies, and the organized farmers, therefore, have a right to feel that they have again helped to accomplish something that is for the benefit of the people as a whole. The Railway Commission, and particularly the Chairman, H. L. Drayton, K.C., is deserving of the thanks of the West for the measure of relief which has been given, but warning should also be given that the farmers will not be satisfied until Western rates are reduced to the level of those in force in the East.

THIS YEAR'S LESSON

One of the most important and at the same time one of the least understood operations essential to successful farm management in the West is correct soil tillage, with the object in view of moisture conservation. Plants to complete their development must have access to a certain amount of moisture during their growing season, because all the food which they obtain from the soil is taken and dissolved in water. In ordinary years enough water is obtained in the form of rain, which, united with that stored up naturally thru the winter and spring in the ground, is sufficient to furnish enough food for plant growth. But there are times, such as the summer just ended, when less rain than usual is obtained, and because there was not enough water in the soil to supply as many plants as usual with food material some died and the remainder, not being able to reach complete development, gave as a result a light, thin crop. Repeatedly farmers have been urged to put more cultivation upon the soil, but as long as the number of acres in crop was the factor upon which a man's prosperity was gauged cultivation was bound to take second place. One of the most remarkable and pleasing features, if a partial crop failure owing to drought can, from any standpoint, be reckoned

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