

Public Ownership and Politics in Manitoba, 1900-1915

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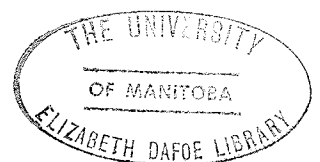


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List of Abbreviations

<u>Guide</u>	<u>The Grain Growers' Guide</u>
<u>C.A.R.</u>	<u>Canadian Annual Review</u>
<u>D.H.C.</u>	<u>Debates of the House of Commons</u>
P.A.C.	Public Archives of Canada
P.A.M.	Public Archives of Manitoba
Q.U.A.	Queen's University Archives
U.M.A.	University of Manitoba Archives
MGGA	Manitoba Grain Growers' Association
SGGA	Saskatchewan Grain Growers' Association

Preface

With the growth of modern economics, there has developed the idea that public utilities need not show a profit in order to be a success. Success or failure has come to be judged not by profitability, but by service to the community. At the turn of the century, however, an efficient government would point to a balanced budget or surplus; the success of public enterprises thus was judged by the same criterion. The question arises, therefore, of whether or not Manitoba's public services were a success.

As early as 1917 the Manitoba Telephone Commissioner remarked that:

the telephone system has been extended where it would never have been under private ownership. It has provided telephone communication in many localities where the service was not immediately remunerative in revenue but where its existence has saved countless dollars to the people of the province.¹

However, for the purpose of this paper, success is defined in terms of contemporary public opinion. Naturally some segments of the community will adhere to one position, while others will take the opposite view. It is the shifting balance of these opinions which contributes to a political viewpoint. Since this determines the fortunes of the government in power, political views, not economic realities, determine the success or failure of public ownership when raised to the political level.

¹W.A. Macintosh, Economic Problems of the Prairie Provinces (Toronto: Macmillan, 1935), p. 42.

Errata

- p. 11. The Central Catholic and Northwest Review was not a short-lived publication, but one published under various titles from 1885 until 1948. Starting in Winnipeg, it eventually moved to Toronto.
- p. 27. The figures given in line seven are not those for the City Council alone, but include both the council and Board of Control.

Chapter I
Introduction

The year 1896 witnessed two elections in Manitoba. First came the provincial election in which the Liberals were returned with an overwhelming majority, and then followed the federal election in which Laurier became Prime Minister. The provincial Greenway government had won its election on a platform of no compromise on the subject of the schools with the Conservatives in Ottawa.¹ Manitoba considered the school question settled, and four Conservatives were returned to Ottawa in the federal election.² The Liberals in Ottawa entered into negotiations with the Liberals in Winnipeg, and the Laurier-Greenway Compromise was achieved. The Manitoba School Question was eliminated as the dominant factor in politics.

While Premier Greenway's political talents had sufficed for leading Manitoba during the earlier period, they were not adequate for the new century. The Progressive Era was dawning, and the Liberals, led by a leader who "had never risen above a shrewd mediocrity"³, were unable to cope with the economic complexities of the growth of Manitoba. The most basic need for Manitoba's development was a comprehensive rail system with low rates. Professor Morton concedes that in guaranteeing the construction of the Dauphin railway in 1896, the Greenway government had stumbled "on a new railway policy,"⁴ but this resulted more from the initiative of Mackenzie and Mann than insight on the part of the Greenway government. Of the Liberals only the independent Liberal

¹Hugh R. Ross, Thirty-Five Years in the Limelight; Sir Rodmond P. Roblin and His Times (Winnipeg: Farmers' Advocate, 1936), p. 68.

²W.L. Morton, Manitoba; A History (Toronto: University of Toronto Press, 1957), p. 270.

³Ibid., p. 278.

⁴Ibid., p. 277.

James Fisher criticized the government for failing to control freight rates in an effort to provide cheaper service to the farmers.⁵ The Conservatives took full advantage of the freight rates issue, however, and soon began to think in terms of a victory at the next election.

Rodmond P. Roblin, the Conservative leader who had previously supported separate schools, feared that the Orangemen who had gone over to the Greenway party on the school question might hesitate to return to the Conservative party under his leadership. In order to make the most of the railroad issue, he therefore planned to make Hugh John Macdonald the new leader of the Conservatives during the election. As the popular son of Sir John A. Macdonald, he would give the party prestige among the electorate. With the aid of Sir Charles Tupper's persuasion, Hugh John Macdonald reluctantly agreed to accept the leadership.⁶

Macdonald began a series of speeches throughout Manitoba early in 1899. While the Liberals rested on their record and made vague promises of improvements, the Conservatives fought the election on a platform pledging the party to economy and efficiency in government finance, the prohibition of the sale of liquor in the province, opposition to Sifton's seemingly promiscuous immigration schemes - particularly the Doukhobors, and control of rail freight rates. The progressive spirit of reform dominated, and Hugh John Macdonald became premier on January 8, 1900 with twenty-five of the forty seats in the legislature.⁷

His first, and virtually only action was to pass legislation

⁵Morton, op. cit., pp. 277-278.

⁶Ross, op. cit., p. 71.

⁷Ibid., p. 76.

prohibiting the sale of intoxicating liquors in Manitoba. Its legality was questioned, however, and it was not until November that the Privy Council upheld it. In the meantime, Hugh John had resigned as the provincial leader of the Conservatives and re-entered federal politics.⁸ Hugh John Macdonald, having served his purpose in re-uniting the Conservative party, was succeeded by Roblin, the real force behind the party all along.

Little can be said of Roblin's earlier life with any certainty. The only biography of him was written by the overly sympathetic Hugh R. Ross. John W. Dafoe, editor of the opposition Free Press, stated, "The story as told by Mr. Ross is entirely wrong...."⁹ With this caution in mind, however, a brief factual outline of Roblin's early Manitoba life can be taken from Ross' book.

Rodmond Palen Roblin was born in Prince Edward County, Ontario in 1853. After attending Albert College in Belleville, Ontario, he came to Manitoba in 1877 and quickly established himself as a leading businessman in the province.¹⁰ Roblin was involved in starting the Manitoba and Southwestern Railroad and he laid out the town of Carman on its proposed route where he set up a grain warehouse, buying up all the grain in the area. The Manitoba and Southwestern, however, sold out to the CPR in 1882 and the route was changed. It took seven years for Roblin to get another railroad to come to Carman. In spite of heavy losses, Roblin continued in the grain business, and Ross reports

⁸Chester Martin, "The Political History of Manitoba", Canada and Its Provinces, Vol. 19 (Toronto: T & A Constable, 1914), p. 131.

⁹U.M.A., Dafoe Papers, Dafoe to George W. Brown, April 28, 1937.

¹⁰Ross, op. cit., pp. 2, 7, & 11.

that "before the end of the century this man of enterprise had a practical monopoly of grain export in Western Canada."¹¹ In 1894 Roblin entered into a partnership with Sir Daniel Macmillan (Liberal MLA, 1880-1900; Provincial Treasurer, 1889-1900; Lieutenant Governor, 1900-1910¹²) and W.W. Macmillan to organize the Dominion Elevator Company, with Roblin as President until 1928. Among other business ventures, he entered into a partnership to build a telephone line from Rossland, B.C. to Spokane, Washington. He also established a ranch in Alberta to raise cattle for the British market.¹³

After various activities in municipal government Roblin ran for the legislature in 1888 as an independent. Ross attributes this stand to a belief that party politics should not become involved at the provincial level.¹⁴ Dafoe, however, "knew him intimately ... in his younger days when he was a Liberal."¹⁵ Regardless of his political status, it is clear that Roblin was alienated by Macdonald's National Policy. Roblin's policy contained three main planks: efficient and economic governmental administration, lower freight rates, and good relations between English Protestants and French Catholics.¹⁶ It was Roblin's railway policy which first brought him to the fore in the Conservative party. Greenway invited the Northern Pacific into the province in 1888 and refused to consider the offer of the St. Paul,

¹¹Ross, op. cit., p. 24.

¹²Pioneers and Prominent People of Manitoba (Winnipeg: Canadian Publicity Company, 1925), p. 100.

¹³Ross, op. cit., pp. 22-27.

¹⁴Ibid., p. 38.

¹⁵J.M.A., Dafoe Papers, Dafoe to H.J. Symington, February 27, 1937.

¹⁶Ross, op. cit., p. 39.

Minneapolis and Manitoba Railroad. Roblin opposed this and stumped the province to muster support for the Conservatives. John Norquay, the Conservative leader, died shortly afterward, and at the convention held in 1890 Roblin was chosen the new leader.¹⁷

On taking over the leadership again in 1900, Roblin, who had never been a staunch temperance supporter, had reservations about the strength of public opinion in favour of prohibition, and preferred to supplement the referenda of 1892 and 1898 with a further one. The Alliance for the Suppression of the Liquor Traffic felt that Roblin was evading the issue and recommended temperance supporters to ignore the referendum; the appeal was successful, and as a result the anti-temperance element carried the vote. Roblin was relieved of his obligation politically, and he never again considered prohibition legislation, although the temperance issue continued to haunt him during the rest of his administration.¹⁸

The issue which Roblin felt was most important was not prohibition, but the economic development of the province. The necessity of obtaining control over the railroads was implicit in Roblin's choice of the Railroads portfolio for himself. Roblin entered into negotiations with the Northern Pacific and Canadian Northern. By the terms of a contract of January 15, 1901, the Northern Pacific Railway agreed to lease its Manitoba lines to the provincial government with the option to buy them for seven million dollars.¹⁹ The Roblin government was faced with the alternatives of either operating the railway itself

¹⁷Ross, op. cit., pp. 45-46 & 52.

¹⁸Martin, op. cit., p. 131.

¹⁹C.A.R., 1901, p. 397.

and constructing a new line to the Lake Head, or subleasing the lines to the Canadian Pacific or Canadian Northern under such conditions as would give the government control over the rates charged. Roblin began to bargain and the Canadian Northern received the contract.²⁰ Roblin justified his action, stating that "The object is to secure a transportation charge that is fair and reasonable, one that the people can stand, one that is fair and right having regard to all the interests."²¹

Public opinion on this measure was divided along sectional lines. On February 21, 1901 prominent Winnipeg businessmen issued a Manifesto denouncing the contract as too great a financial burden for the province. Shortly thereafter a resolution of the Winnipeg Labour Party declared the contracts were "not in the interest of the Province and should not receive the endorsation of the Legislature."²² In the legislature Roblin repeated his position that "the principle of that Bill is relief for the people of Manitoba, the breaking of the bonds that have bound them for twenty odd years, and it is the hope for freedom in transportation that inspires it, and I say when that principle is touched I am not willing to conceive that I have made a mistake."²³ The following day Roblin found it necessary to go before the Winnipeg Board of Trade with the Attorney General Colin Campbell and Minister of Public Works Robert Rogers to further defend his position. Outside the city the action was more favourably received; any move to lower rates and extend rail service was supported by the farmers. The

²⁰C.A.R., 1901, pp. 397-398.

²¹Ibid., p. 399.

²²Ibid., p. 400.

²³Ibid., p. 401.

Carman Council passed a motion of congratulation. Conservative papers in Minnedosa, Dauphin, Gladstone, Keewatin, Stonewall, and Neepawa supported the measure along with such independent papers as those in Elkhorn and Melita.²⁴ The Liberal party took no stand on the business aspects of the railway deal. Instead they initiated an ineffectual platform of opposition to provincial ownership saying that the federal government, not the provincial, should have control. Greenway favoured a Dominion Railway Commission to stand between the people and the governments.²⁵ This affinity of the provincial Liberals for the federal Liberals was to have grave implications in future provincial ownership issues.

The measure passed the third reading in the legislature despite the Liberal opposition. The Winnipeg Board of Trade's special committee of investigation reported on March 6. Although the majority report approved the Railway Bill with some reservations, a vociferous minority continued to oppose it as too great a liability for the province.²⁶ On March 15, Mayor Arbuthnot of Winnipeg called a public meeting to protest the passage of the bill.²⁷

The issue then went to Ottawa where the Railway Committee of the House of Commons investigated the matter, and after further discussion in the House, the railroads were given the authority to make the contracts. On May 25, the Manitoba government formally took over the lines and leased them to the Canadian Northern.²⁸

²⁴C.A.R., 1901, p. 401.

²⁵Ibid., p. 403.

²⁶Ibid., p. 404.

²⁷Ibid.

²⁸Ibid., p. 405.

Roblin had won the grudging support of a bare majority in Winnipeg. Having established his position there he worked to increase his rural support. A provincial election was called for July, 1903. Roblin's approach is best typified by his remarks at the nomination meeting of J.A. Davidson, Provincial Treasurer, in Neepawa. The Conservatives had reduced the freight rates, and this clearly benefited the farmers.

What does our total reduction of four cents per hundred pounds mean to you farmers on your wheat? It means that on every 5,000 bushels it is putting \$120 in your pockets; and I ask you Liberal farmers who enjoy the benefits of that money, who may have \$100 to \$500 added to the value of your product, how can you as honest men, true to yourselves and to your best interests, have the will to vote against John A. Davidson who was instrumental in securing you these benefits?²⁹

The Conservative party won the election easily - thirty seats for Roblin to nine seats for the Liberals. The Telegram explained the success of the government:

The government has been businesslike in its administration, and has brought the financial affairs of the Province into splendid condition and, even more important, it has shown itself to be progressive and energetic in the public interest and has grappled with great problems, such as that of transportation, not only fearlessly but successfully.³⁰

With the successful outcome of the 1903 election, then, the Conservative party was ready to move into the vanguard of the progressive public ownership movement.

Many municipalities had long ago entered the field of public ownership of utilities. In Ontario in 1904 there were 78 municipal waterworks, and 110 communities had established their own electric

²⁹C.A.R., 1903, p. 188.

³⁰Ibid., p. 195.

lighting utilities. Saint John, New Brunswick had set up its own telephone exchange.³¹ There were many figures in the East who were vociferous advocates of public ownership. Perhaps the most outspoken was William F. Maclean, an independent Conservative member of Parliament and owner and editor of the Toronto World. In 1902 Maclean ran unsuccessfully for mayor of Toronto on a platform of public ownership of telephones, water, light, power, and transportation.³² In 1904 he brought up the question of a federally owned telephone system for Canada in Parliament.³³ Mayor Urquhart of Toronto backed Maclean in his bid for federal ownership,³⁴ and in 1904 he submitted a report to the Toronto Board of Control advising the regulation of telephones and the acquisition of the right to buy them out.³⁵ The independent Conservative Maclean found his Liberal counterpart in R.L. Richardson, a former federal Liberal, who owned the progressive and independent Winnipeg Tribune. Richardson founded the Political Reform Union in Winnipeg, and in its convention in 1902, it declared itself in favour of, among other things, the municipal power to erect grain elevators.³⁶ In 1903 the Political Reform Union came out in favour of public ownership of public franchises in general.³⁷ Nor were the Manitoba Conservatives to be alone in their adoption of public ownership. The 1902 platform of the British Columbia Conservatives included a clause declaring for public ownership of telephones.³⁸ In 1904 Borden himself,

³¹C.A.R., 1904, pp. 59-60.

³²Ibid., 1902, p. 481.

³³Ibid., 1904, p. 66.

³⁴Ibid., 1903, p. 560.

³⁵Ibid., 1904, p. 62.

³⁶Ibid., 1902, p. 67.

³⁷Ibid., 1903, p. 185.

³⁸Ibid., 1902, p. 82.

following the Manitoba lead, advocated the federal ownership of the transcontinental railway in his campaign.³⁹

Instrumental in spreading the idea of public ownership were the newspapers of the province. In addition to the independent Tribune there were two other dailies in Winnipeg. Clifford Sifton, federal Minister of the Interior, owned the Manitoba Free Press. As a Liberal paper under the editorship of John W. Dafoe, it was to be the voice not only of Winnipeg, but of the whole West. Dafoe had been affected by Herbert Spencer's The Study of Sociology, the classic of Social Darwinism theory. Dafoe's belief in this theory at first brought him to oppose any restrictions on free enterprise, but his sympathy for people faced with great difficulties through no fault of their own softened his views,⁴⁰ and in most cases he came to favour public ownership. The Conservative organ, The Telegram was edited by W. Sanford Evans, a prime spokesman for the West in the Conservative party.⁴¹ As the metropolis on the prairies, both parties concentrated their efforts in political journalism on Winnipeg.

It was only natural that the local papers in Manitoba should come under the sway of the Winnipeg papers. Such papers as the Brandon Sun and the Portage la Prairie Weekly Manitoba Liberal were tied to the Free Press not only through the wire services, but by party

³⁹C.A.R., 1904, p. 59.

⁴⁰Murray Donnelly, Dafoe of the Free Press (Toronto: Macmillan, 1968), pp. 38-40.

⁴¹With the dissolution of Parliament in 1904 Borden wrote to Evans, "I am asking three or four of our friends for suggestions. Would you be so kind as to give me a draft of your ideas at your earliest convenience." P.A.M., W. Sanford Evans Papers, Borden to Evans, July 27, 1904.

affiliations also. R.L. Richardson of the Tribune might praise the growing spirit of independence in the press,⁴² but this was more a matter of theory than practise. On one occasion the Liberal organ in Neepawa, the Press, rebelled and published serious charges of corruption against the party, calling on the citizens of Neepawa to smash the machine.⁴³ However, the Liberal party exerted pressures on the paper, and for several weeks no important party issues were touched upon - nor indeed were there any editorials at all, in silent protest - and the Press returned to the fold. Only a small number of rural papers, such as those in Elkhorn and Melita, were able to remain aloof from the political struggles of the province.

In addition to the geographically based and politically oriented papers, there were the organs of various interest groups. In Winnipeg the labour unions sponsored the Voice. Business opinions were expressed in the Commercial. The Nor'West Farmer boasted over 20,000 subscribers in the three prairie provinces,⁴⁴ and the Grain Growers' Guide represented the Grain Growers' Associations. While the school question had been temporarily settled, the Orangemen issued the Western Banner from 1905 to 1906⁴⁵, and the Catholics responded in kind with the Central Catholic and Northwest Review, a long name for an equally short-lived paper (1908-1909).⁴⁶ The Suburban News of Winnipeg rose and fell on the issue of better street car service for

⁴²Tribune, February 1, 1906, p. 7.

⁴³Neepawa Press, January 18, 1910, p. 2.

⁴⁴Nor'West Farmer, November 20, 1906, p. 1020.

⁴⁵Western Banner, passim.

⁴⁶Central Catholic and Northwest Review, passim.

the outlying areas in 1908 and 1909.⁴⁷

In advocating public ownership, the Manitoba press generally cited the successes of other cities. Public ownership of light paid well in Guelph;⁴⁸ Kingston was doing excellently with its publicly owned electric and gas plant.⁴⁹ However, the public ownership movement was far from a purely Canadian phenomenon. Bits and pieces were reported from the American scene, with such accounts as the setting up of the municipal gas plant in Indianapolis.⁵⁰ To keep in touch with American developments, W. Sanford Evans of the Telegram sent away to the American publisher for the Municipal Yearbook.⁵¹ Examples were taken wherever they could be found. Berlin was about to take over its street railway company.⁵² It was discovered that Manchester, England owned all its public utilities and operated them on a paying basis, thus reducing tax rates.⁵³ And the Brandon Sun reported on the London meeting of the Municipal Ownership Congress with delegates in attendance from the cities of the Empire, Europe, and North America.⁵⁴

Equally important with the political background of the Roblin administration and the development of the public ownership movement were the social divisions of Manitoba. With the general acceptance by the public of the principle of government ownership, it was the three main divisions of the province - rural areas, urban workers,

⁴⁷Suburban News, passim.

⁴⁸Brandon Sun, May 16, 1907, p. 9.

⁴⁹Ibid., May 31, 1906, p. 4.

⁵⁰Ibid., September 14, 1905, p. 4.

⁵¹P.A.M., W. Sanford Evans Papers, M.N. Baker to Evans, June 17, 1903.

⁵²Brandon Sun, February 8, 1906, p. 4.

⁵³Ibid., May 10, 1906, p. 3.

⁵⁴Ibid., May 17, 1906, p. 4.

and urban businessmen - who determined the individual applications of the theory at the provincial level.

The general rise in world prosperity at the close of the nineteenth century especially affected the growth of Manitoba. Credit again became available for railway stocks, government bonds, and farm mortgages. Railway and steamship rates fell during the last decade of the century; at the same time wheat prices went up after 1896. People and prosperity began to move into western Canada.⁵⁵ The population of Manitoba increased from 250,000 in 1901 to 450,000 in 1911; during the same period Winnipeg increased from 42,000 to 142,000.⁵⁶ Winnipeg's growth was tied not only to the expansion of Manitoba, but to the West as a whole. It was a metropolitan rather than a provincial city. This fantastic growth rate of Winnipeg (20,000 in 1904⁵⁷) led to a growing dichotomy between rural and urban interests in Manitoba. The farmers considered themselves the backbone of the Canadian nation and the source of Manitoba's prosperity; in Winnipeg Professor E. Brydon-Jack of the University of Manitoba told the Canadian Club in 1908 that it was Winnipeg's growth that meant Manitoba's growth.⁵⁸

The first of the rural-urban cleavages was based on the conflict between the rural staple producers and the urban interests concerned with the transportation of farm products and the supply of the farmers' needs. Winnipeg early established itself as the railroad center of western Canada. In 1886 the Board of Trade secured the differential freight rates which established Winnipeg as the distributing center

⁵⁵ Morton, op. cit., p. 273.

⁵⁶ Ibid., p. 300.

⁵⁷ Free Press, February 1, 1905, p. 1.

⁵⁸ Winnipeg Canadian Club Annual Report, 1908, pp. 19-21.

for the West.⁵⁹ It also became the western center of finance capital. The banks supplied loans to the farmers and provided the necessary backing for dealers to move the grain crop. All grain exported from the West had to pass through Winnipeg. The establishment of the Grain Exchange in 1887 centered the trade on the city.⁶⁰ Head offices of elevator companies moved to Winnipeg. Typical of the entrepreneurs of Winnipeg was J.H. Ashdown, owner of the largest wholesale hardware business in the West, Vice-President of the Northern Crown Bank, director of the Bank of Montreal, director of the Northern Trust Company and Northern Mortgage Company, and mayor of Winnipeg in 1907 and 1908.⁶¹ The concentration of finance specialists and businessmen in Winnipeg resulted in critical financial appraisals of any measures proposed by the provincial government to aid the farmers, such as Roblin's proposal to buy out the Northern Pacific.

Opposition among the farmers to the position of the Winnipeg business interests was obvious. In 1905 the Western Retail Hardware Association met in Winnipeg to discuss the problems of extending credit. Ashdown complained, "There is scarcely a merchant who has not double or three or four times as much on his books as he should have." Another member suggested stopping credit altogether. The Nor'West Farmer, a respected agricultural magazine, countered, "Credit is most convenient and often times necessary to the new settler..." and deprecated any attempts to remove credit.⁶² Perhaps the greatest struggle between the farmers and the Winnipeg business interests was the fight to keep

⁵⁹ Motton, op. cit., p. 225.

⁶⁰ Ibid.

⁶¹ Pioneers and Prominent People of Manitoba, op. cit., p. 105.

