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EDITORIAL.

The toad under the harrow knows just where each point goes, quoted E. C. Drury at the Dominion Grange.

One great advantage of the recent delegation to Ottawa is that it will help to take the tariff question still more completely out of party politics—which means party prejudice—and to place it before the people as a simple business and economic question.

Meantime, while tariff and other matters are being adjusted, let us apply ourselves energetically each to his own particular business. Improved methods, with particular attention to labor-saving machinery, will enable us to increase by 25 to 50 per cent. the net annual returns from our farms, without employing an additional day's labor upon the land.

Direct taxation is no bugbear to thinking men. It would tend to economy. If the money required to administer our Government were raised by a more direct method of taxation, the great expenditures of public money would be scrutinized more closely. Of course, we can hardly expect this argument to appeal strongly to politicians. But the people can force the hand of the politician when unitedly convinced and determined.

Sir Wilfrid Laurier seems disposed to undertake not only the Hudson's Bay Railway, but also two great canal projects, the Welland and the Georgian Bay. Would it not be better to concentrate the resources of the country upon the best route, making a canal that will be both deep and broad? One canal is better than two small ones, and a big canal is better than two small ones. A publicly-owned canal, unlike a privately-owned railroad, does not require competitive routes to regulate rates.

Nationalization of the American live-stock pedigree records is looming up as a desirable possibility. One difficulty is that the present records are all organized under State charters, and, so far as we have been able to learn, there is no constitutional provision for Federal incorporation. There are other obstacles, among them the fact that some of the breeds have a number of separate registers each. But the fact that the United States Government can grant an import certificate to a pure-bred animal on the strength of Canadian registration, while it cannot do so on the strength of registration in American books, helps to emphasize the desirability of nationalization.

A reader wrote in the other day, asking us to prove that it is profitable to have one man handle four horses, instead of two. We give it up. Anybody who can multiply one by two, but cannot extend his mathematical faculties to the point of multiplying two by two, is a hopeless case. At many kinds of work, such as plowing, four horses driven by one man will do twice as much work as a pair, and do it equally well, in some cases better. On farms, therefore, where four or three horses are kept, it is almost as foolish to plow and do similar work with two horses as with one. A man driving two horses accomplishes twice as much as a man driving one; a man driving four does twice as much as a man driving two. Arithmetic can make it no plainer, and arithmetic in this case is supported by experience.

Tariff a National Question.

Overshadowing in importance and breadth of interests affected, every other subject discussed by the recent farmers' delegation to Ottawa, was the question of the tariff. The platform adopted and submitted to the consideration of the Government called for:

1. Reciprocal free trade between the United States and Canada in all agricultural, horticultural and animal products, spraying materials, fertilizers, fuel, illuminating and lubricating oils, cement, fish and lumber.

2. Reciprocal free trade between the two countries in agricultural implements, machinery, vehicles, and parts thereof.

3. An immediate lowering of the duties on all British imports to one-half the rates charged under the general tariff, whatever these may be, with extension to Great Britain of any advantages given the United States in reciprocal trade relations.

4. Such further reduction of the remaining preferential tariff as will insure the establishment of complete free trade between the Dominion and the mother country within ten years.

5. A pledge to face direct taxation willingly, in order to make up any deficiency in revenue that might arise from these tariff reductions.

Three principles are involved in this platform: (1) tariff reduction, (2) reciprocity with the United States, (3) increase in the preference to Britain. Let us discuss them in order.

Apart altogether from the question of reciprocity, Canadian farmers ask for reduction of the customs duties as a measure of relief to consumers. It is felt that the time has come when our industries should "stand on their own feet, and not on ours," as a Granger naively expressed it. "Reduction is demanded," said Robt. Sellar, earnestly, not as a favor, but as justice. Experience has shown that, even under competitive conditions, manufacturers have fixed their prices to consumers at or very near the price of a similar quality of foreign goods, plus the duty.