⁶² Nor'West Farmer, March 20, 1905, p. 278.

the farmers' company, the Grain Growers' Grain Company, on the Grain Exchange. The company was expelled by the combined members on a technicality in 1906.⁶³ Even after the Roblin government brought about its reinstatement it encountered opposition from the business community. After retiring its overdraft and establishing itself on a firm business footing, the Grain Growers' Grain Company was informed by the Bank of British North America that it would no longer handle its account.⁶⁴

As long as Winnipeg remained primarily a distribution point for Eastern manufactured goods and a collection point for Western products, there was little divergence of opinion between the majority of its working class citizens and the rest of the province. But soon Winnipeg began actively to court industrialization. The Free Press observed:

We have been so much preoccupied with the opportunities offered to the farmer by this country that all other sources of wealth have been rather ignored.... Yet, there is no more well established truth than that manufactures of some kind, in every country, rapidly follow increase of population, and the example of the United States, whose development appears now as preparatory to our own, shows in what remarkably short time a purely agricultural community may be transformed into great centres of manufacturing in the very face of the freest competition from older and more thickly settled districts.⁶⁵

Winnipeg attracted numerous small scale manufacturing concerns. By 1907 these included the Manitoba Brewing and Malting Company; George Gale and Sons, manufacturers of iron and brass bedsteads; Royal Crown Ltd., producers of soap and perfume; McClary Manufacturing Company, whose products included stoves, ranges, and tinware; the Hobbs Manu-

⁶³Harald S Patton, Grain Growers' Cooperation in Western Canada (Cambridge: Harvard University Press, 1928), p. 51.

⁶⁴Ibid., p. 65.

⁶⁵Free Press, January 21, 1905, p. 4.

facturing Company, dealing in glassware; and the Winnipeg Envelope Company, whose products included all stationery and paper goods.⁶⁶ The interests of the growing industrialist element were markedly different from those of the farmers. In 1905 the Dominion Parliament set up a Tariff Commission to investigate the complaints from the West about excessive import duties. L.C. McIntyre, Vice President of the Canadian Manufacturers Association for Manitoba, however, said:

I take pleasure in introducing a few of the manufacturers of Winnipeg. While some of them present may have special cases to lay before the commission, our main purpose in coming here today is to express our belief in a reasonable increase in the protective tariff as a means of building up varied industries in Canada.... There is a mistaken notion in the East that the West must always be a purely agricultural community. We believe that the natural resources of the West are such that it may have interests as varied as those of the East. It will take time to establish them, but the higher the tariff against the United States is made, the more quickly will industries of all kinds be established in the West.⁶⁷

The farmers, of course, opposed this view, and the Nor'West Farmer countered the CMA's petitions, "Even at Winnipeg, where the strongest protectionist representation was supposed to have been made to the Commission, the farmers were strongly represented and spoke in direct opposition to a high protection tariff."⁶⁸

With the increase in industrialization an urban labour movement also developed. The Brotherhood of Locomotive Engineers had been issued a Winnipeg charter in 1881 followed by the International Typographical Union shortly thereafter. The Metal Workers and other railway brotherhoods followed suit along with the craft unions. The American Knights of Labour failed in the 1890's, but English style

⁶⁶Voice, October 4, 1907, p. 9.

⁶⁷Tribune, December 6, 1905, p. 2.

⁶⁸Nor'West Farmer, October 5, 1906, p. 888.

craft unions were successful and united in the Winnipeg Trades and Labour Council in 1894.⁶⁹ That same year, the socialist organ, the Voise, was founded in Winnipeg.⁷⁰

Much of the character of this growing differentiation between city and rural areas was due to the prevailing immigration patterns. The first settlers on the expanding Manitoba frontier had been mostly Canadian farmers from the East or British-born agriculturalists.⁷¹ Through them the prevailing Protestant ethic was entrenched on the prairies. However, from the beginning of the twentieth century immigrants from Britain tended to be not agricultural, but industrial. They brought with them their own concepts of trade unions and ideas of socialism which, looked upon as un-American in the United States, were accepted in Canada because of their British pedigree.⁷² The second major cleavage between town and country was based on the conflict between urban socialist tendencies and agrarian capitalism.

The farmers' organizations were relatively unconcerned with the trade unions of Winnipeg; they were in no position to do any real harm to the agrarian interests. The unions, for their part, were ambivalent in their attitudes toward the farmers. A closer adherence to working class theory brought them to sympathize with the farmers as objects of capitalist oppression, but they could not reconcile themselves with capitalist ethics which the farmers embraced.⁷³ In 1908 the Grain

⁶⁹James A. Jackson, The Centennial History of Manitoba (Toronto: McClelland and Stewart, 1970), p. 162.

⁷⁰Voise, June 10, 1904, p. 1.

⁷¹Morton, op. cit., p. 276.

⁷²Gad Horowitz, Canadian Labour in Politics (Toronto: University of Toronto Press, 1968), p. 24.

⁷³Voise, June 3, 1904, p. 3.

Growers' Association embarked on the publication of the Grain Growers' Guide. E.A. Partridge, an inordinately radical Saskatchewan farmer, became the first editor. He issued a call to amalgamate the Guide with the Voice in the first issue.

The purpose of the Guide's publication is to aid in the discussion of the economic and social problems which confront us, to assist in unifying opinion among our farmers and other workers as to what it is necessary to do in order that they and we may come to enjoy to the full the fruits of our labours, and having thus unified us in opinion, to serve as a trumpet in marshalling our forces for the accomplishing of whatever has been decided is best to be done.⁷⁴

The Voice, however, refused the offer, and Partridge, whose views were not accepted by the majority of his associates, resigned after the first issue.⁷⁵ The two groups remained distinct with the Grain Growers focusing on rural needs and the labour unions tied to the interests of Winnipeg.

Each of the three groups - the businessmen, the farmers, and the urban workers - came by different paths to a position favouring public ownership. The workers brought socialist doctrines with them from Britain. The businessmen were affected by the reform movements of the progressives. The farmers evolved through the Populism of the last century into the progressive stance of this century.

D.C. Masters points out that the most salient feature of the Winnipeg General Strike was that it was overwhelmingly directed by British immigrants. This feature had characterized the Winnipeg labour movement for many years, and several of the later strike leaders were already in Winnipeg during the first decade of the century.

⁷⁴Guide, June, 1908, p. 4.

⁷⁵Patton, op. cit., p. 71.

R.E. Bray had been born in Scotland, but he had already discovered "that Christianity was not the means of correcting social injustice" when he entered the meat trade in Winnipeg in 1903.⁷⁶ James Winning, also from Scotland, had joined the London Order of Bricklayers in 1902 and had been a strong supporter of Keir Hardie before he came to Winnipeg in 1906.⁷⁷ William Cooper came to Winnipeg in 1907 from Aberdeen where he had been a member of the city council for eleven years and played an instrumental role in bringing the city tramway system under municipal ownership.⁷⁸ It is this British fabian socialist element which led the labour movement and guided labourers of other nationalities who "are in the trade unions and are trusted members and hailed as brothers."⁷⁹ While the unions pursued a broad program of projects to improve the condition of the working man - such as the fight for workmen's compensation⁸⁰, - such planks as "the collective ownership of all industries in which competition has virtually ceased to exist" were always present in the campaign platforms.⁸¹

At the same time businessmen also were turning to the reform movement. One of the primary goals of Progressivism was the regulation of the economy to harness its leaders and to distribute more widely its benefits.⁸² The resulting clashes within the business community were of four general types.

⁷⁶D.C. Masters, The Winnipeg General Strike (Toronto: University of Toronto Press, 1950), p. 61.

⁷⁷Ibid., p. 46.

⁷⁸Ibid., pp. 24-25.

⁷⁹Voice, August 4, 1908, p. 1.

⁸⁰Ibid., March 12, 1909, p. 6.

⁸¹Ibid., May 13, 1910, p. 1.

⁸²Robert H. Wiebe, Businessmen and Reform (Chicago: Quadrangle Books, 1962), p. 6.

First there was the urban-small town split. The major feature of this conflict in Manitoba was that concerning the discriminatory railway rates which, due to the influence of Winnipeg businesses, had enabled that city to develop as the distributing center of the West. The Northern Pacific and Manitoba Railway had been welcomed in 1890 as a competitor to the CPR. Rates remained the same, however, and the Brandon Board of Trade reported, "Brandon as a distributing point, is suffering more severely since the advent of the N.P. & M. railway than ever before."⁸³ Although in this case Roblin's railway policy secured the desired elimination of discriminatory rates, it was conflicts such as these between Winnipeg and small town businessmen which accentuated the rural-urban split.

Second, there were sectional splits. Regional chauvinism and unbridled optimism in the potential of the West resulted in a heightened hostility towards Eastern interests. Eastern railway men were accused of bleeding the West with high freight rates. Eastern bankers were accused of starving the West in order to finance Eastern enterprises. Roblin exploited this antipathy in his fight with the Dominion for a boundary extension; it was obviously a nefarious plot to deprive Manitoba of new natural resources as long as the provincial government was out of harmony with the federal government.

Third, there was the conflict between large and small businesses. The Commercial of Winnipeg was primarily the organ of small businesses in the retail trade. As such it was highly censorious of the large mail order houses which were underselling local stores. It called on the government to set postal rates so as to equalize competition.⁸⁴

⁸³ Wiebe, op. cit., pp. 10-15. P.A.M., Manitoba Debates (Telegram), 1900, p. 18.

⁸⁴ Commercial, October 13, 1906, p. 23.

"There is hardly any question that interests the merchants of the country more than the mail order trade. They are fighting a competition that is highly unfair under the conditions that exist."⁸⁵

Following in this vein, it could express its sympathy with the smaller banks which were threatened with takeover by larger banks.⁸⁶ From positions such as these it was only a small step to opposition to large scale amalgamations and an anti-trust stand.

Fourth, there were the conflicts brought about by economic dysfunctions, cases in which the interests of one business conflicted with those of another. Again, the primary example of this in Manitoba was the railroads. Although the CPR felt its rates were justified, western shippers felt they were exorbitant. It was in order to secure lower freight rates that J.H. Ashdown, Winnipeg's largest hardware wholesaler, ran for Parliament in 1896.⁸⁷ In the city of Winnipeg there were complaints that the Street Railway Company which held a monopoly on electric power was charging unfair rates, thus harming Winnipeg's industrial development.

In some cases public ownership came to be looked upon as the solution to many of these business conflicts. Roblin, by taking over the Northern Pacific lines in Manitoba, solved the problems of discriminatory freight rates, built up a Winnipeg-based competitor to the CPR, and to some extent lessened the cries of exorbitant rates. On the local level Winnipeg businessmen became primary advocates of a municipal power plant to provide cheap electricity.

⁸⁵Commercial, October 20, 1906, p. 25.

⁸⁶Ibid., April 29, 1911, p. 22.

⁸⁷John W. Dafoe, Clifford Sifton in Relation to His Times (Toronto: Macmillan, 1931), p. 117.

While the turn of the century marked the first efforts of business in the area of reform, the farmers of the province had a long history of reform movements. The frontier areas of the North American continent had felt exploited since the 1880's. There were complaints that local railway freight rates were higher in the West than long distance rates in the East, complaints that elevator monopolies were unfair in the grading of grain, complaints of trusts which sold to and bought from the farmers - beef trusts, fertilizer trusts, produce trusts, farm machinery trusts.⁸⁸ In the United States discontent was quickly channeled into the Populist revolt. In 1886 the Farmers' Mutual Benefit Association in Illinois pooled grain for direct shipment to central markets in an effort to avoid the middlemen.⁸⁹ The national meeting of the Farmers' Alliance in 1887 suggested government ownership of one or more of the transcontinental railroads.⁹⁰ The North Dakota constitution of 1889 proposed to control public utilities through a board of railroad commissioners.⁹¹ These reform ideas seeped into Manitoba from two directions: directly from the states to the south and through the agency of the Patrons of Industry, a movement introduced into Ontario from Michigan and thence to Manitoba.⁹²

The Farmers' Alliance entered directly from the North-Central states during the winter of 1890-91 and established itself in several communities, with the membership reaching about 500. However, with

⁸⁸ John D. Hicks, The Populist Revolt (University of Nebraska Press, 1961), pp. 67-80, passim.

⁸⁹ Ibid., p. 133.

⁹⁰ Ibid., p. 103.

⁹¹ Ibid., p. 150.

⁹² C.A. Mallory, "The Patrons of Industry Order" in J. Castell Hopkins, ed., Canada: An Encyclopedia of the Country (Toronto: Linscott Publishing Co., 1899), p. 100.

the movement west of the Patrons of Industry, the Alliance was absorbed into the new protest group.⁹³ In Manitoba the Patrons were destroyed by their involvement with the school question and the reformers were left without an organization. But with the establishment of the Manitoba Grain Growers' Association in 1903, rural elements once again had an organization to give voice to their grievances. Furthermore, years of agitation had brought a certain sophistication and maturity to their proposals. In this respect they borrowed heavily from the progressives. The Populists had seen nationalization as the means of taking certain basic segments of the economy from the "interests" and handing them over to the "people". The transfer would take place by sublimation; government as a separate agency did not exist. The businessmen of the cities were in touch with a more complex society, and through a natural distrust of the normal functions of government, tended to set up separate regulatory agencies.⁹⁴ It was this modification which characterized the progressiveness of the Grain Growers, especially when it became time to fight the Roblin government for a separate non-political agency to administer the provincial elevator system.

Although these different groups had opposing interests, in many cases they came together on public ownership. Labour, denying the viability of the capitalist ethic, still sympathized with the "class of voters, workers also, who are small business men and small property owners, who are being slowly ground to pieces between the upper and nether millstones of the great capitalists, industrial, trading and

⁹³Brian R. McCutcheon, "The Patrons of Industry in Manitoba, 1890-1898" in Donald Swainson, ed., Historical Essays on the Prairie Provinces (Toronto: McClelland and Stewart, 1970), p. 144.

⁹⁴wiebe, op. cit., p. 4.

banking."⁹⁵ An example of this cooperation to achieve similar ends for different reasons is the movement in Winnipeg for public power.

In 1900 the Board of Trade had been alarmed at the increase in price and decrease in quality of gas service in Winnipeg. It initiated a province-wide investigation, and the findings were outlined in a confidential report. On the question of gas rates in the municipalities,

Of the answers regarding gas as compared with 1898, two report small decreases, while twenty-one show increases of an average of 19% and ~~###~~ ranging all the way up as high as 94% in individual cases. The general tenor of remarks shows besides the increased charges, that the quality was inferior to that supplied in the past, poor and very unsatisfactory, in one case the remark being that it was the worst supplied in seventeen years.⁹⁶

Support soon developed for the movement for the city to take over the gas plant. A by-law to this effect was submitted to a referendum in December, 1904, but it was defeated due to a lack in the required proportion of voter turnout.⁹⁷ The agitation grew in 1905. The Tribune pointed out the advantages of a municipal gas plant.

If Winnipeg would develop her own power, the city would realize a handsome profit on the investment, induce manufacturers to flock to Winnipeg, indirectly reduce the price of manufactured goods to the citizen and furnish employment to tens of thousands of skilled and unskilled workmen that the new industries would require.⁹⁸

In short, Municipal Power became the key to progress and expansion in Winnipeg.

In October, 1905 the Winnipeg Electric Railway (a Mackenzie-Mann

⁹⁵Voice, October 1, 1908, p. 4.

⁹⁶F.A.M., Board of Trade, Council and Executive Minutes, 1895-1907, p. 164-a.

⁹⁷C.A.R., 1904, p. 65.

⁹⁸Tribune, September 5, 1905, p. 4.

operation) announced it would reduce gas rates,⁹⁹ but it could not stem the tide. For the business interests municipal power meant a significant reduction in power costs; for the Board of Trade it meant industrialization and the establishment of a great western manufacturing center. The Commercial proclaimed, "The business men of Winnipeg are heartily in favour of legislation that will make it easier for the capitalist to invest in this place."¹⁰⁰ The unions also backed the proposal. To them it meant not only a lowering of gas rates for the population of Winnipeg and a rise in the potential employment capacity of the city, but also the first step in the concentration of the means of production in the hands of the workers. Another gas referendum was set to coincide with the civic elections in December, 1905, which led to the rise of a "citizens' ticket of aldermanic candidates". The Trades and Labour Council endorsed this ticket and commented:

It must be recognized that in doing this the council has taken a broad view of the situation as it confronts the citizens of Winnipeg to-day. It is above all things desirable that there should be a remodelling of the city council, and the introduction of a number of men who would be a definite force for the extension, and also for the protection and development of the municipal ownership policy of the city would be a distinct advantage.¹⁰¹

The gas by-law was passed. Both business elements and the unions had united to pass it. But the deeper and more fundamental split between labour and the upper middle class was manifested in the results of the civic elections. Only two of the five citizens' candidates

⁹⁹Tribune, October 10, 1905, p. 1.

¹⁰⁰Commercial, December 16, 1905, p. 19.

¹⁰¹Voice, November 17, 1905, p. 4.

were elected, and these were incumbents who had been adopted by the unions.¹⁰²

The business interests were left in power to act on the results of the gas by-law. In January, Alderman Sandison charged that the city was now paying too much for electric power.¹⁰³ Another power by-law for the establishment of an electric plant was submitted to a referendum in June, 1906.¹⁰⁴ The businessmen, however, were beginning to balk at the increasing financial commitment of the city. W. Sanford Evans, President of the Board of Trade, said that organization was on record as being in favour of cheap power, but not necessarily civic power. He felt the increasing tempo in the public ownership campaign did not leave enough time for the Board of Trade to make its influence felt.¹⁰⁵ The measure passed. However, no action was taken by the city council.

Mayor Sharpe became worried about the ability of the city to bear the debt necessary to undertake the power projects. The Voice noted, "There have come a succession of alarms all drawing attention to the idea that the city has all the burdens which it can carry without taking on the power scheme."¹⁰⁶ The issue dragged on into 1907 with the unions charging interference from the Mackenzie-Mann interests. President Andrew Strang of the Board of Trade said:

The Municipal Power Plant is in process of evolution, but owing to the large financial obligation it involves and the stringency of the money market, the Board of Control

¹⁰²Voice, December 15, 1905, p. 1.

¹⁰³Tribune, January 27, 1906, p. 1.

¹⁰⁴Voice, June 22, 1906, p. 7.

¹⁰⁵Telegram, June 15, 1906, p. 9.

¹⁰⁶Voice, October 5, 1906, p. 6.

(headed by W. Sanford Evans, former President of the Board of Trade) is inclined to go into it cautiously, until the city sees its way more clearly than at present. I think this caution is most commendable, and ... that the proceeding with construction might well be postponed for a year.¹⁰⁷

This position was backed up through the editorial columns of the Commercial.¹⁰⁸ In November, 1907 the city council stood 13 to 5 in favour of proceeding with the project, but the new mayor, J.H. Ashdown, exercised his veto, justifying his action on the city's financial stringency.¹⁰⁹ With a showdown developing between the mayor and council, business and labour, the bank managers of Winnipeg gathered to discuss the power question. The Voice reported:

Last Monday there was a meeting of bank managers held to determine what they would do about carrying the city account, and the decision was not announced. It looked very much like intimidation when the mayor had to tell the council that they had not yet communicated with him. They look unfavourably upon municipal ownership.¹¹⁰

Before a genuine crisis occurred, however, the general financial stringency which had hit the West passed and the city proceeded with its plans later in the year.¹¹¹ Nevertheless, one outstanding fact was apparent; the reins of civic government in Winnipeg were firmly in the hands of the business elements.

The Municipal Power issue in Winnipeg illustrates well the political implications arising from the divisions of society and their effects on the public ownership movement. The quiet and cautious business interests were opposed by the clamorous Voice, not on the

¹⁰⁷ Commercial, May 18, 1907, p. 27.

¹⁰⁸ Ibid., p. 17.

¹⁰⁹ Voice, November 8, 1907, p. 6.

¹¹⁰ Ibid., February 7, 1908, p. 6.

¹¹¹ Morton, op. cit., p. 307.

desirability or undesirability of public ownership, but on how soon it was to take place, and in what manner. In spite of the loud protestations of the Voice, the labour movement was divided, and it was left to the stolid businessmen of the city to proceed in their own cautious manner. This struggle was somewhat simplified by the widespread belief that party politics did not belong at the municipal level. But at the provincial level, with the added dimension of the farmers, and all overlaid with the Conservative and Liberal party organizations, the situation could well become chaotic. It was thus a deceptively popular issue which Roblin took up when he chose to become the champion of public ownership.

Chapter II
Manitoba Government Telephones

In spite of the widespread theoretical background for public ownership, there was little practical progress in Manitoba before 1905. In 1904 A.C. Ewart reported, "Municipal ownership is not in favour in Manitoba; the town of Neepawa (population 1,900) is the only place where it has been seriously tried. That town owns its electric light works and telephone service, but as yet has not met with much success."¹ In December, 1904 the Winnipeg by-law to establish a municipal gas plant was submitted to a referendum, but was defeated due to an insufficient turnout in the electorate.² Public ownership in Manitoba was not yet a political issue, and therefore was not presented with any sense of pressing necessity.

However, the principle of public ownership enjoyed no mean popularity in Manitoba. The Free Press took issue with Ewart's report. "We have yet to learn that Neepawa is dissatisfied with its enterprises. They are of quite recent origin and can hardly be said to have arrived at maturity, and therefore it is premature to judge them."³ The issue was where and when the principle of public ownership was to be applied. Water supplies, gas and electric plants, and street railways were municipal concerns and did not significantly affect the provincial government. Only when utilities concerned both urban and rural divisions could they become successful issues for provincial ownership campaigns.

¹Alan C. Ewart, "The Municipal History of Manitoba", University of Toronto Studies; History and Economics (Vol. II, No. 3, 1904), p. 16 (146).

²C.A.R., 1904, p. 65.

³Free Press, January 7, 1905, p. 10.

The communications industry found itself especially adaptable to public ownership. In addition, advocates of public ownership in this area were to be found at all levels of government. Imperial Federationists had favoured such action, not from any economic or social biases, but merely from the desire and necessity of stimulating imperial contacts. Private enterprises could not be lured into chance-laden projects requiring immense sums of money; therefore, in late 1899 six British governments joined to undertake the construction of the Pacific Cable, "the first great ocean link in a projected chain of Pan-Britannic Telegraphs under State control."⁴ In 1901 Sir William Mulock, Laurier's Postmaster General, announced to the Australian Chamber of Commerce that Canada was considering a state-owned Atlantic cable, and also the transfer of the land telegraph system in Canada to the government to connect the Atlantic and Pacific cables, thus making a completely state-owned link between Australia and Great Britain.⁵

Sir Sandford Fleming, who had been a member of the Imperial Federation League,⁶ moved from the purely imperial aspects to economic considerations in an open letter to Mulock which was circulated in pamphlet form. Postal Telegraph Service by Sea and Land investigated the experiences of the continental European countries and concluded that not only would imperial contacts be stimulated, but also lower rates would be achieved for the people. Fleming commented on govern-

⁴Sandford Fleming, Postal Telegraph Service by Sea and Land (n.p., 1902), p. 1.

⁵Ibid.

⁶Carl Berger, The Sense of Power (Toronto: University of Toronto Press, 1970), p. 238.

ment telegraphs, "I am satisfied that they would, in no limited sense, tend to advance the prosperity and unity of the Empire."⁷

By bringing the issue down to the level of business, Fleming naturally attracted the scorn of the interests affected by the proposed changes. H.P. Dwight, President of The Great North Western Telegraph Company, confided to Sir William Mulock:

It is bad enough for Billy McLean (sic) to promise the citizens of Toronto gas, electric lights, street car tickets, telephones, and a lot of other things on such easy terms as he has been doing recently, but it is worse for a man with a handle to his name, who has arrived at years of discretion, and who poses as a special expert, to palm off such a lot of stuff on an innocent public, as Sir Sandford Fleming is doing in his pamphlets. The unfortunate part of the matter is that the public may possibly be deluded with the idea that his schemes are practicable and feasible, as well as profitable, and call upon the government to carry them out, and so make trouble for all concerned.⁸

Paradoxically, at the same time that the Imperialists were pushing for state-owned communications to preserve the empire, ideas for the same means to a different goal were infiltrating from the United States, especially in western Canada. The memory of the Populist movement was still fresh. The St. Louis and Omaha platforms of 1892, rebelling against corporate control, had stood for government owned communications. "The telegraph and telephone, like the post office system, being a necessity for transmission of news, should be owned and operated by the government in the interests of the people."⁹ By 1898 the rural areas of Manitoba were thinking along the same lines and agitation arose for municipal telephone systems. The Greenway

⁷Fleming, op. cit., p. 7.

⁸P.A.Q., Mulock Papers, H.P. Dwight to Mulock, January 8, 1902.

⁹John D. Hicks, The Populist Revolt (University of Nebraska Press, 1961), pp. 439 & 443.

government had responded with passive legislation allowing the municipalities to establish commercial undertakings, but only Neepawa took advantage of the legislation.¹⁰ Thus, while the public ownership movement languished politically, the pressure of public opinion was building up.

By 1905 Roblin's popularity had begun to sag. The 1903 provincial election had been fought and won on his record of railway legislation,¹¹ but since then nothing new had been forthcoming. On January 9, 1905 the Free Press predicted an early election in which Roblin would attempt to salvage his mandate by fighting a campaign on the boundary extension issue.¹² However, elements foreign to both the Liberal and Conservative parties brought the telephone question to the attention of the legislature, and Roblin increased his political capital by adopting public ownership. Roblin came from United Empire Loyalist stock¹³ and was a staunch imperialist. The acceptance by other prominent imperialists of the principles of public ownership undoubtedly helped to give the issue a certain legitimacy, and paved the way for Roblin's leadership of a mass movement whose advocates had reasons as varied as their political and national backgrounds.

January 10, 1905 two telephone bills were introduced in the legislature: petitions to incorporate the Northwest Telephone Company and the Independent Telephone Company of Canada.¹⁴ Debate rapidly

¹⁰James Mavor, Government Telephones: The Experience of Manitoba, Canada (Toronto: Maclean Publishing Co., 1917), p. 15.

¹¹C.A.R., 1903, p. 188.

¹²Free Press, January 9, 1905, p. 4.

¹³Hugh R. Ross, Thirty-Five Years in the Limelight: Sir Rodmond P. Roblin and His Times (Winnipeg: Farmers' Advocate, 1936), p. 5.

¹⁴P.A.M., Manitoba Debates (Free Press), January 10, 1905, p. 14.

grew over the merits of such legislation. Bell Telephone held a monopoly of telephone service in Manitoba - with the exception of the small municipally owned exchange at Neepawa - and rates were generally considered high. Competition with Bell might lower rates in the province. On the other hand, the duplication of lines and exchanges which the two new systems would entail obviously required considerable capital outlay. In order to earn a respectable return on this investment it would be necessary to charge high rates. Manitoba would then not only have failed to reduce rates, but would also suffer the inconvenience of three separate telephone systems.

Outside the legislature the municipalities were solidly against the incorporation of any new telephone system. Provincial charters allowed their holders to ignore the desires of the cities in which they operated. The main complaints of the municipalities were that under present conditions Bell could clutter up the streets of any town it chose with poles and wires; and with a federal charter, not even the province could regulate Bell. Winnipeg opposed the Independent Telephone charter unless the permission of the city council were made necessary for any construction. Independent objected, saying that this would allow the municipalities to hold up progress indefinitely.¹⁵ The Winnipeg city council passed the resolution

That this council views with alarm the efforts being made by companies applying to the government of Manitoba for charters to obtain rights and privileges in the city regardless of any consent of or bargain with the city and humbly pray that the government will refuse its consent to any such applications, especially with reference to the telephone companies now applying and that the government will protect

¹⁵P.A.M., Manitoba Debates (Free Press), 1905, p. 36.

and conserve the rights of the city to control its streets and lanes....¹⁶

Mayor Fleming of Brandon told the legislature that the people of his city were opposed to any more telephone monopolies like Bell coming in and "putting up their poles wherever they pleased."¹⁷ As an added deterrent, both Brandon and Winnipeg stated that they were planning to set up their own telephone systems.¹⁸

Roblin was obviously in a quandary. In less than three weeks the telephone issue had risen from an innocuous state of inarticulated discontent to occupy the primary attentions of the province. The government needed time to assess public opinion. The Select Standing Committee on Private Bills reported on January 26, 1905, recommending that "the government during the recess ... enquire into the whole matter of the telephone service, with a view to either taking over the present systems in the province, or to build a new one to be owned and operated by the government for and in the interests of the people, and that pending such inquiry, the bills be not proceeded with."¹⁹

George A. Stewart Potts, a representative of the Independent Telephone Company, was interviewed by the Free Press for his ideas on the future of the Company.

The strenuous opposition of the municipal authorities to permitting another telephone company to have the right to operate within the limits of the incorporated towns without first obtaining the consent of the municipal authorities, developed a new phase of the subject, and, if I am able to judge the feeling of the members of the legislature, the discussions will result in either a measure of public owner-

¹⁶ Free Press, January 24, 1905, p. 6.

¹⁷ P.A.M., Manitoba Debates (Free Press), January 24, 1905, p. 56.

¹⁸ Ibid., & Free Press, January 24, 1905, p. 6.

¹⁹ P.A.M., Manitoba Debates (Free Press), January 26, 1905, p. 62.

ship or in a charter being granted at a later date to a company such as ours.²⁰

Potts felt his work was not completely wasted if the government found some relief from "the incubus of the Bell Telephone Company."²¹ He had three grievances which he felt Independent Telephone could cure: 1) the Bell system was antiquated; 2) its rates were too high; 3) it was discourteous to the public. Potts acknowledged the strength of the public ownership movement and attempted to make his peace with it. "The feeling against the Bell Telephone Monopoly is not sentiment only, but substantial, and as I have said, I will personally welcome government ownership if it be found the satisfactory solution."²² But he did not fail to point out that municipal systems, in his opinion, could never work because they would not include long distance lines. He hoped that in the end the legislature would allow Independent to compete with Bell.²³

The municipalities were doing everything possible to prevent this, and in March they began to organize. The Union of Canadian Municipalities had been formed in 1901 by Mayor O.A. Howland of Toronto to unite municipalities against Ottawa and large federally chartered corporations.²⁴ In January, 1905 the Free Press reported on the Union's proposal that the federal government amend the Bell charter so that either federal or provincial governments could take over long distance lines.

As to the local exchanges in cities, towns, or villages, they can under provincial legislation acquire systems of

²⁰P.A.M., Manitoba Debates (Free Press), January 26, 1905, p. 62.

²¹Ibid.

²²Ibid., pp. 62-63.

²³Ibid.

²⁴C.A.R., 1902, p. 476.

their own. And if the Bell charter was further amended relief could be obtained by allowing municipalities to expropriate Bell systems within their boundaries.²⁵

The city of Toronto followed this up with a petition that the terms of the Bell charter be changed to give Toronto control over the placement of lines. Maclean brought the issue up in Parliament. Laurier acknowledged the problem, but committed himself to nothing.²⁶ Nevertheless, municipal opinion in Manitoba began to identify itself with the Union of Canadian Municipalities. Whereas opinion had formerly been directed against chartering two new companies, with only vague ideas of public ownership, it now began to think in terms of solving the problem once and for all with the elimination of Bell. In mid-March, 1905 an organizational meeting was held in Brandon to set up the Union of Manitoba Municipalities.²⁷ The Free Press wrote editorially:

Private encroachment on public right has brought into existence the Canadian Union of Municipalities, which keeps a sharp watch on legislation in the East....

In addition to the watching of all legislation, the Manitoba Union of Municipalities, which in order to avoid multiplicity of organizations, should, we would suggest, become part of the larger Canadian organization, can exercise a powerful influence in strengthening the present tendency towards public ownership of municipal services.²⁸

Identifying themselves with the greater Canadian movement, it was only natural that close attention be paid to development in the East, especially when the federal government appeared to respond. As a result of the growing agitation for public ownership of telephones, Sir

²⁵ Free Press, January 21, 1905, p. 5.

²⁶ Ibid., February 18, 1905, p. 5.

²⁷ Ibid., March 15, 1905, p. 1.

²⁸ Ibid., March 13, 1905, p. 4.

William Mulock, Postmaster General, initiated an inquiry into the conditions of telephone service in Canada and considered the possibility of federal ownership. Said Mulock, "I shall not prejudge the subject myself, although, perhaps, if I must confess a bias as regards the telephone, that bias would be that I can not see why it is not as much the duty of the state to take charge of the telephone as it is to conduct the postal service."²⁹ Mulock's intent, and the direction the inquiry was taking were early revealed when he read a report prepared two years earlier by Francis Dagger, the telephone engineer for Toronto. Compared with Norway, Sweden, and Denmark, Canada's telephones were fewer in relation to population and more expensive.³⁰ The final recommendation of the Telephone Commission reflected Mulock's progressive ideals; a federal system was advised, but Laurier and his cabinet declined to act on it.

Laurier's noncommittal inaction on Mulock's proposals led to the first political polarization in Manitoba on the telephone issue. Since Laurier had not refused to act, the Liberals looked to Ottawa for a federal system. The Conservatives, because Laurier had not taken up the proposal, looked to a provincial system. The Liberals viewed the Conservative stand as only another instance of opposition to the Laurier government, whatever its position might be. In August the Neepawa Press accused Roblin of manufacturing a fight with the Dominion government.³¹

That neither party opposed public ownership paid tribute to the

²⁹ Canada: D.H.C., March 17, 1905, p. 2682.

³⁰ Free Press, March 23, 1905, p. 9.

³¹ Neepawa Press, August 15, 1905, p. 2.

strength of the growing movement in Manitoba, chiefly backed by the non-partisan Municipal Union. The Union of Manitoba Municipalities had appointed a telephone committee composed of such prominent figures as Mayor Sharpe of Winnipeg, Alderman Coldwell of Brandon (who became Minister of Education in 1907), Mayor Brown of Portage (who became Liberal leader later that year), and Alderman Harvey of Dauphin.³²

In July the Voice commented, "The increasing interest and brains that are being put into the Union of Canadian Municipalities is one of the most encouraging signs in public life."³³ Diatribes against Bell began to appear, such as the short pamphlet, "Shall the People Own Their Telephones or Shall They Contribute to the Octopus?". Poor service and exorbitant rates were added to the municipalities' complaints about wires and poles.³⁴

In late August Bell Telephone began a campaign to counter the assertions that public ownership would provide better service at lower rates. A series of "Telephone Talks", paid advertisements in the Winnipeg papers, began to appear. In France the telephones were government owned, but they were inefficient and expensive. "France, the ideal field of the telephone, is not only poorly served and charged high rates under Government control, but development is practically prohibited."³⁵ Government telephones in Germany and Russia were also expensive and underdeveloped.

Wherever there is exclusive Government ownership there is the same story. It was on this fact that one of the expert

³²J.G. Harvey, "Public Utilities in Canada" (Dauphin: n.p., 1905), section VI.

³³Voice, July 28, 1905, p. 1.

³⁴George R. Belton, "Shall the People Own Their Telephones or Shall They Contribute to the Octopus?" (Neepawa: Neepawa Register, 1905), passim.

³⁵Tribune, September 1, 1905, p. 2.

witnesses (before the Telephone Commission) based his assertion that "with a fair field a Company would beat a Government out every time in a competing telephone service."³⁶

Public opinion, however, was in no state of mind to pay much heed to Bell's arguments, and they were generally lost in the debate on how to implement public ownership. The Voice made passing mention of the "Telephone Talks", but went on to discuss its opposition in general and made specific proposals on certain details.³⁷ Bell then tried moral bribery. In January, 1906 an advertisement appeared in the Winnipeg papers outlining developments and improvements for the coming year.³⁸ The Brandon Sun reported that the unpopular wires would be removed from main streets to alleys.

The Bell Telephone Company evidently contemplates the expenditure of a large amount of money during 1906 in the extension of its long distance lines and improvements to its local exchanges. Brandon will probably be favoured with as large a proportion of this as any place in the province.³⁹

Nevertheless, the attempts of Bell were futile. Manitoba was confirmed in its belief in public ownership.

In October, 1905 a cabinet shuffle in Ottawa threw the balance of provincial power to the Conservatives. Sir William Mulock, the most active advocate of public ownership in the Laurier cabinet, resigned, allegedly due to ill health.

Mulock had tendered his resignation to Laurier as early as August, 1904 when he reported that due to his serious illness the previous

³⁶Tribune, September 11, 1905, p. 2.

³⁷Voice, August 25, 1905, p. 6.

³⁸Tribune, January 13, 1906, p. 11.

³⁹Brandon Sun, January 18, 1906, p. 8.

winter, his doctor had advised him to decrease his work load.⁴⁰ Laurier, however, had persuaded him to remain in the cabinet. In 1905, during the debate over the school issue in the new provinces of Alberta and Saskatchewan, Mulock recommended, "Whilst the people are much interested in the Autonomy Bills, and will perhaps be inclined to criticize our policy, it might be expedient to furnish them with a counter attraction such as the telephone question." A Commission of inquiry "would give the public something else besides the School Question to talk about."⁴¹ Mulock skillfully outmanoeuvred the other cabinet members who opposed public ownership. In all likelihood it was this argument that held the most weight in Laurier's decision to sanction the commission. But while Mulock was sincere in his attitudes, the rest of the cabinet was not. The issue had repeatedly come up in caucus. As early as 1903 Mulock had pressed for a government telephone system at least for the rural areas. At the same time, however, A.G. Blair, Minister of Railways - and, incidentally, President of the Telephone Company of New Brunswick - "led the opposition against my scheme." Mulock wrote, "I explained to Council that the system which I had in view would be self-sustaining, and have never yet been able to understand why my advice was rejected."⁴² The reason was simple: corporate interests were strong in the cabinet, and Laurier himself was not in tune with the progressive movement. He thought that Maclean had looked for the features of American demagoguery and made himself their advocate in Canada. Laurier believed it might be advisable to take over the

⁴⁰ P.A.C., Laurier Papers, Mulock to Laurier, August 15, 1904, #89038-89040.

⁴¹ Ibid., Mulock to Laurier, February 24, 1905, #95099-95100.

⁴² Ibid., Mulock to Laurier, June 15, 1904, #86825-86826.

telegraphs, but definitely not telephones.⁴³

In late 1905 declining health compelled Mulock to tender a final resignation. In spite of his assertion that he was "in entire political harmony with the Government,"⁴⁴ the opposition press exploited the resignation. For the independent Tribune, it was the outcome of a power struggle within the party for the right to succeed Laurier - a power struggle between Fielding and the orthodox Liberals, and the corporate interests on the one side, and Mulock and the progressive Liberals on the other. Richardson referred back to the last federal election. Mulock had tried to secure the nominations of friends of public rights. Mayor Urquhart of Toronto was put up for North York and promised public ownership of telephones. Urquhart had been defeated, and then the cabinet had refused the telephone ownership proposal. When Mulock realized that Bell could defeat him in the cabinet, he realized that it could also defeat him in the leadership campaign and resigned.⁴⁵ The Voice commented:

The retirement of Sir William Mulock, postmaster-general and Minister of labour, from the Dominion cabinet comes somewhat as a surprise and indicates a cabinet shuffle as important and probably more so than any that have preceded it in the history of the Laurier government.⁴⁶

The Tribune interpreted the implications of this move, "The appointment of Mr. A.B. Aylesworth - counsel for the Bell Telephone Company - as Sir William Mulock's successor, absolutely precludes the possibility of the Laurier Government introducing any legislation detrimental to

⁴³P.A.C., Mackenzie King Papers, Political Diaries, Vol. 6, 1905-1911, November 5, 1907, #2078-2079.

⁴⁴P.A.C., Laurier Papers, Mulock to Laurier, October 7, 1905, #101891-101893.

⁴⁵Tribune, October 13, 1905, p. 4.

⁴⁶Voice, October 13, 1905, p. 4.

that company."⁴⁷

Mackenzie King, Mulock's protégé, advised Laurier that opposition attacks would continue unless something were done to regulate telephones. He suggested that to offset this Laurier should split the Department of Labour and the Postoffice and emphasize Mulock's connection with labour and the government's intention to continue his efforts.⁴⁸ However, Laurier did nothing; he refused to recognize the power of the public ownership movement.

Hopes in the municipalities remained high for public ownership. If the Dominion government would not act, the province could. Some areas began to set up their own local systems without waiting for provincial action. Cartwright planned service for both the town and surrounding rural areas, and secured a guarantee from Bell for long distance connections at Roblin.⁴⁹ Minnedosa also considered the possibility of a local system; the board of trade believed it would have sufficient support.⁵⁰ Other areas merely increased their demands on Bell. The Virden board of trade appointed a committee to wait on Bell officials to secure increases in long distance lines.⁵¹ With the opening of the legislature in January, 1906 there were petitions for a provincially owned telephone system from the cities of Winnipeg and Brandon, the towns of Selkirk, Morden, Emerson, Dauphin, Gladstone, Souris, Neepawa, Carberry, and Morris, plus twenty rural municipal-

⁴⁷Tribune, November 28, 1905, p. 4.

⁴⁸P.A.C., Mackenzie King Papers, Political Diaries, Vol. 6, 1905-1911, November 4, 1905, #1923.

⁴⁹Commercial, April 21, 1906, p. 30, & May 19, 1906, p. 26.

⁵⁰Ibid., November 3, 1906, p. 41.

⁵¹Ibid., June 16, 1906, p. 26.

ities.⁵² The major work of the session was to be the telephone issue.

A telephone committee was appointed. A ten day trip to Chicago and other major American cities was scheduled to study other systems.⁵³ From an interview with E.P. Moulton of Twin City Telephone in Minneapolis, it was found that rates had declined sharply since the introduction of a competing system.⁵⁴ In Chicago an independent telephone equipment manufacturer was visited, and the committee came back favourably impressed with the newest developments, especially the new automatic system which reduced the necessity for operators.⁵⁵ In Winnipeg Bell was given a token chance to defend itself. The General Manager pointed out that there were fifty telephone companies in Canada to compete with Bell, and earnings on Bell's invested capital in Manitoba brought between 4.5 and 7.7% returns.⁵⁶ There was no suspense as to what the final conclusions would be. The committee recommended that since rates were high, telephones should be operated by the government - municipal control in the towns, and provincial operation of interconnecting long distance lines - and because one system would obviously be cheaper than two, the legislature was to petition Parliament for the power to expropriate the Bell system in Manitoba.⁵⁷ On February 28, a bill to this effect was introduced

⁵²Tribune, January 26, 1906, p. 5. The population necessary to receive a city charter was 10,000; town charter, 1,500; village charter, 500 within an area of 640 acres. In Manitoba in 1904 there were the two city municipalities of Brandon and Winnipeg, twenty town and village municipalities, and eighty-seven rural municipalities. (A.C. Ewart, op. cit., p. 8 (138).)

⁵³Tribune, February 6, 1906, p. 1.

⁵⁴Ibid., February 12, 1906, p. 1.

⁵⁵Ibid., February 17, 1906, p. 1.

⁵⁶P.A.M., Manitoba Debates (Free Press), 1906, pp. 48-49.

⁵⁷Ibid., pp. 67-68.

and shortly thereafter carried.⁵⁸

The resolution to petition the federal government to delegate the power of expropriation was politically a wise move on the part of Roblin. It forced Ottawa to show its true position and brought the issue into the provincial rights stage. The Liberals argued that such powers did not lie with the provinces, and consequently could not be granted by Ottawa. W.J. Roche, federal MP for Marquette, introduced a bill in Parliament, but too late for consideration in that session. The measure was referred to the law officers, and Roche asked Laurier for their opinion. Laurier equivocated, however, saying, "My hon. friend the Minister of Justice (Mr. Aylesworth) is not sure whether there is yet a report on this point."⁵⁹ Borden responded by attacking Laurier.

It is true that the bill of the hon. member for Marquette is too far down to permit it to be reached this session, but he has another opportunity to accomplish the same purpose, not for the province of Manitoba alone, but for all the provinces. There seems to be no good reason why we should not have the opinion of the law officers of the Crown. The point has been raised, not by him, but by the government and the government, having raised that point, ought in all fairness, if not in all courtesy, to be prepared to state to the House what its opinion is as to the validity of the proposed legislation.⁶⁰

No decision, however, was ever given, and the issue was carried over into the 1907 session. W.F. Maclean of Toronto then picked up the questioning. "Is it the intention of the government to give the provincial authorities power to expropriate the plant within their limits of any private-owned telephone companies incorporated under

⁵⁸ P.A.M., Manitoba Debates (Free Press), February 28, 1906, p. 66.

⁵⁹ Canada: D.H.C., June 27, 1906, p. 6247.

⁶⁰ Ibid., p. 6248.

federal law?"⁶¹ Laurier again took refuge in ambiguity. "It is not in the power of the government to confer upon the provincial authorities any more power than the latter have already under the British North America Act."⁶²

The 1907 session was anti-climactic. The inaction of 1906 had given a good indication of Laurier's position, and if there had ever been any doubt, it was dispelled when Parliament favourably amended the Bell charter. In May Bell petitioned Parliament for an increase in authorized capital from ten to fifty million dollars. The Telegram solidly opposed Laurier's acquiescence and intimated that his compliance with Bell's request made him an accessory to the company's "conflicts with municipal and provincial authority."⁶³

Not only was Laurier refusing to rule on provincial rights, he was also throwing the onus for action back on the province which further strengthened Roblin's position. The Telegram criticized the Liberals for their scheme of a national system.

The Free Press knows that the chances of the Dominion Parliament, as presently constituted, nationalizing the telephone service are just about as remote as an annexation with the United States. The recent telephone inquiry at Ottawa brought out the fact that there are too many senators and members interested in the welfare of the Bell Telephone Company to justify the hope that any effective legislation will ever be placed upon the statute books of the Dominion.⁶⁴

Public opinion in favour of government telephones was strong in Manitoba, and those who in theory supported a federal system were

⁶¹Canada: D.H.C., February 18, 1907, p. 3180.

⁶²Ibid.

⁶³Telegram, May 15, 1906, p. 6.