In many cases the raw material of these manufactured goods is imported either free or at a very low rate of duty, so that the manufacturing industry is not merely protected by 15 to 35 per cent. on the value it creates, but is also allowed to collect a profit on the raw or partially manufactured material it uses. Roderick McKenzie, of Manitoba, in his memorial on the tariff question, stated that the tariff schedule of 1907 contained 711 items, of which 221 were free. Of those free items, farmers got the benefit of four important ones, viz., binder twine, barbed wire, cream separators, and corn for feeding purposes. Most arators, and corn for feeding purposes. Most manufacturers, and the number of these free items has been since increased. Sir Richard Cartwright has been since increased. Sir Richard Cartwright is quoted as having said, in 1893, that, "If you add together the sum that has been paid into the treasury, and the larger sum that has been extracted from the pockets of the people for the benefit of a few private and favored individuals, you will find that the total for the last fourteen years is hardly less than \$1,000,000,000." And now that our industries have become well established, and might be expected, as a result of competition, to keep the prices of commodities below the level of the tariff wall, combination is being effected, partly with the purpose of preventing that desired consummation. "Since January, 1909," said Mr. McKenzie, "twenty industrial amalgamations have been organized in Canada, absorbing 135 individual companies. While in each case the capitalization of the merged concern is very much larger than the total

capital of the absorbed companies, it is seldom any of this additional capital enters into the business of the new concern. The high capitalization enables the organizations to conceal from the public their real percentage of profits."

For instance, in the mass meeting at Ottawa, Mr. Drury cited the familiar example of the cotton industry, in which there was a strike two or three years ago, investigated by the Hon. McKenzie King. The report of the investigation brought out some interesting facts. The company claimed that lack of sufficient protection prevented them from paying the wages they would like to pay, and had made a cut of ten per cent. in wages, accordingly. In the investigation it was revealed that, while the nominal dividend of the company was five per cent. per annum, it was making equivalent to fifty per cent. on the actual capital invested, as ninety per cent. of the stock was water—as much water as there is in turnips. The wages paid by the cotton combine ran from 98c. to \$1.63 per day; 42.3 per cent. of the help employed were females, 26.6 were minors, and the hours of labor during periods of normal activity were from 6.15 a.m. to 12, and 12.45 to 6, except on Saturdays, when they worked only in the forenoon. "If we were going to do one thing," said Mr. Drury, "that would make the lives of our workmen harder, I would hesitate, indeed. The farmers of Canada are not antagonistic to the laborer; they stand on common ground." This case of the cotton industry is but one example, though an extreme one. He believed, if a Commission of Inquiry were appointed, it would sweep the whole case for protection completely away.

Far be it from our purpose to condemn combination. In many ways it is destined to benefit, eliminating waste. But a combination in a protected country has a tempting opportunity for making excessive profits. With tariff bars down, and markets open to foreign competition, trusts are usually prevented from charging exorbitant prices. With tariff bars up, they have an almost irresistible opportunity of profiting in a greater or less degree.

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Relief to consumers being admittedly desired, the question arises whether, in securing this, it might not be possible to secure some advantage to certain classes of our own producers, by availing ourselves of the standing offer of reciprocity in certain lines of natural products and agricultural implements, as contained in the United States Payne-Aldrich tariff. The adoption of this reciprocity plank by the farmers' delegation is a practical recognition of the fact that international trade is mutually beneficial, and that obstruction of it by import duties injures not only the consumer within the protected country, but also, to some extent, the producer without. To that extent, the plank may be construed as an admission of the principle that tariffs are a more or less valuable instrument for securing free access to the markets of protectionist countries.

There is no doubt whatever that reciprocity in agricultural produce would be a vast stimulus to our great basic occupation. Most agricultural products rule higher in the United States than in Canada. The American cities need our food products; we could supply their market to our great advantage. As to reciprocity in agricultural implements and vehicles, there is a little more to be said. "The Farmer's Advocate" believes that Canada has done well to encourage manufacturing. Perhaps our tariff-makers have been overgenerous at times, but it was worth making some sacrifice to build up urban industry.