⁶⁴Ibid., October 1, 1906, p. 6.

forced back on the provincial government. Perhaps the most influential of these independents was Alderman J.G. Harvey of Dauphin, a member of the Telephone Committee of the Municipal Union. He issued the pamphlet, "Public Utilities in Canada", in which he proposed:

We will do this - build our own provincial systems and demand power to expropriate private owned systems at a fair valuation - with the hope that the National Parliament will eventually buy out the provincial systems and any existing private systems at a fair valuation and finally give us our great national Telephone System.⁶⁵

With support growing for a provincial system, it became necessary for the Conservatives to channel it into backing for the proposed provincial system which would stand or fall in a referendum to take place in December, 1906. A precedent had been set in 1899 when the expiring Greenway government had granted the power to incorporated towns of 1000 or more to build or purchase electric light and telephone systems on a three-fifths vote by property owners.⁶⁶ The referendum was scheduled to coincide with the municipal elections, and the regulations regarding municipal franchises were observed - only ratepayers were qualified to vote. Furthermore, the same three-fifths majority for all municipal money by-laws remained in force. The terms of the referendum were essentially meaningless. The question was, would the municipality own and operate its own telephones. A negative response meant that the municipality would continue to disregard the rights granted by Greenway. An affirmative answer merely meant that the municipal council would, at its discretion, take steps at some time in the future to set up a system fitting in with the provincial

⁶⁵Harvey, op. cit., section VI.

⁶⁶Neepawa Press, November 20, 1906, p. 2.

long distance lines in some manner.⁶⁷ Although the referendum was widely considered to be a test of Roblin's policy, it was in reality no more than a polling of municipalities to determine which would act under the previous Greenway legislation. For Roblin, the referendum was no more than a political manoeuvre; it had relieved him of his obligations to impose prohibition, and now it was to be used to manufacture support for his telephones. In no case would Roblin have sanctioned a truly popular referendum.

Francis Dagger, the telephone engineer from Toronto who had testified before Mulock's inquiry, was hired by the province to speak in favour of the provincial system. Other authorities came to Manitoba to speak for the Conservatives. At Brandon Dagger billed himself as non-partisan and spoke in favour of the provincial scheme. J.B. Ware of Grand Rapids, Michigan described the independent systems of his state and declared Bell's long distance rates were higher in Manitoba. Ex-Mayor Joshua Dyke of Fort William went into the advantages of the public telephone system in his city. Other speakers included N.F. Wing of Grass Lake, Michigan, a promoter of rural telephones; Dr. J.F. Demers of Lévis, Quebec, who spoke in the French Communities; C.B. Cheadle of the Illinois Independent Telephone Association; and J.H. Shoemaker of Waterloo, Iowa.⁶⁸

Dagger and the others toured the province just before the referendum speaking at many centers in favour of provincial telephones. The success of this campaign, however, was debatable. At Brandon the turn-out was so small that the meeting was moved from the Opera House

⁶⁷Free Press, September 29, 1906, p. 6.

⁶⁸C.A.R., 1906, p. 439.

to the Council Chambers.⁶⁹ The Free Press reported:

The lethargy of the people of Winnipeg in the matter of the telephone plebiscite to be voted on one week from to-day was evidenced in a striking manner last night when the first of the meetings called by the telephone experts who have been engaged by the local government to propound and defend their scheme had to be called off because there was no audience to listen to the orators.⁷⁰

It would perhaps be unfair to say that Roblin manufactured a telephone issue among the farmers, but in truth he was instrumental in bringing the farmers' grievances to their attention. In the West there was some agitation among the farmers immediately adjacent to the towns for telephone service. As early as 1904 the Toronto World reported on the Western rural movement. C.W. Peterson of Calgary stated:

The telephone I believe is the most useful of the many devices for rendering farming easy and more profitable. In the past few years I have called many meetings of farmers to discuss the subject of co-operation in this direction, but in every instance we have been blocked by the Bell people.⁷¹

The Nor'West Farmer was also well aware of the benefits of the telephone service to rural areas.

The possibilities of the telephone in marketing all kinds of farm produce, calling a doctor or veterinary surgeon, getting information from the railroad, express, and telegraph offices, in one's social and business relations with his neighbours, is something that can hardly be estimated in dollars and cents.⁷²

Yet there was no tone of absolute necessity or demand in the magazine's editorials. Commenting on the Telephone Commission in Ottawa, it observed that "if a system can be evolved and carried out that will

⁶⁹ Brandon Sun, November 1, 1906, p. 1.

⁷⁰ Free Press, December 4, 1906, p. 4.

⁷¹ C.A.R., 1904, p. 63.

⁷² Nor'West Farmer, March 6, 1905, p. 235.

place the telephone within the reach of all, the farmers of the country will be very greatly benefited thereby."⁷³ Testifying before the telephone committee of the legislature the General Manager of Bell had said that demand by farmers for telephones had only arisen in the previous two or three years, and that Bell was doing everything possible to expand their system to include the rural areas.⁷⁴

Roblin knew that the survival of his government depended not only upon the good wishes of the municipalities, but of the rural voters also. Demands were beginning to grow from this segment of the population. The Manitoba Grain Growers' Association had been organized at Brandon in 1903,⁷⁵ and their demands were rapidly gaining support. In 1906 the Grain Growers' convention declared for an investigation of the grain and beef trades. And as the Portage la Prairie Weekly Manitoba Liberal remarked, "Who ever heard of the present government taking any steps towards securing a square deal for the farmers of Manitoba as against these combines."⁷⁶

Roblin's tactics were simple. He merely began to sympathize with the farmers' feelings of oppression in general, and specifically referred to the tyranny of Bell, saying nothing of the grain trade. Francis Dagger attacked Bell for not being more prompt in extending service to the farmers. "A company which has taken twenty-five years to discover that farmers require a telephone service in an agricultural country such as Manitoba is, has surely little ground upon which to

⁷³ Nor'West Farmer, March 20, 1905, p. 485.

⁷⁴ P.A.M., Manitoba Debates (Free Press), 1906, p. 48.

⁷⁵ Harald S. Patton, Grain Growers' Cooperation in Western Canada (Cambridge: Harvard University Press, 1928), p. 37.

⁷⁶ Portage Weekly Manitoba Liberal, April 5, 1906, p. 2.

base the assertion that it is a pioneer and has shared the responsibility of 'old timers'."⁷⁷ At the same time Alph Hoover of Ontario was touring the province telling the farmers how his area had beat Bell.⁷⁸

More effective and to the point were the government's efforts to win the support of the Municipal Union. Roblin spared no energy in winning over the members at the November convention. Various outside speakers such as Joshua Dyke of Fort William and C.B. Cheadle of the Illinois Independent Telephone Association spoke in favour of the provincial proposal. Roblin's Executive Council was also represented by Colin Campbell, Attorney General, and James Howden, Minister of Railways.⁷⁹ Mayor Fleming of Brandon attacked the government telephone policy, saying that Edward Brown, leader of the Liberal party, had a good telephone policy which he would announce later. Mayor Sharpe of Winnipeg responded by declaring that the public interest demanded that politics be left out of the argument, and Reeve Forke of Pipestone called for unity. "I have never been a supporter of the present administration, but I believe they have made an honest attempt to give us municipal ownership of telephones. I appeal to the Liberals present to lay aside their party feelings and similarly to the Conservatives."⁸⁰ The deciding factor at the convention was probably

⁷⁷Voice, October 12, 1906, p. 4.

⁷⁸Telegram, December 3, 1906, p. 10.

⁷⁹Ibid., November 8, 1906, pp. 6&7.

⁸⁰Ibid., pp. 1 & 7. Robert Forke was in the midst of his career in municipal politics. He served as Reeve of Pipestone from 1892 until 1915 and was to become president of the Municipal Union. (Pioneers and Prominent People, op. cit., p. 101.) Pipestone had been active in the telephone agitation. When the local board of trade was organized in 1906, Forke was elected Vice President. The first meeting was devoted exclusively to the telephone problem. (Commercial, April 21,

the findings of the telephone committee as reported by Alderman Harvey of Dauphin. He reaffirmed his belief in public ownership for the municipalities and briefly criticized some of Roblin's proposals, suggesting a committee to confer with the government. But he finally, and hesitantly, recommended a yes vote in the referendum. Harvey explained that he had been in doubt as to recommending the yes vote, but Howden had gone over the details with him, and he trusted Howden. The union voted 80 to 36 in favour of the committee's findings, and the convention was over.⁸¹

Opposition to the telephone proposal was largely sporadic and reflected local conditions. Neepawa had had its own municipal telephone system since 1900 and the Press remarked that "The present system is one of graft."⁸²

Under our municipal system there has been waste in construction and extravagance in maintenance and operation such as private enterprise would not permit. The main reason for this is that men elected to office are not so careful of public funds as of their own money....

If then, a municipality cannot install a telephone system as economically as a company and cannot operate it profitably at the same rates, why should the ratepayers engage in the enterprise?⁸³

In Portage opposition was based on financial grounds. The provincial government had offered to back the credit of those municipalities which chose to operate a municipal system. The Weekly Manitoba

1906, p. 30.) Forke's telephone stand was an indication of his reformist attitudes, and in 1921 he was elected as federal MP for Brandon. The next year he succeeded Crerar as leader of the Progressive Party. (Morton, The Progressive Party in Canada, pp. 164-165.)

⁸¹Portage Weekly Manitoba Liberal, November 15, 1906, p. 6.

⁸²Neepawa Press, January 26, 1906, p. 2.

⁸³Ibid., February 6, 1906, p. 2.

Liberal commented:

(This) is very amusing in view of the fact that the credit of many of the municipalities is better than that of the government. For instance, the endorsement of the rural municipality of Portage la Prairie would be more valuable to the government than would the government's backing of the municipality's credit.⁸⁴

This pride in Portage's credit rating stemmed from the frugality of the city fathers. No expenditure would be sanctioned unless it was absolutely necessary, and one clause in Roblin's legislation made this expenditure unnecessary. Exchanges in the three larger cities of Manitoba were essential to an integrated provincial system. If the three cities rejected municipal ownership, the province would build them on the request of the councils. At the Municipal Union meeting Howden had been asked what would happen if the city councils refused. He replied, "That's easy. We would simply amend the act and build the systems."⁸⁵ In view of this Portage saw no reason to risk its own credit rating on a system that the province would build if the city refused.

The referendum endorsed Roblin's telephone policy; the majority of the municipalities voted in favour of municipal ownership. However, in the three towns served by the Neepawa Press the issue was defeated 559 to 251,⁸⁶ and in Portage the measure lost 343 to 284.⁸⁷ Very few provincial papers had offered any adverse criticism; the notable exceptions were the Neepawa Press, Portage Weekly Manitoba Liberal, Morden Chronicle, and Carman Leader. In all these areas the measure

⁸⁴Portage Weekly Manitoba Liberal, October 4, 1906, p. 8.

⁸⁵Portage Graphic, quoted by Brandon Sun, December 6, 1906, p. 4.

⁸⁶Neepawa Press, December 21, 1906, p. 1.

⁸⁷Portage Weekly Manitoba Liberal, December 20, 1906, p. 1.

was defeated.⁸⁸ Roblin lost a few other areas of the province also, but the Voice was quick to point out that only those qualified to vote on money by-laws in municipal elections were allowed to vote, and further, more than a simple majority was needed for the measure to pass.⁸⁹ In sum, Roblin held a considerably large majority in the province.

At the January opening of the 1907 session of the legislature the Lieutenant-Governor in the speech from the Throne announced that:

The recent vote taken on the principle of a public owned system of telephones has been accepted as a declaration of approval, and my government has already taken the necessary steps to construct at least a thousand miles of long distance lines for the coming summer, which is a guarantee of greatly reduced rates for that very important service.⁹⁰

To ensure the competitive position of the new provincial system, the tax on Bell Telephone was increased to 25% of earnings in spite of protests that neighbouring states charged only 5%.⁹¹ With the Conservatives popularly identified with the public telephone issue, Roblin decided to call an election.

Conservative strength had not suffered any from Liberal weaknesses. Thomas Greenway had resigned as leader in 1904, and there followed a period of chaos in which the party degenerated into a mere collection of factions.⁹² Only by the end of 1905 were the Liberals beginning to regroup themselves, and Mayor Edward Brown of Portage came to the fore. The embarrassment brought by Laurier's opposition to the public

⁸⁸ Neepawa Press, December 21, 1906, p. 2.

⁸⁹ Voice, December 21, 1906, p. 6.

⁹⁰ P.A.M., Manitoba Debates (Free Press), January 3, 1907, p. 1.

⁹¹ Ibid., January 30, 1907, p. 57.

⁹² James A Jackson, The Centennial History of Manitoba (Toronto: McClelland and Stewart, 1970), p. 172.

telephones movement made some independence of Ottawa necessary. The Tribune applauded the Liberals' choice of Brown as "someone far removed from the Greenway-Sifton influence."⁹³ Brown's most important task was reunifying the party. Not satisfied with the uncoordinated opposition to Roblin, he sent out a circular to Liberal newspapers listing the leading issues which could be exploited.⁹⁴ As for constructive proposals, Brown was slow. He boasted of having a good platform, but he refused to tell anyone what it was.

As a result, the Conservatives attempted to identify the Liberals with the telephone interests. The Liberal party opposed Roblin's telephone scheme, but as the Portage Weekly Manitoba Liberal commented: "The opposition and the leader of the Liberal party is on record in advocacy of the principle of public ownership. ... In so far as the telephone question is concerned, however, public ownership and the Roblin government scheme are two very different propositions."⁹⁵ The Conservatives tied this opposition to Brown's personal interests. The Independent Telephone Company had been refused a charter by the Manitoba legislature, but in July, 1905 it received one from the Dominion government. Brown, as mayor of Portage, had made the mistake of lending his name to the petition, and when he moved at the Municipal Union convention that no more charters be issued to privately owned utilities, he opened himself up to charges that this would profit him personally. At Selkirk, Brown, on the defensive, replied that "as long as I occupy the position I do there will be no alliance, agreement,

⁹³Tribune, October 16, 1905, p. 1.

⁹⁴Telegram, October 8, 1906, p. 6.

⁹⁵Portage Weekly Manitoba Liberal, April 26, 1906, p. 9.

or understanding between the Liberal party and the Bell Telephone Co., or any other corporation."⁹⁶ The Telegram countered:

The exposures make it all clear. Mr. Brown no doubt is using his influence to prevent the request of the legislature for power to expropriate telephone systems. His own charter would go with the rest and with it the power to compel those who use a 'phone of the Brown company to pay tribute to Edward Brown, the leader of the Liberal party in Manitoba.⁹⁷

In ~~January~~, 1907 after the telephone referendum, Brown finally announced the Liberal platform. He justified his delay by saying that if he had made a stand before then, party politics would have been introduced into the municipal elections - a development he wished to avoid. Furthermore, the result would have been that the province would have defeated Roblin's proposals completely. "While this would have suited the Liberal policy from a party point of view, we had higher interests in mind. It would have done the province harm had it gone forth to the world that Manitoba had rejected public ownership principles."⁹⁸ More than likely, Brown was more concerned that the Liberal party would acquire a reputation of being anti-public ownership. Clearly the public was already beginning to think this. In order to bring the Liberal party back into public favour, Brown's platform, when it was finally announced, contained more extensive applications of public ownership than Roblin's policy, and further played on the Conservatives' sectional weaknesses - the farming elements. In an interview with a reporter from the Portage Graphic Brown announced that if the Liberals were returned to power, his government

⁹⁶ Portage Weekly Manitoba Liberal, May 24, 1906, p. 2.

⁹⁷ Telegram, May 24, 1906, p. 6.

⁹⁸ Portage Weekly Manitoba Liberal, January 3, 1907, p. 2.

would immediately set up a number of government-owned grain elevators and investigate the possibility of taking over all elevators in the province.⁹⁹ The Liberals were thus attempting to go Roblin one better in their public ownership platform in the race to win the support of the electorate in the approaching election.

The provincial election of March, 1907 was ostensibly fought on the issue of public ownership, but in many cases it was the strength of the Conservative party machine which determined the outcome. In Winnipeg the Conservative party was so well entrenched that the successful Conservative candidate in North Winnipeg ran on the Uninspired platform of "Larger Boundaries for a Larger Manitoba",¹⁰⁰ while his Liberal opponent campaigned for the public ownership of all public utilities such as railways, telephones, street cars, water works, water power, and electric and gas lighting.¹⁰²

While the immigrants of North Winnipeg were easily manipulated, other groups were not. The Orangemen were a constantly recurring threat. Roblin had supported separate schools in the 1890's and the Conservative party had been reunified at the turn of the century only by his temporary resignation as leader.¹⁰² The Orangemen again exerted pressure in 1906. The Western Banner intimated a dislike of public ownership in an article entitled "The Meaning of Public Ownership; A Radical View of a Radical Policy, as Expressed by a Well-Known Radical".¹⁰³ Six months later Roblin brought down an innocuous bill

⁹⁹Portage Weekly Manitoba Liberal, January 17, 1907, p. 3.

¹⁰⁰Voice, February 22, 1907, p. 4.

¹⁰¹Ibid., p. 7.

¹⁰²Ross, op. cit., p. 71.

¹⁰³Western Banner, April 15, 1906, p. 1.

to have the Union Jack flown over every school in the province, and the Western Banner praised Roblin for his "Loyal Sentiment":

The Roblin government may have faults - no person or government is perfect - but this last work which is announced as its policy overshadows with virtue the minor vices which some people claim to observe, and Orangemen must and will ever regard this new feature of their policy with pure pleasure and gratitude.¹⁰⁴

Of the five Winnipeg seats (including St. Boniface) only Winnipeg West was lost, and this was due to the introduction of a third party Socialist candidate in opposition to ex-mayor Sharpe, thus throwing the constituency to the Liberals.¹⁰⁵

In the farming areas, however, Roblin was experiencing increased resistance. The problem caused by the expelling of the Grain Growers Grain Company from the Grain Exchange had not yet been settled. The Liberal organ in Brandon said that:

Roblin's action in delivering the Grain Growers into the hands of the Grain Combine should be resented at the polls on March 7th by all fair minded electors, whether they reside in town or country. The farmers are the backbone of this country, and they produce nine-tenths of the wealth that is divided among the whole people, and they are more entitled than any other section of the people to fair consideration and honest treatment.¹⁰⁶

However, Roblin was able to maintain some semblance of strength in the rural areas. President McCuaig of the Manitoba Grain Growers, although theoretically endorsing opposition to Roblin, was personally a Conservative. When questioned about Brown's platform, he responded, "This is a sweeping declaration.... I certainly think it is an excellent move and now if the other party will only go as far as the

¹⁰⁴Western Banner, October 1, 1906, p. 1.

¹⁰⁵Voice, February 15, 1907, p. 6.

¹⁰⁶Brandon Sun, February 28, 1907, p. 4.

Liberals have, it will be all right."¹⁰⁷ McCuaig was unwilling to change his party allegiance to achieve his goals. The Weekly Manitoba Liberal condemned this attitude,¹⁰⁸ but on the whole, party fidelity preserved the balance of power in favour of Roblin.

On the other hand, the Liberal campaign had not been completely ineffectual. Liberal strength increased in the legislature. Out of forty seats, they had increased from nine in 1903 to fifteen in 1907. With the exception of the newly constituted Winnipeg West where a three cornered contest had been fought, the decline in Conservative strength was entirely rural - a consequence which was later to bring a change in emphasis in the Conservative appeal to the electorate.

With a renewed mandate, Roblin set out to organize his new telephone system. The province was to operate the exchanges in all three of the major centers in Manitoba. Portage had forced it on the province. J.H. Howden, now Minister of Telegraphs and Telephones, was requested by the Brandon city council to see that the government built the Brandon exchange.¹⁰⁹ In Winnipeg the banking crisis of 1907 brought the city government to the point where it could not even make up its mind about proceeding with its new municipal power station,¹¹⁰ let alone a telephone system.

If the Liberals did not give their full support to the provincial system, they at least had nothing good to say about Bell. Outside of Winnipeg service in Manitoba was in poor shape. C.B. Handcock, a

¹⁰⁷ Portage Weekly Manitoba Liberal, February 28, 1907, p. 1.

¹⁰⁸ Ibid., March 7, 1907, p. 5.

¹⁰⁹ Brandon Sun, April 18, 1907, p. 9.

¹¹⁰ Voice, November 8, 1907, p. 6.

Winnipeg employee of Bell, wrote of his arrival in 1902:

Other than the gang in Winnipeg and one repairman who covered the division which in territory extended across what now comprises the three prairie provinces, there was not a man except the agents at various points. The agents looked after troubles as far as they could and called Winnipeg when necessary.¹¹¹

The Brandon Sun printed a caustic denunciation of Bell.

Complaints are daily increasing regarding the telephone service in Brandon, which is probably the worst in any city of this size on the continent....

"To say the service is bad," said a well known citizen in telling of his troubles, "does not do it justice. It's putrid."

"Taking people's money for such a service is a crime," said a businessman, and he continued, "The Bell Telephone Company, I believe, has a franchise here, in return for which it undertakes to give a service. For the miserable service it provides, the company is not entitled to space in this city for a single pole. The Council should certainly take some steps to force the Bell Co. to give the people a service for the high rates extracted from them."¹¹²

Portage was also dissatisfied. The Board of Trade complained in May to the local management,¹¹³ but by October was sending its grievances directly to the head office in Montreal.¹¹⁴

This undoubtedly affected Bell policy. In March Roblin had written to President Sise informing him of the government's intention to build a competing system and inviting him to sell out. Sise refused Roblin's invitation, saying, "In the twenty-six years during which we have done business in the province, we are not aware of any well founded complaints against the service or the rates charged."¹¹⁵

¹¹¹ P.A.M., "Manitoba Telephone History", anonymous unpublished manuscript.

¹¹² Brandon Sun, February 7, 1907, p. 9.

¹¹³ Commercial, May 4, 1907, p. 28.

¹¹⁴ Portage Weekly Manitoba Liberal, October 17, 1907, p. 3. It is evident from the abundant footnotes in Government Telephones that Mavor's newspaper coverage was restricted to the three Winnipeg dailies. He is therefore in error when he writes, "Absolutely no objections were taken to the character of the service furnished by the Bell Telephone Company." (p. 18.)

¹¹⁵ P.A.M., Manitoba Debates (Free Press), 1908, p. 8.

Now the complaints had begun to come in. Faced with a competing system, increased taxation, and then growing disenchantment with the Bell system, Sise reversed his position, and in December, 1907, only a month after Robert Rogers, Minister of Public Works, visited Montreal,¹¹⁶ he offered to sell the Manitoba lines to the province. Sise went to Winnipeg shortly before Christmas, and by the end of the year Roblin had agreed to buy the Bell system for 3.4 million dollars in 4% bonds.¹¹⁷ Manitoba now controlled its telephones.

Liberal opposition was uninspired and only of nuisance value. The railway deal of 1901 with Mackenzie and Mann fostered the rumour that a new private company would be chartered in the upcoming session of the legislature and the Bell system turned over to it. Roblin, of course, denied the charge.¹¹⁸ In the House T.H. Johnson, Liberal member for West Winnipeg, asked Roblin why he was in such a hurry to close the deal before the opening of the session. He charged that Roblin had really bought the Bell system to protect the company's shareholders, as it was inevitable that the government system would put Bell out of business.¹¹⁹ Mayor Ashdown of Winnipeg, in Montreal at the time of the deal, stated, "I do not think there is any great pressure of public opinion behind the Manitoba government in the telephone purchase policy. The Bell Company had given Winnipeg a very good service."¹²⁰

¹¹⁶"Severe Blow to Government Ownership", Telephone Securities Weekly, February 22, 1908, p. 9.

¹¹⁷P.A.M., Manitoba Debates (Free Press), 1908, p. 8.

¹¹⁸Portage Weekly Manitoba Liberal, January 9, 1908, p. 6.

¹¹⁹P.A.M., Manitoba Debates (Free Press), January 8, 1908, p. 15.

¹²⁰Free Press, January 3, 1908, p. 7.

Roblin was justifiably proud of his achievement. "It is a venture along new lines. There is no government in Canada or upon this continent that has made so radical departure from the beaten path as we have done."¹²¹ Even the Free Press offered its cautious approval. "The purchase by the government of the Bell Telephone Company's system in the province is the first real fulfillment of the Government Ownership ideal; and the people of Manitoba are keenly intent upon how it is going to work out in actual operation."¹²² Roblin took no chances. Opposition to public ownership, especially in the Neepawa Press, had often centered on corruption in government and its extension to telephone operations. He told the legislature that the Manitoba Telephone System would be administered by a commission consisting of men skilled in telephone work and as free as possible of party influences. "We must have men in charge who have no interests to serve - who are subject to no influence other than such is of a telephone kind or character."¹²³ The Free Press believed that President Sise had discussed with Roblin the management of the new telephone system. The top three Bell executives in Manitoba were to compose the Telephone Commission, but the Liberal paper had to admit that they were the best qualified and least partisan available.¹²⁴

Financial opinion in the Dominion was mixed. The year 1907 had seen a slackening in economic development, and as a result, the Monetary Times wrote, "Suggested reforms" sprang up "with the rapidity of mushrooms," and "as a rule, they boast of as much substantial

¹²¹P.A.M., Manitoba Debates (Free Press), January 7, 1908, p. 12.

¹²²Free Press, January 4, 1908, p. 4.

¹²³P.A.M., Manitoba Debates (Free Press), January 7, 1908, p. 12.

¹²⁴Free Press, January 4, 1908, p. 12.

matter as do the fungii." It deprecated the fact that the principles of "Socialism ... have found their way into Parliament."¹²⁵ In contrast the Financial Post took a position of cautious, but resigned, approval. "The Manitoba Government is embarking upon a risky undertaking in undertaking to maintain and operate a telephone line." However, in paying a fair price to Bell, "it has shown a spirit of wisdom and equitableness."¹²⁶ Telephone Securities Weekly believed the operation could not possibly succeed. "The Government, saddled with an enormous over-expenditure, will find itself unable to afford the telephone using public any relief in the matter of rates or service."¹²⁷ The Telephone Age, a Toronto publication which billed itself as "devoted to the furtherance of the popular Telephone Movement in Canada," was primarily the organ of Francis Dagger, formerly Toronto's telephone engineer and then the Manitoba telephone expert. It echoed Dagger's criticisms of overpayment and became involved in a heated editorial fight with the Roblin government over Dagger's position.¹²⁸

Government Telephones now entered on a phase of development and consolidation in which the government's ability to operate it and not the principle of public ownership was the main political issue. The first year's results were, in many ways, unsatisfactory. Portage complained after six months that "in spite of these direct, emphatic promises and declarations" for lower rates and better service, "rates are higher and service is less efficient."¹²⁹ This came as no surprise

¹²⁵Monetary Times, September 18, 1908, p. 470.

¹²⁶Financial Post, January 4, 1908, p. 4.

¹²⁷Telephone Securities Weekly, February 22, 1908, p. 9.

¹²⁸Telephone Age, March, 1908, p. 1.

¹²⁹Portage Weekly Manitoba Liberal, July 16, 1908, p. 7.

to opponents of the government action, and even former supporters began to criticize the government. Francis Dagger, the telephone expert formerly employed by the province to gather support for public telephones, had written in the Tribune:

If the proposed transfer of the Bell plant becomes an actuality at the price named in the published reports I have no hesitation in saying that the government will find itself hard pressed to furnish a service at the present rates, and at the same time avoid incurring a deficit. I would ask the people of Manitoba a straight question: - "Are you willing to make the Bell Telephone company a present of a cool million dollars over and above the actual value of its plant for the privilege of allowing your government to furnish you with the same service at the same rate?"¹³⁰

What he considered an inflated price and its projected consequences caused Dagger to harden his opposition, and he later switched his favours from the independent Tribune to the Liberal Free Press. He wrote to Dafoe, "If I can give any assistance in exposing the telephone policy of the Roblin government, I shall be most pleased."¹³¹ The Neepawa Press, one of the most outspoken critics of the Roblin government's ability to administer even the simplest program, predicted that the high price paid by the Conservatives would create a situation identical to that of the overcapitalized large corporation - high rates to cover the interest and principal on the debt.¹³²

However, the Roblin government was not as incompetent at this stage as the Liberals would have liked to make it appear. It had found its original concept of provincial ownership of long distance lines and municipal ownership of local exchanges inefficient and had embarked on a program of consolidation. Local exchanges were bought where

¹³⁰Tribune, quoted in Weekly Manitoba Liberal, February 20, 1908, p. 5.

¹³¹Manitoba Telephone Records, Scrapbook; 1906-1909, Dagger to Dafoe, March 3, 1909.

¹³²Neepawa Press, January 17, 1908, p. 2.

they already existed and new lines constructed where municipalities had not yet acted. The terms of the much lauded referendum were thus quietly scrapped. By 1909 the Neepawa Press was accusing Roblin of "carrying out the policy of complete ownership of telephones as enunciated by the Liberal party three years ago."¹³³

At the opening of the legislative session in February, 1909 the Liberals attacked the government for not reducing rates, but in his budget speech, the Minister of Finance, Hugh Armstrong, created a favourable impression by explaining that the telephone system had been expanded, thus increasing the value of telephone service at the same cost; furthermore a surplus had been accumulated to apply to the debt.¹³⁴ The government whip, Robert F. Lyons, pointed out that when the government took over, a farmer could talk to 14,000 people; a year later the number had risen to 20,000.¹³⁵ A week later Robert Rogers, Minister of Public Works, announced a cut of from 20% to 50% in telephone rates.¹³⁶

By 1909 the Manitoba Government Telephone System was apparently firmly established, and it had become a success in the eyes of the general public. Attention had been attracted not only in Canada, but also in the United States. The government had not kept its intention to lower rates a close secret, and rumours spread quickly. November 14, 1908 the Minneapolis Journal reported that Manitoba Telephones would have a surplus of \$200,000. The next day the story was picked up by the Detroit News Tribune, and the following day it hit New York.¹³⁷

¹³³ Neepawa Press, June 11, 1909, p. 2.

¹³⁴ P.A.M., Manitoba Debates (Telegram), February 16, 1909.

¹³⁵ Ibid., February 19, 1909.

¹³⁶ Ibid., February 26, 1909.

¹³⁷ Mavor, op. cit., p. 48.

F.C. Patterson, Chairman of the Telephone Commission, wrote to a friend at A.T.&T. in Boston explaining the success.

In some respects Government Ownership has been assumed by the province of Manitoba under very favourable conditions, in that they have taken over a going concern, retaining all the old Bell employees. The appointment of a Commission enables the Government to keep away from Government or political influence in the purchase of supplies, the appointment of employees, and the demand for unprofitable service, features that have so far lived up to and strive to maintain.

The ability of the government to obtain money at 4% interest, its exemption from taxation, and no desire to make a profit out of the business, are reasons for making a general reduction of approximately 16% which went into effect April 1, 1909.¹³⁸

There was as yet no indication of the approaching financial collapse of the government's first venture into public ownership.

The movement for government telephones in Manitoba was only a part of a nation-wide agitation. While success in the East was restricted to scattered municipal ventures, in the West all three prairie provinces set up government telephone systems. After leaving Manitoba, Francis Dagger went on to Saskatchewan where he set up the provincial system. This system was modelled on Manitoba, with the provincial government owning only the long distance lines, in spite of agitation from the opposition to set up local rural systems.¹³⁹ In Alberta government telephones had been a plank in the Liberal platform in the 1905 provincial elections, and the plans were soon implemented. In 1907 Alberta also offered to buy out the Bell interests, but were offered a counter-proposition by which Bell would

¹³⁸ Manitoba Telephone Records, Scrapbook; 1906-1909, F.C. Patterson to Walter S. Allen, July 15, 1909.

¹³⁹ C.A.R., 1908, pp. 487-488.

become a stockholder in the Alberta provincial system; Alberta refused, and negotiations were stalemated.¹⁴⁰

Bell's experience in Manitoba, however, led it to announce in March, 1908 that it would sell the remainder of its system on the prairies.¹⁴¹ Alberta took immediate advantage of the offer, and after bargaining with Bell, agreed to pay \$675,000 for the Alberta system.¹⁴² Saskatchewan assumed control over Bell's lines the next year at a cost of \$347,000.¹⁴³ Although these other provinces acquired government-owned systems, their small size led to their eclipse by Manitoba in national and international attention, and Manitoba Government Telephones became the recognized pilot project for government ownership of telephones.

¹⁴⁰C.A.R., 1908, pp. 510-511.

¹⁴¹Portage Weekly Manitoba Liberal, March 5, 1908, p. 6.

¹⁴²C.A.R., 1908, p. 511.

¹⁴³Ibid., 1909, p. 535.

Chapter III Manitoba Government Elevators

The grain trade had been the major point of contention among the farmers for thirty years; the movement for government elevators was merely the last of the great clashes between the grain growers and business interests controlling the trade.

Weather conditions dictated a rapid crop movement between the September harvest and the December freeze at the Lake Head. This was complicated by the limited number of cars on the Canadian Pacific Railway and the existence of only a single line from Winnipeg to Fort William - Port Arthur. Accordingly, in 1880¹ the CPR, in order to reduce the seasonal demands on its rolling stock, offered free leases on railway property to companies erecting standard elevators of not less than 25,000 bushels capacity and equipped with steam or gasoline engines and cleaning machinery. As a further inducement the CPR agreed not to let cars be loaded through flat warehouses or direct from farmers' wagons, which were time-consuming processes in relation to the efficiency of elevators.² Thus, the first elevator monopoly arose; the farmers were no longer free to load their own cars, but were forced to go through the elevators.

It was conditions such as these which led to the rise of the Farmers' Alliance in the central states, and similar organization was undertaken by the Patrons of Industry in Manitoba. As early as 1890 farmers' elevators had been set up as joint stock companies, and in

¹A.H. Reginald Buller, Essays on Wheat (New York: Macmillan, 1919), p. 55.

²Harald S. Patton, Grain Growers' Cooperation in Western Canada (Cambridge: Harvard University Press, 1928), p. 14.

1892 the Patrons also began to set up elevators. In that year the Patrons also attempted to sell their grain in bulk directly to the millers, but the plan failed because farmers were unwilling to commit themselves to sell their wheat through the organization and too few farmers took advantage of the scheme.³ The Patrons were reluctant to enter politics because they felt the answer to the farmers' problems lay in self-help. Ontario members, however, who had had bad experiences with the failure of the grange movement in that province because of the same philosophy, saw the futility of this course of action, and gradually their views prevailed.⁴ Political involvement in 1896, however, effectively ended the widespread appeal of the movement.

Although the Patrons of Industry movement had died out by 1898, the popular agitation against corporate control which they had headed continued in force. A Royal Grain Commission was appointed by the House of Commons in 1899 to investigate the grain trade in the Northwest. The result of a series of twenty-two meetings between Edmonton and Fort William was the Manitoba Grain Act of 1900. To restore competition to the grain trade the railroads were compelled to provide standard loading platforms on application from ten farmers within a twenty-mile radius of the shipping point. For those beyond this radius a further ten applications would require the railroad to build a flat warehouse for their use. The farmer was to have free use of the loading platform and one day to fill his car, while the flat warehouse

³Brian R. McCutcheon, "The Patrons of Industry in Manitoba, 1890-1898" in Donald Swainson, ed., Historical Essays on the Prairie Provinces (Toronto: McClelland and Stewart, 1970), p. 154.

⁴Ibid., p. 151.

provided cheaper storage than that provided by the elevators.⁵ The elevator monopoly was thus broken.

However, in the years following the turn of the century the elevator companies reconstructed their monopolies in spite of the Manitoba Grain Act. The elevator operators had found that storage alone would not cover the costs of operating the line elevators at the shipping points throughout the province. It became necessary to supplement storage charges with speculative dealing in grain. In order to obtain the right to a railroad car, a farmer had to have a full car load to ship, or 1,000 bushels. Those who had less were forced to sell their grain to the elevator operator; wheat sold in this manner was termed street wheat, and the farmers were compelled to accept whatever the elevator operators chose to offer. This was usually significantly less than the Winnipeg price for track wheat, a full car load consigned to a grain dealer. In 1901 elevator operators banded together to form the Northwest Elevator Association - reorganized in 1903 as the Northwest Grain Dealers' Association - to cooperatively purchase elevator supplies. One of the primary purposes was to reduce telegraphic expenses, and a service was introduced quoting closing Winnipeg prices to subscribers. The indicated street price was not binding on members, but it tended to govern purchasing policies at the line elevators.⁶ The elimination of competitive bidding led to a general lowering in prices in street wheat.

Although structural changes in the grain trade tended to eliminate this evil, the elevator companies devised new policies to maintain

⁶Patton, op. cit., p. 31.

their hold on the trade. In 1899, 95% of the wheat marketed in Manitoba was street wheat. However, as farmers increased their acreages under cultivation, the size of individual crops increased until by 1909, 60% of the wheat shipped was track wheat which generally by-passed the elevators.⁷ This necessitated new measures on the part of the elevator interests.

When the elevator owners found they could not prevent the farmers from loading their own car lots, they began to handle track wheat on commission. Commission charges were set by the Grain Exchange at 1¢ per bushel, and a number of independent dealers were engaged in the grain trade, relying solely on this commission for their income. The elevator companies, which had elevator operators and representatives spread over the province who could double as purchasing agents, were obviously more suited to garnering trade than the independent commission men without benefit of storage facilities who had previously dealt in track wheat. In 1909 the commission dealers on the Grain Exchange attempted to have the by-laws changed to allow them country agents. But the elevator interests - some holding as many as eight seats on the Exchange where one or two would have sufficed - were so strong that not only was the commission dealers' proposal defeated, but the commission charge was discontinued for a year, thus cutting off the commission dealers from their source of revenue. The elevator operators could still make a profit on grain by funneling it through their elevators, but the commission men were effectively eliminated.⁸ The commission dealers considered setting up their own exchange, but the

⁷Grain Growers' Guide, August 7, 1909, p. 16.

⁸Ibid.

rules of the existing exchange prevented exporters from dealing on other exchanges, thus nullifying the attempt.⁹ The farmers found that they once again were forced to deal with the elevator interests in order to sell their grain.

The commission ruling of the Grain Exchange, although affecting all commission dealers, was aimed primarily at the newly formed farmers' marketing organization, the Grain Growers' Grain Company. The Grain Company had been formed in 1906 by E.A. Partridge and other members of the Grain Growers' Associations to market the farmers' grain for them and return a portion of the commission, thus ensuring a better return for the farmers' efforts. The Company was expelled by the Grain Exchange for its commission rebates, and the Grain Growers' Association went to the provincial government for redress. After various proposals by the Grain Growers' Grain Company to revise their practises were refused by the Exchange, Premier Roblin convened a provincial conference on the grain trade in 1907, promising to implement its decisions. When the Grain Growers insisted that the Exchange should be regulated by the government, the Exchange members withdrew from the conference, and the Grain Growers were free to shape favourable proposals which were given legislative approval in 1908. The Grain Exchange reorganized, and the Grain Growers were readmitted to their trading privileges.¹⁰ It was this failure to unseat the Grain Growers that precipitated the commission ruling of 1909.

Wherever the Grain Growers looked, they found their way blocked by the elevator interests. In 1902 the Manitoba legislature investigated

⁹Guide, August 14, 1909, p. 12.

¹⁰R.D. Colquette, The First Fifty Years (Winnipeg: Public Press, 1957), pp. 23-56, passim.

charges of a new grain combine, but John Love, President of the Northwest Grain Dealers' Association, insisted that there was a high degree of competition in the grain trade. There were 170 independent dealers, and track buyers brought the total to 250.¹¹ In the face of strong denials to the charges, nothing was done by the Conservative government.

Public ownership, of course, was not a new idea; the concept had received wide circulation among the Populists in the United States, and from there it spread to Canada. In 1902 the Political Reform Union of R.L. Richardson picked up the idea. Although the Union was set up by urban interests, the executive reported at the 1902 convention that forty new rural branches had been established that year.¹² However, the primary concern of the Union was temperance, and it did not adequately reflect agrarian discontents. One rural delegate objected to the view that prohibition was the main issue - direct legislation would solve that. The inequality of the farming community was the most important aspect. Trusts set prices and "the real profit goes into the pockets of lazy capitalists and politicians." He urged that farmers and labour unions stand together against capitalism.¹³ As a result of the attempt to broaden the base of the essentially one issue Union, a resolution was passed to placate the rural interests. The old Patrons of Industry policy of setting up farmer-owned elevators had been encountering some resistance under the new Roblin government, and the Political Reform Union passed a resolution that:

¹¹P.A.M., Manitoba Debates (Telegram), February 8, 1902, p. 75.

¹²Tribune, July 25, 1902, p. 1.

¹³Ibid., p. 6.

Whereas the local legislature, at its last session, refused to grant to a municipality power to erect grain elevators, therefore be it resolved that we condemn such refusal as a withholding from the farmer a means whereby he might relieve himself from the losses and abuses inflicted on him through the private ownership of the elevator service.¹⁴

However, the overwhelming emphasis on prohibition divided rural opinion and precluded the large rural membership which the Union could have enjoyed. As a result the movement never evolved into a major vehicle of agrarian discontent; that was left for the Grain Growers' organizations.

As with telephones, public ownership of grain elevators, after its first novelty, fell into a stage of dormancy. More than anything else, it was the revival of the concept of public ownership in relation to telephones that gave the movement for government elevators its initial impetus.

The Grain Growers movement entered Manitoba in 1903, but it was slow to adopt public ownership. In February, 1905 the Portage branch recommended that the elevator system should be taken over by the railroads, thus breaking the existing grain combine and making regulation possible under the Railroad Commission.¹⁵ In spite of the buildup in pressure for government telephones in 1906, the Nor'West Farmer, a widely respected farm journal, believed that the solution to the elevator problem was for the farmers to build their own elevators. It lamented the decline in this line of action. Where there had once been sixty farmers' elevators in the West, the number had declined to forty-two. "A few of the sales of farmers' elevators can be traced to mismanagement; but almost all the others have been due to a lack of support,

¹⁴Tribune, July 25, 1902, p. 6.

¹⁵Nor'West Farmer, February 6, 1905, p. 124.

born of short-sightedness."¹⁶ The elevator companies had dropped their rates, and the farmers had rushed to sell their grain at the temporarily lower storage charge, thus driving their own elevators out of business.

A meeting was called concurrent with the February, 1907 convention of the MGGGA to discuss the problems of operating farmers' elevators, but because of transportation problems, only about a dozen representatives were present. Discussions were postponed until summer when more farmers could reasonably be expected to attend the conference, which was scheduled for the week of the Winnipeg Exhibition.¹⁷

Legislation was secured requiring uniform storage charges by elevator companies in 1907, and the agitation gradually died. Some interest in farmers' elevators continued, however, for as late as January, 1908 a conference was held in Brandon to look into the possibility of organizing an association embracing all the farmers' elevators in Manitoba and Saskatchewan.¹⁸ Nevertheless, this movement was eclipsed in 1907 with the official adoption by the Manitoba Grain Growers' Association of publicly owned elevators.

The man primarily responsible for introducing the idea was E.A. Partridge, a Saskatchewan Grain Grower and President of the Grain Growers' Grain Company until 1907. Partridge and his brother took up a homestead near Sintaluta, Saskatchewan in 1883, and at least as early as 1894 he was an active member of the Patrons of Industry.¹⁹

¹⁶ Nor'West Farmer, February 5, 1906, p. 112.

¹⁷ Q.U.A., Crerar Papers, Circular letter to patrons of the Russel Farmers' Elevator Company, June 15, 1907.

¹⁸ Portage Weekly Manitoba Liberal, January 16, 1908, p. 1.

¹⁹ James Hamilton, "E.A. Partridge - Prairie Radical" (unpublished paper, Trent University, 1971), pp. 5 & 7.

Following the collapse of the Patrons, Partridge was occupied primarily by farming and part-time teaching, but the establishment of the Territorial Grain Growers' Association caught his attention, and in 1904 he presented his views on active economic participation to the convention.²⁰ In 1905 Partridge was sent to Winnipeg to investigate the grain trade. The conditions he witnessed led him to conclude that the farmers had to enter directly into the grain business.²¹ His proposal that a cooperative trading association be formed led to the establishment of the Grain Growers' Grain Company with Partridge as President.

With Partridge's appointment as President of the Grain Company, his ideas achieved a new legitimacy. When the company was expelled from the Grain Exchange in November, 1906, he demanded not only the amendment of the Grain Exchange charter, but also the public ownership and operation of country elevators.²² The ideal of cooperation which had led to the establishment of the Grain Company was limited in application. Partridge encouraged the setting up of farmers' elevators, but these were only temporary and local solutions to problems in the grain trade. A government system "would be more far-reaching and beneficial on account of the system being general, than can result from the establishment of farmers' elevators, which at best will only be possible at a few out of the many points where grain is shipped."²³ At the Manitoba Grain Growers' Association annual convention in January, 1907 he presented his views on public ownership, and

²⁰Hamilton, op. cit., pp. 12 & 14.

²¹Hopkins Moorhouse, Deep Furrows (Winnipeg: George J. McLeod, 1918), p. 81.

²²Patton, op. cit., pp. 53 & 81.

²³Q.U.A., Crerar Papers, Partridge to Crerar, March 1, 1907.

a resolution was accordingly passed calling for provincial ownership of line elevators and federal ownership of terminal elevators.

The "Partridge Plan", as it was known, might have gone unnoticed if Edward Brown, the Liberal leader, had not chanced upon it. The Conservatives had called an election to endorse their telephone policy, the concept of public ownership was obviously very popular, and the only hope the Liberals had was to go Roblin one better. Brown, in his attempt to apply this panacea to new issues, cast about and found the elevator problem. The Grain Growers had no sooner moved their resolution than the Liberals adopted it. In this manner the idea received wide circulation in the party press. Edward Brown announced in an interview with the Portage Weekly Manitoba Liberal:

As you are doubtless aware I am a strong advocate of government ownership, and the Liberal party in this province is definitely committed to the principle. We have declared emphatically in favour of complete government ownership of Telephones. Important, however, as this question is it fades in significance in my opinion when compared with the question of proper and adequate transportation facilities in so far as the grain trade is concerned.

A very serious situation exists in this province today not only owing to the lack of rolling stock and motive power possessed by the railways, but owing to the unfair terms meted out to the farmers by the elevator owners, which the lack of rolling stock has accentuated....

In so far as the elevator monopoly is concerned, in my judgement the time is fast approaching when in view of the importance of the grain trade and in order to insure that the farmer will get the full benefit of his industry it may become imperative that storage elevators in this province should be owned and operated by the government....

I am prepared to go this far, that is to say, if our party is returned to power, we will not only undertake to construct a government elevator at any point where it can be shown that injustice is being meted out to the farmers, but further that we will make the whole matter the subject of an inquiry with a view to establishing a system of government owned elevators throughout the province.²⁴

²⁴Portage Weekly Manitoba Liberal, January 17, 1907, p. 3.

Brown's platform was calculated to give the farmers a more important rallying point than Roblin's telephone stand, but the Liberal leader misjudged the farmers' inflexibility. The plank did not create the great rural swing to the Liberal party for which Brown had hoped.

Brown's adoption of a government elevators plank had no great visible effect on the provincial elections in March, 1907, but it did serve to increase discussion. In the face of the growing tendency of the public to resort to government ownership for the solution of all social iniquities, the Nor'West Farmer warned that demands for public ownership "are perhaps inspired more by zeal than by soundness of judgement."²⁵ However, the Nor'West Farmer, in order not to jeopardize unduly its position as an educative journal for all farmers, could not press its alternative proposition of setting up farmers' elevators for fear of alienating the Grain Growers.

In view of the Grain Growers' expulsion from the Grain Exchange, President McCuaig of the MGGGA wrote to Roblin at the end of January, 1907 proposing a conference to consider the interests of the grain producers, "including the question of government ownership of elevators in this province."²⁶ Roblin agreed, setting the date of the convention for June, and further pledging himself to give legislative validity to the decisions of the meeting. The Liberals charged Roblin with avoiding the issue at election time²⁷ - a charge which was probably true - but the Grain Growers accepted the timing.

Although the Grain Conference was called primarily to solve the

²⁵ Nor'West Farmer, June 5, 1907, p. 522.

²⁶ Free Press, June 6, 1907, p. 9.

²⁷ Brandon Sun, February 21, 1907, p. 1.

problem created by the exclusion of the Grain Company from the Exchange, Roblin could not have been unaware that other issues were to be discussed. Circulars were sent out, and Partridge arranged for space in the farming journal Farm Crops where the Grain Growers aired their views.²⁸ Considerable space was devoted to government elevators, and the Partridge Plan was fully explained in order to back up the government ownership clause in the resolutions passed by the MGGA annual convention.

In addition to the tendency of the larger operators to form a monopoly of the grain trade, there were functional problems which needed solving. Grading had long been a point of contention. Farmers claimed that elevator operators undergraded street wheat, a situation which they were forced to accept due to collusion between companies. Furthermore, the elevators were prone to mixing grades. Wheat grades could be manipulated in such a way that by adding inferior wheat to high grade wheat, the overall grade - and hence the value - could be raised, the profits, of course, going to the elevator company. Partridge claimed that a provincially operated system of elevators could provide separate binning facilities to the farmers, thus guaranteeing individual identities. The operator was to mail a sample to the chief grain inspector in Winnipeg for grading, and in addition the sample was to be offered to grain dealers for inspection so that it could be bought on its merits rather than by strict grade. The government elevators were also to be equipped with modern grain cleaning machinery. By cleaning his grain before shipment the farmers could improve the

²⁸ Colquette, op. cit., p. 71.

grade of their grain, reduce freight charges by removing dirt and weed seed, and take the screenings home to use as feed for stock. Scales were also to be provided; a certified government weight would prevent losses due to car leakage in transit to the terminals at the Lake Head. The railways were already responsible for leakage, but it was difficult for the farmers to prove the original weight.²⁹ A provincial elevator system seemed to be just the solution the farmers were looking for to solve all their problems.

The Grain Convention consisted of a reeve and one other representative from each municipality, two representatives of the Grain Exchange, two from the Northwest Grain Dealers' Association, two representatives of the millers' interests, two track buyers, two commission men, two exporters, two from the CPR, two from the Canadian Northern, and one each from the chartered banks of the province, in addition to the Grain Growers and members of the government.³⁰ However, the first day the Grain Exchange representatives and their allies walked out when the Grain Growers insisted on virtual government control of the Exchange. The Free Press reported that "the off-hand opinion of one of the delegates in the afternoon was that the conference was now over."³¹ But such was not the case; the next day the meeting reconvened amidst the conspicuous absence of almost all but grain growers and reeves. Mr. Peters of the CPR was the only railroad delegate. Furthermore, "no representative of the bankers and government seemed to be present," the Free Press reported. When government elevators came up for

²⁹ Farm Crops, June, 1907, pp. 13-14.

³⁰ Free Press, June 6, 1907, p. 9.

³¹ Ibid., p. 1.

discussion, there was no one present to oppose it. The CPR representative said that the railroads would welcome government interior elevators as terminals because it would take some pressure off the railroads at harvest time. The Boissevain delegate thought that the railroad should provide for grain storage as it did for other commodities, but since the railroads had declined to, the government should assume the responsibility. He therefore proposed:

Resolved, that this conference, for the reasons advanced in the clause on the government ownership of storage facilities in the circular issued by the Manitoba Grain Growers' association and appended hereto, the conference urgently requests the provincial government to acquire and operate a complete system of storage elevators throughout the province along the lines suggested in the clause referred to above....³²

The resolution carried, and the Roblin government was faced with an unexpected problem. Government elevators had hardly achieved the status of a popular movement, but Roblin's reckless promises had already given it a claim for his support. However, attention was focused mainly on the Grain Exchange, and Roblin's lack of comment went by comparatively unnoticed while he hastened to put legislative authority behind the Grain Exchange resolutions.

For the time being the Grain Growers devoted their efforts to building up their company and organization. In October Partridge harangued the farmers of the West through the columns of Farm Crops. All other labourers had their unions; the farmer must too. "I wish to remind you that there is a community and class life as well as an individual life to be maintained, and that consequently each man who would be a man in the fullest sense of the word has community and class

³²Free Press, June 7, 1907, p. 5.

duties to perform as well as private ones."³³ All farmers were exhorted to back the Grain Growers and their company to fulfill these duties. In order to perform their obligations effectively, farmers needed to become politically educated. Here Partridge again introduced the idea of government elevators and laid the groundwork for future agitation. The Grain Growers had to start by necessity at the provincial level; with only thirteen Dominion representatives they could not hope to induce the federal government to take over the elevator system, but at the provincial level the farmers were in the majority.³⁴ Thus, the primary emphasis of the Grain Growers was to be on provincial action.

The issue, however, was never considered during the 1907 or 1908 sessions of the legislature. The failure of the issue to attract support for the Liberals during the provincial election apparently led to a re-evaluation of the situation. If the Liberals could not attract farm support with this plank, they could at least be certain that the financial interests in Winnipeg would desert them if they pressed the issue. Government elevators lost more ground when its progenitor, Edward Brown, was replaced by T.C. Norris as Liberal leader in 1908. Brown had never had a seat in the legislature, and C.J. Mickle, who was the House leader until 1909, seems to have effectively squelched any discussion of the issue by Liberals. At the same time Roblin was too involved in setting up Manitoba Telephone to concern himself with another costly public ownership issue. Furthermore, the movement for government elevators, unlike the telephone issue, was

³³Farm Crops, October, 1907, p. 52.

³⁴Ibid., p. 53.

indigenous to the West, lacked the support of people of respected social and economic position, and was headed by radicals such as Partridge, whom Roblin would have considered no more than a demagogue. Thus, there was no tendency for either party to consider the matter.

The Grain Growers, nevertheless, did not lose the initiative. To increase the strength of their agitation the farm organizations of the three prairie provinces banded together to form the Interprovincial Council of Grain Growers' and Farmers' Organizations in 1907. The Saskatchewan Grain Growers' Association had passed resolutions for federal terminal and interior elevators in the 1907 annual meeting, and the Alberta Farmers' Association had also followed Partridge's lead. The Interprovincial Council urged the provincial executives to obtain declarations of policy from their respective premiers and served as a coordinating body. A more standardized version of the Partridge Plan, modelled on Manitoba's scheme for federal terminal and provincial line elevators, was endorsed by the provincial conventions in 1908.³⁵

Roblin responded to this concerted challenge by arranging for a similar meeting between the three prairie premiers at Regina in May, 1908. The premiers put forward two alternative plans for the consideration of the Grain Growers: 1) That the provinces should induce the railroads to build elevators incorporating the farmers' suggestions; 2) That the management of the elevators should be chosen by the farmers themselves and employed by the elevator owners. The second proposal, that of Roblin's, was rejected out of hand as being totally ridiculous. The first proposition, that of Premier Scott of Saskatchewan, invited

³⁵Patton, op. cit., p. 82.

more serious discussion. It was found to be unacceptable because even the Dominion could not persuade the railroads to build elevators, and, "Companies that force the farmer to supply most of the car doors could scarcely be relied on to supply storage."³⁶

Partridge had anticipated the railroad alternative and deemed it enough of a threat to merit his personal attention. He had issued a special circular charging that the railway scheme was a deliberate attempt by the "Interests" to side track public ownership.³⁷ "The people of the West emphatically do NOT want Railway ownership and operation. They just as emphatically DO want Government ownership and operation."³⁸ Partridge's circular undoubtedly played a major part in deciding the Interprovincial Council to reject the proposal. He just as dogmatically summed up the farmers' position, "When one asks for an apple and one is offered a turnip in its stead, the only reason one needs to give for declining the turnip is that one asked for an apple and did not want a turnip."³⁹ The Grain Growers, determined to reform the abuses of the grain trade, were in the hands of a myopic visionary who was unwilling to compromise the public ownership ideal for pragmatic solutions to a pressing problem. It should therefore have come as no surprise to the assembled premiers when the Interprovincial Council rejected their alternatives as being "totally inadequate to safeguard the interests of the farmers."⁴⁰

³⁶ Guide, June, 1908, p. 12.

³⁷ (E.A. Partridge) "Movement for Railway Ownership of Storage Facilities a Deliberate Attempt by the Interests to Side-track Government Ownership" (n.p., n.d.). The exact date of this circular is uncertain, but it was apparently published early in 1908, for Roderick McKenzie sent Borden a copy in February of that year.

³⁸ Ibid.

³⁹ Guide, June, 1908, p. 12/

⁴⁰ Ibid., p. 10.

The Grain Growers had early recognized the value of the printed word. Circulars had been privately printed and distributed, and in 1908 the campaign was stepped up. The pamphlet "Provincial Ownership and Operation of a System of Line Elevators" was put together and sent to prominent people throughout the West and certain select politicians at Ottawa.⁴¹ Partridge's articles in Farm Crops had a limited circulation at best, and the publication no doubt had a shady background, being a lineal descendent of the old Grain Dealers' Journal. In June, 1908 the first issue of the Grain Growers' Guide appeared, sponsored directly by the Grain Growers' Grain Company. The omnipresent Partridge, conveniently placed as editor, devoted the first issue to expanding his views, primarily those on public ownership. A "Public Ownership News" column appeared; editorial want ads were used as space fillers - "Men Wanted! To Work for Public Ownership of Telephones, Telegraphs, Elevators, Stock Yards, Abattoirs, and Railways."⁴² A special history of the Grain Growers' fight for government elevators received feature attention. Partridge resigned as editor of the Guide after the first issue, but he had set the example that the Grain Growers' organ was to follow. For the first time, a journal gave persistent support to the scheme of government elevators.

This was clearly one of the most important and strategic steps in the Grain Growers' campaign, for by no means were all the farmers united in support of government elevators. The Nor'West Farmer at the time of the Grain Conference in June, 1907 had offered a word of caution:

⁴¹P.A.C., Borden Papers, R. McKenzie to Borden, February 20, 1908.

⁴²Guide, June, 1908, p. 57.

Just now from all quarters we hear vigorous protests against telephone monopolies, grain combines, beef trusts, railway monopolies and all sorts of combinations, and remedies are being freely suggested, some of which are perhaps inspired more by zeal than by soundness of judgement.... Clearly the function of government is to govern, and there is no class that needs governing more than the large corporation. We certainly need and should persistently demand government control of all corporations or companies that threaten to or attempt to restrict trade in any way, but in our demands for government ownership, let us be careful lest our zeal outstrip our judgement.⁴³

The Nor'West Farmer, however, was more interested in scientific farming than politics, and such outbursts were rare. Comment among the farm journals was therefore restricted mainly to the Grain Growers' Guide.

The result of the interprovincial premiers' conference had been a stalemate. The three premiers then entered into direct talks with representatives of the Grain Growers at Regina in November, 1908. The meeting was heavily praised by the Guide as "an epoch in the political history of Canada", for never before had premiers talked directly with farmers.⁴⁴ But the only outcome of the meeting was a promise of a policy statement after consultation with the respective cabinets.

Public ownership was the panacea of the age, especially in western Canada, and the Grain Growers applied it to all problems. Partridge asked them to consider government ownership of natural resources such as coal deposits, timber limits, ore bodies, oil lands, and cement beds.⁴⁵ A resolution was introduced at the 1909 convention of the MGGGA calling for government ownership of flour and oatmeal mills.⁴⁶ It was little wonder that the Guide proclaimed, "The question that is agitating the producing class is not 'should we have government

⁴³Nor'West Farmer, June 5, 1907, p. 522.

⁴⁴Guide, December, 1908, p. 1.

⁴⁵Ibid., p. 50.

⁴⁶Ibid., February, 1909, p. 47.

elevators?' but, 'how are we going to persuade the government to provide elevators?'⁴⁷

The Guide had constantly held to the position that "the governments of the prairie provinces will provide elevators as soon as there is an expression of public opinion sufficiently strong enough to warrant them in incurring the expenditures necessary in providing the storage required."⁴⁸ The apparent weakening of the governments at the November meeting held out promises of constructive action, and the Grain Growers increased the momentum of their campaign. Petitions for government elevators were circulated, and the Guide reminded Grain Growers not to forget businessmen in the country towns.⁴⁹ A feeling of optimism dominated the January convention of the Manitoba Grain Growers. Even the usually caustic Partridge admitted that "we found the Government willing to give us the most rigorous system of inspection we could suggest."⁵⁰ It was only a matter of time until the government adopted the public ownership principle. When the old question of railway ownership again raised its head, Partridge emphatically countered, "So long ... as the railways are privately owned, the abuses incident to private ownership of railways should not be extended to elevators by putting them under the same management."⁵¹ When put to a vote, only seven delegates favoured railway ownership.⁵² Public ownership of grain elevators at the provincial level was virtually assured in the opinion of the Grain Growers, and they turned their attention to

⁴⁷Guide, October, 1908, p. 4.

⁴⁸Ibid., p. 4.

⁴⁹Ibid., January, 1909, p. 1.

⁵⁰Ibid., February, 1909, p. 21.

⁵¹Ibid., p. 40.

⁵²Nor'West Farmer, February 5, 1909, pp. 105-106.

federal terminal elevators.

At the same time Partridge was expanding the basis of support for government elevators. He had long been close to the Winnipeg labour movement, and he took the issue to the Trades and Labour Council for approval. A few labour delegates objected that there was no real information on the subject.⁵³ A.W. Puttee, a former labour M.P. and editor of the Voice, responded:

I am surprised at the admitted ignorance of members of this council, in a matter which has been agitating the people of this country for the past year. They should be ashamed to admit that they know nothing of the actions of 10,000 farmers who have raised one of the greatest agitations of the day, and that along the exact lines which the labour unions have been advocating.... I would remind the members of this council that the only hope they have of winning or holding their own in the fight against capital, is by working along with the farmers. Without them we would be helpless.⁵⁴

Following this harangue the motion of support passed unanimously.⁵⁵

The farmers had won new allies, a fortuitous move since Roblin had just rejected the principle of government elevators.

At the end of January, 1909 the three premiers presented their answer to the Interprovincial Council. They took the view that a government system could not be a success unless a monopoly were formed. To do this, "in addition to being extra-territorial in effect, would be dealing with some of the matters as to which the Parliament of Canada has exclusive jurisdiction."⁵⁶ Furthermore, the financial aspect of the problem was emphasized; the cost of acquiring the 1334 elevators on the prairies was estimated at between seven and ten million dollars.

⁵³Voice, February 5, 1909, p. 1.

⁵⁴Guide, February, 1909, p. 1.

⁵⁵Voice, February 5, 1909, p. 1.

⁵⁶P.A.S., Scott Papers, Roblin, Scott, and Rutherford to McKenzie, January 19, 1909, quoted in Kevin Burley, The Development of Canada's Staples, 1867-1939 (Toronto: McClelland and Stewart, 1971), p. 126.

The report pledged the premiers, however, to approach the federal government on the matter.⁵⁷

The Nor'West Farmer was inclined to agree with these arguments. It acknowledged that "it might be impractical to establish the new system in a portion of the elevators while still allowing other privately owned elevators to operate profitably as at present."⁵⁸ It added that there were too many elevators to operate profitably as a monopoly and that government operation might not be a universal cure since Government grading had not always been satisfactory. In short, "We must confess a very lukewarm enthusiasm, to put it mildly, over many of the arguments that have been used to influence public opinion in favour of provincial ownership of interior elevators."⁵⁹

The Grain Growers' Association, in contrast, was angry and frustrated, but undaunted. It retreated momentarily to reconsider its position, contenting itself with venomous attacks on members of the government. Nothing positive was offered, however, and appeals from readers of the Guide for forceful reasoning "instead of the haggling and ridicule of opponents and appeals to class hatred and sentiment,"⁶⁰ brought about a moderation in the editorial vindictiveness of the Guide while the Grain Growers planned the next phase of their campaign.

For the first time government elevators came up for discussion in the legislature. Of the thirteen Liberal members, only three were classified as farmers,⁶¹ but the session had hardly opened before John

⁵⁷ Burley, op. cit., p. 129.

⁵⁸ Nor'West Farmer, February 5, 1909, p. 108.

⁵⁹ Ibid.

⁶⁰ Guide, March, 1909, p. 35.

⁶¹ Free Press, January 2, 1908, p. 1.

Williams, one of these three, brought the matter up. He felt that if telephones could be taken over by the province, so could elevators.⁶² Not, however, until the end of the session did Roblin choose to speak on the issue. He reviewed the history of the agitation and passed his judgement. The principle involved more than the mere public ownership of a utility; it required "that the governments of the respective provinces engage in what may be termed ordinary commercial pursuits."⁶³ Nevertheless, he hastened to add that the people of the West,

are all in full sympathy with the grain growers of the country, and will co-operate in every way that is legitimate and constitutional to secure for them such redress or altered conditions as will more effectively aid them in the development of the great staple industry of this country.⁶⁴

But John Williams, the guardian of the Grain Growers' interests, was not satisfied. He accused Roblin of trying to shift the burden of responsibility to the federal government. He urged the government to act immediately. A monopoly was not necessary for the success of the system; select elevators in key areas to keep down rates would suffice.⁶⁵

By the summer of 1909 the Grain Growers had determined their course of action. They had submitted the report which rejected government elevators to their legal counsel, R.A. Bonnar, for consideration. He confirmed what the Grain Growers had suspected; the measure was merely intended as political side-stepping to avoid the issue. A successful government system did not require a monopoly; and furthermore, there was no legal difference between Manitoba's action with

⁶²P.A.M., Manitoba Debates (Telegram), February 11, 1909.

⁶³Ibid., March 6, 1909.

⁶⁴Ibid.

⁶⁵Ibid.

Bell and the proposed elevator legislation.⁶⁶ With their continuing agitation, the Grain Growers refined their proposal. In November, 1908 they had requested "that the system be operated by the Government direct, or through a commission."⁶⁷ They were now determined to accept nothing less than a commission.

The Government system must be supervised by an Independent Commission, the personnel of which should be acceptable to the Grain Growers. The Commissioners would determine the points where elevators would be required, determine the amount of storage at each point, supply it, appoint the operators, fix their salaries, discharge them for cause, make regulations and administer the system generally,

The representatives of the Grain Growers in preferring their requests to the Premiers, out of courtesy to them, did not emphasize their desire that the system should be operated under the supervision of an independent commission, intending to urge this so soon as the principle of government, or more properly speaking, public ownership was accepted. However, it is perhaps better to remove all misapprehension by making the declaration at the present time.⁶⁸

Whereas the Grain Growers had previously placed their faith in the strength of public opinion, they now began to threaten direct political action. If the Grain Growers' demands were not complied with,

the farmers in each province must not lose time in so organizing themselves as members of their respective parties that at the next election no one from the Premier to the humblest occupant of the opposition benches who has failed to respond to the wishes of his farmer constituents will be able to secure a nomination, let alone be elected.⁶⁹

A sense of urgency was added in August, 1909 when the Grain Exchange passed its commission ruling. "If ever the Government had a reason given to it for public ownership of elevators, the Grain Exchange has given it to them now."⁷⁰ In September the farmers began

⁶⁶ Guide, August 7, 1909, p. 12.

⁶⁷ C.A.R., 1908, p. 452.

⁶⁸ Guide, June, 1909, p. 32.

⁶⁹ Ibid., p. 33.

⁷⁰ Ibid., August 21, 1909, p. 15.

to organize for political action. Partridge entered directly into the fight, preying on the farmers' sense of class and social responsibility to ensure the return of sympathetic representatives.⁷¹

In Saskatchewan, however, the Grain Growers were not carried away by the frenzy for public ownership. It was apparently with some difficulty that Partridge managed to have the Saskatchewan Grain Growers accept the Guide as their official organ. As one of the directors wrote to Partridge, "I do not think it is part of the functions of this Association to advocate the principle of Government ownership of railways and public utilities, what and how our legislators shall be elected, cooperative trading etcetera. In short what is usually advocated under the name of socialism."⁷² The Saskatchewan Grain Growers' annual convention in early 1909 was more orderly and discussion more evenly balanced between the two sides of the elevator issue. The Nor'West Farmer sympathized editorially with the objective stance of the Saskatchewan Grain Growers. "The outcome of the Saskatchewan convention of grain growers was very much more satisfactory than was the case at Brandon, where almost everything, even to the banners on the walls, was calculated to swing popular opinion in the one direction."⁷³

The two great farmers' journals of the West were thus on opposing sides, and their sources of support were readily evident in their "letters to the editor". From Saskatchewan the Nor'West Farmer received such comments as, "I think that if half the breath that is being spent on this government scheme was used to show the farmer that the

⁷¹Guide, September 22, 1909, p. 11.

⁷²Q.U.A., Crerar Papers, A partial letter to Partridge, judging from the context, written by a director of the SGGGA, October 23, 1908.

⁷³Nor'West Farmer, March 5, 1909, p. 234.

remedy lies with himself, it would be far better for all concerned."⁷⁴

The Grain Growers' Guide relied on Manitoba readers to supply it with letters in support of government elevators. For all the noise the Guide made about representing all the Grain Growers of the West, it was clearly not a universal voice for Saskatchewan.

The executive of the Manitoba Grain Growers' Association met on October 22 and composed a circular to distribute among the members calling on them to support only candidates for the legislature who signed the following pledge:

I do hereby agree and pledge myself to support and use all my power and best endeavors to bring about such legislation as will insure to the people of the Province of Manitoba, at the earliest possible moment, an adequate, practicable and satisfactory system of Government owned and operated storage facilities for the handling of grain in Manitoba, including bonds for the purchase or construction necessary to carry out and make effective all such legislation, and I will at all times vote for, and personally and actively support such legislation, and do everything in my power to bring about and make effective all such legislation, and I do hereby further agree and pledge myself that if I am elected and I afterwards decide or come to the conclusion that I cannot fulfill this pledge, or if I fail in any way to support such legislation as is hereinbefore stated, and in the spirit here indicated, I will forthwith resign my seat in the said legislature.⁷⁵

The Nor'West Farmer took immediate exception to this pledge. It is indicative of the strength of the later movement for the recall, however, that the journal objected, not to the pledging of the candidate, but to the pledging of the elector.⁷⁶ Tying the voters to the elevator issue restricted their choice. "It is the God-given right of every elector to use his own individual judgement as to the relative impor-

⁷⁴Nor'West Farmer, April 5, 1909, p. 440.

⁷⁵Guide, October 27, 1909, p. 20.

⁷⁶Nor'West Farmer, December 6, 1909, p. 1280B.

tance of the various considerations according to which he shall elect his representative in parliament, and he is very foolish if he allows himself to be bound to a single issue only."⁷⁷ Nevertheless, the Manitoba Grain Growers maintained their political stand.

Two by-elections occurred in 1909 in Manitoba. J.H. Agnew, the Provincial Treasurer, died early in the year, and in the ensuing contest H.C. Simpson defeated the Liberal candidate Robert Forke. This election took place before the Grain Growers determined to enter politics, but when C.J. Mickle, Liberal House leader, retired to accept a judgeship, a by-election was scheduled for November. The Grain Growers were prepared with their own candidate.

G.J. Huntly Malcolm had been elected to the Board of Directors of the Manitoba Grain Growers' Association in January, 1908.⁷⁸ Rumours had been spreading for some time that C.J. Mickle would resign. At the Dominion Liberal convention held in Manitoba in 1908 it had been agreed that if Mickle retired, Malcolm would receive the Liberal nomination. At the local Liberal convention held in Birtle in May, 1909 another candidate - Doig - was chosen; however, he honoured the earlier pledge and stood down in favour of Malcolm. The Liberal leader Edward Brown was rather sceptical of the choice and wrote to Sifton, "However, I feel satisfied that should Mr. Malcolm be unsuccessful in the by-election we will be able to secure Mr. Doig for the general."⁷⁹ Grain Growers throughout the province stumped the constituency for Malcolm. Malcolm wrote President Crerar of the Grain Company asking

⁷⁷Nor'West Farmer, November 5, 1909, p. 1172B.

⁷⁸C.A.R., 1909, p. 494.

⁷⁹P.A.C., Sifton Papers, Edward Brown to Sifton, May 21, 1909.

him to come support him, but the other members of the Company thought it an "injurious thing" to do, and Crerar remained on the sidelines giving private support. He wrote to one acquaintance, "I certainly hope that Malcolm will be elected. He has done splendid work for the Association and his election will be a very broad hint not only to the Government but to the Grain Exchange that the temper of the people is such it would not be trifled with."⁸⁰ The Conservatives tried to counter this move with the nomination of T.W. Thompson, another Grain Grower, but the move was an obvious political tactic. Thompson had never taken an active interest in the Grain Growers movement, and had apparently only bought stock in the Grain Company the previous September when his nomination seemed assured. Crerar confirmed that he had never actually shipped any grain through the Grain Company.⁸¹ Malcolm made sure that the voters knew that the issue at stake in the election was government elevators, and Roblin was severely jolted when the contest went to Malcolm. The Conservatives had suffered their first defeat in a by-election since coming to power.⁸²

The Grain Growers in Manitoba had conducted an extremely clever publicity campaign, virtually stifling editorial opposition for a time. E.A. Partridge had been the first editor of the Guide, but due to other pressing duties in the Grain Growers movement and a farm accident in which a foot was amputated, he resigned after the first issue.⁸³ He was succeeded by Roderick McKenzie, whose stay was equally brief because of his responsibilities as Secretary of the MCGA. The

⁸⁰ Q.U.A., Crerar Papers, Crerar to Oliver Nichol, November 18, 1909.

⁸¹ Ibid., Crerar to H.P. Hamilton, November 18, 1909.

⁸² Guide, December 1, 1909, p. 12.

⁸³ Moorhouse, op. cit., p. 133.

editorship finally settled upon George F. Chipman, a sympathetic and capable legislative reporter for the Free Press.⁸⁴ As the Guide steadily increased its circulation with the aid of subsidization from the Grain Company,⁸⁵ the idea of government elevators came increasingly to the attention of the farmers. At the same time the members of the Grain Exchange chose to remain out of the public discussions. Very little, other than a few rather innocuous pamphlets by Frank Fowler, secretary of the Exchange, was offered to refute the Grain Growers. However, in the fall of 1909 a series of adverse articles began to appear as advertising in Winnipeg papers which were signed simply "Observer". Chipman traced the mysterious "Observer" and exposed him as a paid agent of the elevator interests.⁸⁶ It was reported that subscription cancellations were so numerous among the papers involved that they refused to print any more adverse "observations" as advertising.⁸⁷

In December the elevator issue was placed before the Saskatchewan legislature. Premier Scott apparently gave in to the movement. He wrote to a friend, "The agitation in the Province is producing an effect upon the Members of the Assembly most of whom insist now that some steps must be taken in the direction of meeting the demands of the Grain Growers."⁸⁸ The Saskatchewan developments took Roblin by surprise, and he hastily wrote to Scott to determine his intentions.

⁸⁴Moorhouse, op. cit., p. 163.

⁸⁵By 1913 the Guide had 6,803 subscribers in Manitoba with 26,006 others in the West. (Guide, January 15, 1913, p. 3.)

⁸⁶Guide, October 27, 1909, p. 22.

⁸⁷Moorhouse, op. cit., p. 167.

⁸⁸Scott Papers, Scott to Bryce, December 8, 1909, quoted by D. Spafford, "The Elevator Issue, the Organized Farmers And the Government, 1908-1911" Saskatchewan History (Vol. XV, No. 3), 1962, p. 82.

The Saskatchewan premier replied that he intended

to try to devise a plan to do what the Grain Growers want done in a way, if possible, to leave the Government free from the more obvious dangers inherent in a system directly operated by the Government. I am hopeful that we may not be driven into a system of direct Government ownership.⁸⁹

The next day the Saskatchewan legislature unanimously agreed to the establishment of an elevator commission to investigate the situation, and two days later, on December 16, 1909 Roblin made his decision.

G.R. Coldwell, Minister of Education, announced at the Manitoba Grain Growers' annual convention that the government had decided to institute a system of public elevators. "The Government of Manitoba accepts the principle laid down by the Grain Growers' Association of establishing a line of internal grain elevators as a public utility, owned by the public and operated for the public, and is prepared to cooperate with your association in carrying out that policy and working out a plan to that end."⁹⁰

Roblin's action caught Scott equally off guard. In the fall of 1909 the Manitoba Liberal association had reported to Scott the rumour that Roblin would adopt government elevators, but he had put little faith in the report.⁹¹ Following Roblin's declaration, Scott wrote:

I hardly know whether it was our action which forced Roblin's hand or whether we simply chanced by our own action at that particular time to scrape in ahead of Roblin by a nose. The more I think of it the more inclined I am to the opinion that Roblin has played the game with regard to this question with exceeding astuteness during the past two years for the purpose of saving it until election time in Manitoba.⁹²

⁸⁹P.A.S., Scott Papers, Scott to Roblin, December 13, 1909, quoted in Spafford, op. cit., p. 82.

⁹⁰Guide, December 22, 1909, p. 12.

⁹¹Spafford, op. cit., p. 83.

⁹²P.A.S., Scott Papers, Scott to Bulyea, December 20, 1909, quoted by Spafford, op. cit., p. 83.

In spite of Roblin's talent for quick decisions - especially as evidenced by the negotiations with Bell in which the agreement on price was reached in a matter of days - two days would probably have been too short a period to formulate an entirely new policy. Scott, who was closely acquainted with Roblin's views through the interprovincial conferences, was probably correct in his estimation. Even if Roblin had felt the need to fall into line with Scott, it had been made clear to him that the Saskatchewan premier was still hoping to fend off the public ownership movement; hence there would have been no need to immediately announce a policy of public ownership.

Opposition among the elevator owners was virtually non-existent. W.A. Black, western manager of Ogilvie Flour Mills, commented, "As far as the present proposal that the government should operate a line of elevators is concerned, we have no objection to offer whatever so long as conducted on a business basis."⁹³ S.P. Clarke, secretary of the Northern Elevator Company, said his firm would be willing to sell their elevators at their duplication price, but he added a word of warning:

If the government or the Grain Growers take over the elevators of the province it will not take them long to discover that the elevator business is not exactly a bed of roses. There are many avenues through which losses may be sustained. The expense involved in maintenance and operation is tremendous, and this department would need the closest supervision otherwise it would be a constant source of loss.⁹⁴

Friction was developing, but it was not over the question of setting up a system of government elevators. Rather it was with the Grain Growers themselves over the method of operating the system. Late in their campaign the Grain Growers had decided that they would

⁹³Commercial, January 15, 1910, p. 26.

⁹⁴Guide, January 12, 1910, p. 11.

settle for nothing less than operation by an independent commission. This brought up the question of government responsibility.

The Grain Growers had been invited by Coldwell at the convention to send a draft of their proposed legislation to the government. The proposal, submitted in January, 1909 provided for the government to finance only the buying or leasing of elevators. All elevator owners were to be invited to sell their elevators to the province at a fair valuation. Revenue would cover operations and long term debt of an estimated three million dollars. The operating commission would be independent of the government, and the members would be named by the Grain Growers' Association. The commission members were to have life terms, and a two-thirds majority of the legislature would be necessary for their dismissal. Any complaints were to be made to the Grain Growers.⁹⁵

The movement for government elevators now moved into a stage of subtle permutations. In Saskatchewan the Grain Growers' proposals were rejected by the government commission. The demand that the elevators be operated by a commission chosen by the Grain Growers was deemed incompatible with the province's financial responsibility. The Grain Growers would not give up their claim to the operation of the elevators, and in the end the system came into being not as a government enterprise, but as a farmers' cooperative system which received 85% of its funds from the government.⁹⁶

In Manitoba, however, no such compromise ensued. Both sides remained adamant. Roblin insisted that since the government was

⁹⁵ Nor'West Farmer, January 26, 1910, p. 109.

⁹⁶ Patton, op. cit., pp. 98-104.

financing the system, it should also operate the elevators in order to remain a responsible government. In this the government had the tacit support of the Nor'West Farmer. The Grain Growers, it stated editorially,

want the government to pay the accounts and own the elevators, but to have not the remotest control in any shape or form. The proposition made is entirely unique in the history of constitutional government. We can think of no parallel in private affairs. The government, therefore, can not be very badly censured for its lack of initiative when it refused to accept such a principle but stuck to the one that is in vogue in telephone ownership and government ownership everywhere else.⁹⁷

The Grain Growers insisted that only an independent commission free of political influence would lead to successful operation. They claimed to see no ~~conflict~~ conflict between government financial responsibility and Grain Grower administrative responsibility. One Manitoba farmer wrote to the Guide, "Some say, that since the government are going to furnish the funds, that they should have the control of spending same. But I say this, that the government simply provides the means whereby we can be financed; it will establish no precedent. The government are already doing the same thing today, when they furnish a municipality with funds for drainage purposes."⁹⁸

In all likelihood it was the Conservatives' scepticism of the farmers' business and organizational ability which prevented the type of compromise which took place in Saskatchewan. Manitoba had a well established, cohesive business population which contributed freely to governing the province, while Saskatchewan's legislature was more closely identified with the farming population. Roblin, who was deeply

⁹⁷ Nor'West Farmer, March 21, 1910, p. 338B.

⁹⁸ Guide, January 12, 1910, p. 31.

involved in large scale business two years after he arrived in the province, definitely identified with the business community. The early failures of the farmers in their business efforts did nothing to recommend their talents.

Little faith was given in the farmers' ability to even maintain their Grain Growers' Associations. The Grange, the Manitoba Farmers' Protective Union, and the Farmers' Alliance had all preceded the Patrons of Industry in their failure.⁹⁹ There was little evidence to show that the Grain Growers would not slip into the old pattern. In 1909 they proudly pointed to a 26% increase in their membership in Manitoba,¹⁰⁰ but this only brought the total to about 7,000, while the 1906 census had reported 36,141 occupied farms in the province.¹⁰¹ The Grain Growers, although vociferous, could not claim to be an all-embracing farmers' organization, nor was there any guarantee that a rival organization would not spring up.

Furthermore, the farmers had proven singularly inept in managing their own affairs when presented with the opportunity. The Farmers' Mill and Elevator Company at Portage which had been owned and operated by the Patrons of Industry quickly developed financial problems.¹⁰² In the United States, where farmers had come into control of some state legislatures, their efforts resulted in ludicrous failures. In North Dakota, an 1889 law to prevent railroads from discriminating in the distribution of elevator sites carried no penalty in case it were disobeyed. Another North Dakota law was passed to enable the railway

⁹⁹ McCutcheon, op. cit., pp. 142-144.

¹⁰⁰ Guide, December 22, 1909, p. 34.

¹⁰¹ Patton, op. cit., p. 87.

¹⁰² McCutcheon, op. cit., p. 159.

commissioners to force the construction of loading platforms, but it was worded so that notice had to be given sixty days after the law had passed.¹⁰³ In 1893 the North Dakota attorney-general, a Populist of dubious talents, drew up a bill to have the state build a terminal elevator, and although the bill appropriated \$100,000 for the work, it failed to provide the treasury with the necessary money.¹⁰⁴ Exclusive of the recent and still unproven Grain Growers' Grain Company, the farmers of the West had provided precious little proof of their business acumen and administrative powers.

Compared with efforts in the United States, Canada's grain trade legislation had been a notable success. It was only natural that Roblin, brought up a staunch Loyalist in Ontario, should refrain from granting Manitoba farmers the powers which might lead to the democratic failures of the United States. Clearly the government was best equipped to deal with the problem.

Opposition to the government's elevator bill in the legislature was based on three points. The first was the Grain Growers' contention that the system should be operated by an independent commission. This soon became a party issue. T.C. Norris at first showed little inclination to oppose "responsible government", but the influence of G.H. Malcolm of Birtle, backed by the Grain Growers' Association, soon convinced him to assume the independent commission stand.¹⁰⁵ J.W. Robson, speaking for the government, refuted this, saying, "To admit the contention of the Grain Growers would be a tacit admission of

¹⁰³John D. Hicks, The Populist Revolt (University of Nebraska Press, 1961), p. 151.

¹⁰⁴Ibid., p. 288.

¹⁰⁵Guide, March 9, 1910, p. 5.

incapacity on the part of the government and would establish a chaotic condition of irresponsibility without power."¹⁰⁶

The second point of difference revolved around the old objection that the government system could not work. George Steele, renegade Conservative from Cypress, alone in the legislature opposed the elevator proposal as economically unworkable. He doubted if there would be enough grain passing through the elevators to cover expenses.¹⁰⁷ When the government's bill came up for third reading, he attempted to amend it to delay its implementation for six months to allow further investigation, but he was unsuccessful.¹⁰⁸

The third area for dispute lay in the dichotomy of interests between town and country. In their attempt to placate the Grain Growers, the Conservatives tried to demonstrate their essential unity with the agrarian interests. Robert F. Lyons, government whip, commented, "Truly, Mr. Speaker, we are a farmers' government, with a farmer premier, and you, Mr. Speaker, a farmer, and a fair percentage of this government practical farmers.... I extend a hearty welcome to my brother farmers, whether in opposition or on the government side of this house."¹⁰⁹ The urban representatives took exception to this stance. The 1902 proposal to allow municipalities to erect grain elevators had been opposed because it would, in effect, be taxing merchants and private property for something that would benefit farmers only.¹¹⁰ This line of reasoning was now continued. T.W. Taylor,

¹⁰⁶ P.A.M., Manitoba Debates (Telegram), February 25, 1910, p. 55.

¹⁰⁷ Ibid., March 9, 1910, p. 105.

¹⁰⁸ Ibid., March 16, 1910, p. 127.

¹⁰⁹ Ibid., February 14, 1910, p. 6.

¹¹⁰ Ibid., February 27, 1902, p. 103.

Conservative representative for Winnipeg Centre, argued that elevators were not properly a public utility. "I am a believer in Government ownership of public utilities, but on this question it seems to me that it should first be proved that this is a public utility in the proper sense. I hope it is, but it will have to be proved to me before I can see my way clear to advocate the spending of such a large amount for a single industry." Taylor could not understand "why the government should undertake to spend three millions of dollars of the whole people's money for the benefit of perhaps less than one-third of the people of this province."¹¹¹ Harvey Simpson, Conservative member for Virden, had the answer. "As this is essentially an agricultural province it is only fair that the farmers should receive first consideration as anything that will encourage and prompt the interests of the farm will be of inestimable benefit to all classes of our people."¹¹²

In the end, however, Roblin was able to impose party discipline fairly effectively, and only George Steele and J.T. Gordon of Winnipeg South¹¹³ joined the opposition in voting against the elevator bill,¹¹⁴ T.W. Taylor apparently having been convinced that the elevators were a public utility.

The elevator bill as passed by the legislature incorporated all the demands of the Grain Growers except the provision for an independent

¹¹¹P.A.M., Manitoba Debates (Telegram), February 14, 1910, p. 6.

¹¹²Ibid., February 28, 1910, p. 63.

¹¹³Gordon, a partner in the firm of Gordon, Ironsides, and Fares, largest meat packer in the West, was probably alienated by Roblin's sympathy with attacks on the meat packing "trust", for he retired from politics a few months later.

¹¹⁴Guide, March 16, 1910, p. 6.

Commission. Roblin, however, in a move calculated to sooth the Grain Growers, asked them to submit the names of four nominees to the Commission for the government's consideration. On May 17, the government announced the appointment of the commissioners. Two of the Grain Growers' nominees were included in the three man Commission; the third, and head of the Commission, was D.W. McCuaig, President of the MGGGA.¹¹⁵ Roblin, if not actually relinquishing control of the Commission, at least made an astute move to identify it with the Grain Growers in the public mind.¹¹⁶

By and large, the rural areas had been pleased with the government's adoption of public elevators. The Dauphin Herald considered the action "only another evidence of its progressiveness and public spirit."¹¹⁷ G.R. Coldwell, Minister of Education, referred to the action as "another forward step in a progressive policy of this government, which is the public ownership of public utilities."¹¹⁸ It had been three years since the last general election, and now with a new popular measure introduced, Roblin called an election for July, 1910. Once again he appealed for support on the public ownership platform.

By June, action from the elevator legislation had not yet come about, and the Grain Growers began to worry about the sincerity of the government.

We submit that the government of Manitoba would be giving the best possible manifestation of its good faith if the

¹¹⁵Free Press, May 18, 1910, p. 1.

¹¹⁶McCuaig resigned as President of the MGGGA in July, but there was still a tendency to connect him with the Grain Growers.

¹¹⁷Quoted in the Guide, January 5, 1910, p. 8.

¹¹⁸P.A.M., Manitoba Debates (Telegram), March 7, 1910, p. 89.

commission were given time to procure the elevators before an election was called. We have seen so many governments become forgetful after an election that we like to see pledges fulfilled before a renewal of confidence is given.¹¹⁹

A threatening attitude grew over this point in the pages of the Guide. Finally, on July 6, the government announced that the first elevator was under construction at Dufresne.¹²⁰ The next day it was reported that the Commission had ordered material for twelve elevators.¹²¹ At the same time the Guide announced that the Grain Growers had decided to accept Roblin's elevator act for the time being and would attempt to amend it at the next session of the legislature.¹²² Roblin had skillfully outmanoeuvred the Grain Growers and rural support was assured.

Of all the individual contests, the Grain Growers paid particular attention to that in Assiniboia. Here their solicitor, R.A. Bonnar, challenged Conservative incumbent Aime Bernard. Bonnar, nominally running as a Liberal,¹²³ in reality represented a direct contest between the Grain Growers and the government on the same order as the Birtle by-election the year before. Bonnar charged that Roblin was trying to destroy the Grain Growers. He reminded the electors that Roblin was a grain dealer and involved in an elevator company. Rogers had also been connected with a grain company, while Attorney-General Campbell's law firm acted as solicitors for the Grain Exchange. Bonnar

¹¹⁹Guide, June 8, 1910, p. 5.

¹²⁰Telegram, July 6, 1910, p. 9.

¹²¹Ibid., July 7, 1910, p. 9.

¹²²Guide, July 6, 1910, p. 5.

¹²³Bonnar was probably embittered towards the Conservative party from personal reasons. He had been chosen as the Conservative candidate for Winnipeg during the 1908 federal election, but he had stepped down - probably under pressure from the party - in favour of a labour candidate who was then given the Conservative nomination.

recalled again how Roblin had promised to implement the findings of the Grain Conference and then refused to pass elevator legislation.¹²⁴

In short, Bonnar's campaign was bitter and a far from temperate denunciation of Roblin's elevator policy. In the end it could only have been considered an overwhelming endorsement of Roblin's policy when the votes were counted and Bonnar lost his deposit.¹²⁵

In Winnipeg the emphasis was not so much on elevators as public ownership in general. At the Walker Theatre in his closing campaign speech Roblin said, "I have pride and pleasure in saying that the government of Manitoba is the most progressive in Canada. We lead along all lines as far as practical and material matters are concerned. The other provinces, and indeed the Dominion itself, are following along the lines in which we lead." In his outburst of provincial chauvinism Roblin even went so far as to declare that "In the development of the British Empire, Manitoba is a pivotal state."¹²⁶

As a result of the 1910 election the Conservative party increased its strength in the legislature over the 1907 election. Conservatives increased from twenty-five to twenty-eight while Liberal representatives declined from fifteen to thirteen. This gain, however, was entirely rural. The Winnipeg results indicated a growing hostility towards Roblin's agrarian-oriented policies. Winnipeg North rejected incumbent J.F. Mitchell and elected a Liberal. In Winnipeg South, where Edward Brown had the temerity to appear, a politically untried Conservative succeeded J.T. Gordon. Roblin had won a victory, but at the cost of

¹²⁴Guide, July 6, 1910, p. 22.

¹²⁵C.A.R., 1910, p. 495.

¹²⁶Telegram, July 9, 1910, pp. 2 & 4.

alienating urban voters and entering into a tenuous alliance with a rural organization whose avowed goal was not to become identified with either political party.

One feature of the election augured ill for the Conservatives. Although it was far from apparent from the election results, the Liberal party had begun to take on a new reform character under the influence of Malcolm and the Grain Growers. The concept of the independent Commission was devised by the Grain Growers and they gloried in it.

The Guide reported:

The Manitoba Grain Growers' Association has the distinction of being the first public body to advocate the extending to the provincial legislature the principle that now obtains in municipal bodies, namely that of appointing public service commissioners by the representatives of the people rather than by the cabinet. They incorporated in their demands for public ownership of grain elevators that the commission entrusted with the operating of these elevators should be appointed by the legislature and directly responsible to the representatives of the people.¹²⁷

This concept of Commission responsibility to the legislature as a whole was absorbed entirely by the Liberals and applied with equal vigour to both elevators and telephones.¹²⁸ With a direct legislation plank for the reform movement of Winnipeg, the Liberal party began to take on a new vitality. If the government should fail in its operation of the public utilities, the Liberals would be presented with strong campaign issues.

Beginning in July, the Elevator Commission began to organize its system of elevators. During the first year of operation the government built or bought 163 elevators in Manitoba.¹²⁹ In September, D.W. McCuaig,

¹²⁷Guide, June 8, 1910, p. 5.

¹²⁸C.A.R., 1910, p. 492.

¹²⁹P.A.M., Manitoba Debates (Telegram), February 22, 1911, p. 17.

Head of the Elevator Commission, addressed the farmers:

Those who opposed us and criticized the grain growers' proposition always contended that they would not patronize or support it when put into operation. It is now in the hands of the farmers to make a success of it, and I would caution them and warn them not to be led or tempted to desert their own elevator system for a paltry 1/4 c. or 1/2 c. in the elevator charges, but rather stand firmly and loyally by their own. It will be an easy matter for the commission to reduce the charges if it is found that the system can be operated at a lower figure, but the Commission will have to try to make it pay and we feel satisfied that with the loyal support of the farmers we can make it do so.¹³⁰

However, an element of concern entered into the plea. McCuaig was worried that the government was paying too much for elevators. The new elevator design incorporating all the modern features the grain growers had demanded cost \$4,000 more than the average elevator.¹³¹ The successful outcome of the government venture was already coming into question.

¹³⁰ Nor' West Farmer, September 20, 1910, p. 1097.

¹³¹ Ibid.

Chapter IV

Provincial Utilities in Operation; The Decline of Public Ownership

Public ownership in theory was popular, but in actual operation it turned out to be not the panacea that had been expected. Roblin was perhaps justified in his pride at being in the vanguard of the public ownership movement, but he suffered the consequences of inadequately breaking new ground. The Conservative government in Manitoba failed to provide for an efficient and effective administration of provincial utilities. When Government Telephones was organized in 1908, there was next to nothing in the way of precedents on which to base its administration; the closest the province had come to actually managing any large scale business was the railway scheme of 1901.

Roblin had leased the Manitoba lines of the Northern Pacific in 1901, but at the same time he immediately subleased them to the Canadian Northern for operation. The Free Press criticized the government for failing to ensure that the Canadian Northern would build branch lines as the need arose,¹ but this responsibility apparently was meant to lie with the province. The terms of the contract with the Northern Pacific provided that the government would "have the right to make such improvements upon, alterations and changes in and additions to the demised premises" that were necessary.² The Canadian Northern, in an age of unbridled railroad expansion, seemed quite satisfied to build the extensions the government asked for in return for bond

¹Free Press, February 26, 1901, p. 4.

²Ibid., February 16, 1901, p. 8.

guarantees. The result of this arrangement was that the province had major control over branch line extensions, but relied on the Canadian Northern for general management.

And a very satisfactory arrangement this was for Roblin. At one stroke he vastly increased the government's powers of political suasion. During the 1904 session of the legislature, the government was deluged with requests from municipalities for branch lines which Roblin invariably promised as soon as circumstances permitted.³ In view of the upcoming federal elections, this was sure to play a part in securing votes for the Conservative party. Greenway accused Roblin of promising railways and branch lines throughout the province which he had no intention of carrying to completion,⁴ but Roblin realized that promises kept had a more lasting effect than promises of convenience. In 1905 the legislature guaranteed the bonds on an additional 189 miles of branch lines for the Canadian Northern.⁵

Outside of Manitoba, the only province to enter into the field of operating public utilities at the provincial level was Ontario. In 1906 the Conservative government in that province established a Hydro-Electric Power Commission to distribute power from Niagara Falls to the municipalities. The Commission set up to regulate this operation consisted of three members, two of whom might be, and one of whom must be a member of the government.⁶ This provided the only Canadian model for Roblin to refer to in the establishment of Government Telephones.

³P.A.M., Manitoba Debates (Telegram), 1904, passim.

⁴C.A.R., 1904, p. 337.

⁵Ibid., 1905, p. 352.

⁶James Mavor, Niagara in Politics (New York: E.P. Dutton, 1925), p. 53.

The Telephone Commission appointed by the legislature in 1906 had studied the techniques and market efficiencies of various systems, but no attempt had been made to consider the method of operating a government system. From the time when the government first began to construct its own lines in 1907 until Bell was bought out in 1908, Roblin apparently copied the Ontario model. J.H. Howden was appointed Minister of Telephones and Telegraphs, and management became a function of government. However, with the acquisition of the Bell system, Government Telephones obviously required a greater degree of skill and experience than the government could provide. Roblin therefore reverted to an adaptation of the arrangement made with the Canadian Northern. The top three Bell executives in Manitoba were to comprise the Telephone Commission, a commission responsible to the government, but on which the government had no representatives. The Telephone Commission became the managing body, and the Minister of Telephones retained supervisory powers. Compared to Ontario's Hydro-Electric Power Commission, Government Telephones had the independent Commission Roblin claimed, but this quasi-independence came to be negated by the supervisory powers retained by the government.

The votes of the rural areas were essential to the survival of the Roblin government, and just as the Canadian Northern was manipulated to secure these votes, so also was Government Telephones. Only three months after the Bell system was taken over, the Free Press attacked the government for failing to provide at least an additional 1000 miles of long distance lines.⁷ The government was virtually forced into the position of pushing construction. In spite of the Commission's advice

⁷Free Press, April 11, 1908, p. 4.

against excessive expansion,⁸ Roblin induced the Commission through the government's supervisory powers to construct 1,469 miles of long distance lines in 1908.⁹

Whereas Mackenzie and Mann were responsible to stockholders for efficient management, the Telephone Commission was responsible only to the government, which apparently was not interested in the enterprise for its financial returns, but for the patronage it could command. Government Telephones thus differed in operation in that it was run with an eye to political profits rather than financial gain. The Telephone Commission was to draw all its expenses from the Treasury and pay all receipts to the government which took care of the accounting.¹⁰ Such a financial arrangement resulted in constant reports of surpluses in income over expenditures. However, there was more to these simple surpluses than the government acknowledged. The equipment was all new and in excellent operating condition when the system began, but the government failed to take into consideration a depreciation fund to cover the replacement of old equipment. Whereas a corporation would have set aside each year six per cent of the plant value out of the profits to cover depreciation, the government did not.¹¹ It was the failure of the government to take into account a depreciation allowance which enabled it to report surpluses each year at the beginning of operation. Bell would have reported a deficit. Furthermore, no provision was made for paying the bonded debt; funds to pay interest and principal were allocated from the general provincial revenues,

⁸ Evidence: Royal Commission Re Manitoba Government Telephones (hereafter Evidence), 1912, typewritten copy, Provincial Library of Manitoba, Vol. I, pp. 39 et seq.

⁹ Sessional Paper #23, 1909.

¹⁰ Sessional Paper #14, 1908, Order-in-Council #12545.

¹¹ Evidence, Vol. I, pp. 32-33.

thus compounding the deficit.

The reported surplus of \$232,501 for the year 1908¹² enabled the government to reduce rates in response to opposition charges that the Conservatives were not keeping their campaign pledge to cut Bell rates in half. Rates had already been manipulated in rural areas. Local rates were charged between some exchanges, where long distance rates were in order, to satisfy public opinion rather than business sense.¹³ The Telephone Commission reported that rate reductions led to a great increase in farmers' applications for service.¹⁴ At bargain rates it was inevitable. The Grain Growers' Guide told its readers, "The governments now own the three provincial system and can give the service cheaper than a private corporation. Get in a telephone and get into touch with the world about you."¹⁵ Whereas at the end of 1908 there were 20,000 telephones in Manitoba,¹⁶ by the end of 1909 the number had risen 25% to 25,300.¹⁷ The Telephone Commission was helpless in the face of government supervision. It had advised against the rate reduction,¹⁸ but its duty was to serve the government, and a facade of cooperation was maintained. Amidst heavy borrowing the system was rapidly expanded.

In 1909 the Telephone Commission reported a balance of \$271,797 of income over expenditure,¹⁹ and the government again took this as

¹² Telegram, February 26, 1909, p. 1.

¹³ Evidence, Vol. I, pp. 104-105.

¹⁴ Sessional Paper #20, 1910.

¹⁵ Guide, November 3, 1909, p. 13.

¹⁶ P.A.M., Manitoba Debates (Telegram), February 19, 1909.

¹⁷ Sessional Paper #20, 1910,

¹⁸ Sessional Papers, 1910, Appendix A, p. 703.

¹⁹ Sessional Paper #20, 1910.

a surplus. Magically, the government had increased its surplus, lowered rates, and extensively extended the telephone system. Nevertheless, a public suspicion was beginning to develop that all was not well with Government Telephones. It was the duty of the opposition Liberals to attack government policy wherever possible, and they had done their duty well in criticizing government management of the telephone system. Repeated assertions that the government was really incurring deficits began to plant doubts in the minds of the voters. Although as late as February, 1910 the Guide was reporting, "Government ownership of telephones has been a success; the people are satisfied, and under no consideration would the government lines be returned to a monopoly,"²⁰ this was meant more as an inducement to support government elevators than wholehearted approval of the management of Manitoba Government Telephones. The Grain Growers had apparently begun early to entertain doubts over government efficiency, for in June, 1909 they demanded a completely independent commission to regulate the proposed government elevators.²¹

It was in 1910 that the difficulties in the management of the telephone system first came to the attention of the public. The repeated Liberal attacks on the government's accounting practises led to an examination before the Public Accounts Committee. Although the fallacies of the government's procedure were demonstrated, Conservative preponderance in the legislature prevented any action. The Conservatives, however, were not greatly harmed by this investigation; one rural government MLA wisely commented that the farmers were less interested

²⁰Guide, February 9, 1910, p. 7.

²¹Ibid., June, 1909, pp. 32-33.

in the methods of the government's bookkeeping than in when they would get their telephones.²²

However, Roblin was running into problems. There was insufficient labour available for all the proposed extensions of 1910, and some had to be discontinued until 1911.²³ In some areas this opened up the Conservatives to attack. The Woodridge district of Emerson constituency was primarily Liberal. Shortly before the 1910 election several car-loads of poles were unloaded, and it was announced that construction on a local system would start after the election. But after the election the poles were picked up and returned to Winnipeg. The Free Press referred to this action as "fishing for votes with telephone poles,"²⁴ but it is doubtful that this was an intentional political ploy considering the government's policy of fulfilling promises and the state of the labour market. Nevertheless, Roblin was using Government Telephones to bribe electors. Just before the election the Free Press interviewed a telephone crew foreman who commented:

Some of my men have been working practically night and day during the last three weeks and a great sigh of relief will go up from every telephone man when the elections are over. In the Brandon district several extra gangs were put on a short time ago to get the goodwill of the people and at the present time in this one district we have no less than 42 gangs working, each one of which is composed of 25 to 35 men.²⁵

With the increasing demands of the expansion of the telephone system, especially at election time, it is little wonder that a labour shortage developed and expenses soared.

²²P.A.M., Manitoba Debates (Telegram), February 23, 1910, p. 45.

²³Sessional Paper #14, 1911.

²⁴Free Press, October 8, 1910, p. 4.

²⁵Ibid., July 9, 1910, p. 4.

Politics also entered into the direct operation of the telephone system. Shortly after taking over the Bell system one of the members of the government induced the Telephone Commission to buy an exceptionally large number of telephone poles from a government supporter who was in financial difficulties.²⁶ Advertisements asking for tenders for supplies were always placed in the government organ the Telegram, but not always in the Free Press.²⁷ Conservative MLA's were able to secure positions for their supporters in the Telephone Department.²⁸ The Telephone Commissioners had attempted to administer the system along the lines of the old Bell system,²⁹ but government meddling turned a profitable operation into a liability on the province.

The results of telephone operation for 1910 again showed the expected surplus - this time \$350,000.³⁰ These surpluses could only be maintained as long as the reconstruction expenses each year were less than the actual amount which would have been required to provide a reserve fund against depreciation. During the first three years this was possible because the system was relatively new; starting with 1910, however, reconstruction expenses were held down by neglect of equipment and the failure to keep the plant up to standard.³¹

Beginning in late 1910 the public began to notice a decline in the quality of service. The success of the government in identifying responsibility in operation with the Telephone Commission is evidenced by the Commercial's comment, "Complaints about poor telephone service

²⁶James Mavor, Government Telephones (Toronto: Maclean, 1917), pp. 39-40.

²⁷Evidence, Vol. I, p. 42.

²⁸Mavor, Government Telephones, op. cit., p. 44.

²⁹Evidence, Vol. I, p. 9.

³⁰Sessional Paper #14, 1911.

³¹Mavor, Government Telephones, op. cit., p. 79.

in Winnipeg are so general that it's a wonder the management doesn't take a 'tumble'."³² Two months later, however, the poor management began to be connected with government control and public ownership policy. "Without discussing the relative merits of government operation and private management, it is safe to say that the telephone service afforded to patrons in Winnipeg ... has been a poor advertisement for government ownership."³³

In January, 1911 F.C. Paterson, Chairman of the Manitoba Telephone Commission, began to prepare the public for increased telephone rates. In an article for the Nor'West Farmer he outlined the increasing costs of the system: the costs of materials and labour were higher, postage and printing rates increased with expansion, the extension of lines into less populated areas brought reduced returns on capital invested.³⁴ Although the magazine itself claimed sympathy with Paterson's problems,³⁵ the immediate response was a storm of protest from its readers. A Wawanesa farmer wrote to the editor that Mr. Paterson "wishes to prepare the farmers for the extraordinary expenditure incurred by the Telephone Department this last season, and incidently, makes statements that are anything but reasonable." The rates in his area had already been increased.

Is this right and fair in view of the "political" promises made a few years ago? Of course it is not. It is nothing but a breach of good faith and an imposition.... Mr. Paterson says, look at the expense of installing the rural lines. Well, I have seen some of it. It was no strange sight to see five or ten men doing one or two men's work....

³²Commercial, November 9, 1910, p. 20.

³³Ibid., January 4, 1911, p. 20.

³⁴Nor'West Farmer, January 5, 1911, p. 45.

³⁵Ibid., p. 18.

No, Mr. Paterson, there is no reason why the telephone rates should be raised at all, rather the reverse.³⁶

Speakers at the Manitoba Grain Growers' annual convention also took the opportunity to attack the Roblin government on its telephone management. One speaker said:

I believe your Ministers want to do the right thing for you, but your Premier and Ministers are administering the Government in a manner which would wreck the kingdom of hell itself. If the latter place were under a like system of administration it would soon be in the hands of the receiver.³⁷

Conditions continued to deteriorate. In March, 1911 a delegation from Winnipeg complained to Robert Rogers, Minister of Public Works, that telephone rates were the same for businesses and residences, whereas residence phones should cost less because they were used less. In the interests of the working class the Voice pressed this issue.³⁸

At the same time businessmen attacked telephone mismanagement. The Commercial caustically remarked:

The government ownership of telephones in Manitoba is a joke, and the people who clamoured for the adoption of that policy realize that they made themselves ridiculous. Falling from the frying pan into the fire is a delightful experience in comparison with the experience through which the people of the province have passed since 1907.³⁹

In November, 1911 the Telephone Commission announced that Government Telephones would show a loss of \$150,000 for the year.⁴⁰ Increased rates were revealed in December,⁴¹ Roblin immediately stated that a commission of inquiry would be appointed, but the damage was done.

³⁶ Nor'West Farmer, January 20, 1911, p. 124.

³⁷ C.A.R., 1911, p. 540.

³⁸ Voice, March 10, 1911, p. 7.

³⁹ Commercial, May 6, 1911, p. 20.

⁴⁰ Free Press, November 4, 1911, p. 1.

⁴¹ Ibid., December 13, 1911, p. 1.

The Commercial editorialized, "It is a strong point in bearing out the allegation often heard that a private concern is more liable to run an institution economically and profitably than a government."⁴² Such a position was not inconsistent with orthodox business opinion, but paradoxically the Voice concurred.

Should the commission ascertain that the proposed rates are made necessary by the cost of operating the system, and that there is no hope of relief, the government should be prepared to forgo its monopoly and allow other parties who might be able to install a service at more reasonable rates to do so.⁴³

The Royal Commission of Inquiry, consisting of Justice Locke of the Manitoba bench, G.R. Crowe of Winnipeg, and R.L. Barry of Minneapolis,⁴⁴ began its hearings in February, 1912 to investigate complaints against the Telephone Commission. Roblin had apparently decided to sacrifice the Commission in order to save his government. He had prevented the Royal Commission from investigating charges against his government, and after a month an interim report suggested - probably at Roblin's prodding - that the proposed new rate schedule be not proceeded with until the conclusion of the inquiry.⁴⁵ The final results of the Royal Commission's investigation, released at the end of May, 1912, made little contribution to the solution of the telephone problem. In a passing reference it suggested that a depreciation fund be instituted, but said nothing of government accounting.⁴⁶ A firm of chartered accountants was instructed to examine the system of book-keeping of the Telephone Commission, but this did not include an audit

⁴²Commercial, December 23, 1911, p. 16.

⁴³Voice, January 3, 1912, p. 6.

⁴⁴Mavor, Government Telephones, op. cit., pp. 96-97.

⁴⁵Sessional Paper #19, 1912, Interim Report.

⁴⁶Mavor, Government Telephones, op. cit., p. 108.

of the books.⁴⁷ The general tone of the report tended to exonerate the government and place the blame on the Commissioners.

The Telephone Commissioners were willing to act as scape goats only up to a certain point. The Commission Auditor resigned in February, 1912,⁴⁸ and after the release of the Royal Commission's report he was followed by the remaining two.⁴⁹ The government was now faced with the task of reorganizing the Manitoba Government Telephone System.

Concurrent with the financial collapse of the telephone system was Roblin's leap into Government Elevators. The results were spectacularly similar. Once again insolvency resulted from excessively rapid expansion and political influence.

Shortly before the 1910 election the Elevator Commission began to enter into negotiations with elevator companies for the purchase of elevators. Care was taken to pay the lowest possible price and to locate the elevators where service would be most efficient. However, after the election the government took over the responsibility of purchasing elevators and the system was indiscriminately expanded. Under a system of arbitration the prices of elevators steadily rose.⁵⁰ Whereas the commissioners had paid an average of 12 1/2¢ per bushel capacity, the government averaged 20¢ per bushel capacity for its elevators.⁵¹

Considering the Elevator Commission's late start in the crop season of 1910, no one was surprised when the elevators failed to turn

⁴⁷Mavor, Government Telephones, op. cit., p. 108.

⁴⁸Free Press, February 17, 1912, p. 3.

⁴⁹Mavor, Government Telephones, op. cit., p. 113.

⁵⁰Guide, April 10, 1912, p. 5.

⁵¹Free Press, April 4, 1912, p. 3.

a profit for the year. Of the total of 163 elevators bought and 10 built, only 107 were ready to handle the crop by the end of the year.⁵² This difficulty was expected and accepted; the Elevator Commissioners were optimistic in their report to the legislature in 1911.

The elevators have been well patronized, and the crop conditions were poor in many districts. Yet, in the aggregate, the result of the season's operations was very satisfactory, proving beyond a doubt that, with added facilities for cleaning and special binning and weighing grain, the Manitoba Government elevator system is destined to inspire the absolute confidence and retain the patronage of the grain producers of the Province, and consequently a success.⁵³

Yet, when speaking to the farmers, McCuaig did not seem as certain. He reported to the annual convention of the Grain Growers in February, 1911 that the milling companies had refused to sell their elevators and were now competing actively with the government system. They were buying wheat at competitive points, not at street prices, but at track, and sometimes one cent above, and the farmers were selling their grain to the millers who loaded it through their own elevators.⁵⁴ McCuaig believed that what was needed was a campaign to educate the farmers in their interests.⁵⁵

The Grain Growers passed a vote of confidence in the Elevator Commission,⁵⁶ but being on the eve of the federal election, the educative campaign was neglected in favour of active and continuous agitation for reciprocity. Whereas the Guide had given strong support to government elevators during 1910, the magazine gave scarcely any attention to the elevator issue in 1911 except for one small editorial

⁵² Sessional Paper #13, 1911.

⁵³ Ibid.

⁵⁴ C.A.R., 1911, p. 542.

⁵⁵ Nor'West Farmer, February 6, 1911, p. 187.

⁵⁶ Ibid.

at the end of May when the farmers of both Manitoba and Saskatchewan were urged to "be loyal and support the elevators created for their benefit." At that time there was no hint of real dissatisfaction with Government Elevators.

As to the financial side, there is every reason to believe, judging as far as possible from the information available, that when working properly, the system will meet the expectations of those who have advocated the scheme since its commencement. . . . The Government and the Commission are now in a better position than ever before to proceed with making the system everything that its advocates claimed for it.⁵⁷

The Guide's emphasis on free trade and its lack of attention to elevator usage, however, were easily construed by the Conservatives to mean open hostility to the Roblin government, especially as elevator patronage fell.

Political influence in the operation of the elevator system was especially in evidence in 1911. F.B. MacLennan, a former grain merchant and the only experienced member of the Elevator Commission, was not disposed to tolerate government meddling, and at the end of December he resigned.⁵⁸ Apparently the deciding factor in his resignation was the government's demand for the resignation of an elevator operator who did not agree with a campaign declaration Roblin had made.⁵⁹

By the end of 1911 a total of \$1,001,342.04 had been spent on Government Elevators.⁶⁰ The deficit for the year and a half of operation stood at \$85,145,⁶¹ and Roblin predicted a loss of \$120,000

⁵⁷Guide, May 31, 1911, p. 5.

⁵⁸C.A.R., 1911, p. 550.

⁵⁹Guide, April 10, 1912, p. 5.

⁶⁰Sessional Paper #24, 1912.

⁶¹Free Press, March 13, 1912, p. 6.

for the year 1912.⁶² Clearly the scheme had not been a success, politically McCuaig, again before the Grain Growers' annual convention, reported that the government elevators were still encountering heavy competition from private elevators, and in addition, they could no longer hold their own operators. The convention expressed its dissatisfaction in the way politics were allowed to interfere and resolved that "a commission responsible only to the legislature is absolutely necessary to the proper conduct of the elevator system."⁶³

Roblin was disillusioned by the failure; he told the legislature that the purchase had been made entirely due to the demands of the grain growers, and the legislature had believed they would give them full support.⁶⁴

The elevator proposition was one that grew out of an agitation in the country. A certain number of gentlemen conceived the idea that it would make them popular to start an agitation for government owned elevators and they went up and down the country leading people to believe that they were being unjustly dealt with by the elevator men and they grain men, both as to weight and to price.

They said they spoke for the farmers of Manitoba and I believed them. I have since learned that I was mistaken and here I am willing again to admit I was wrong. I took the voice of the demagogue as the voice of the people and I consequently made a mistake....⁶⁵

Government Elevators had been ~~poorly planned~~. Undoubtedly overcapitalization resulted from government interference with the Commission's purchasing policies which pushed the price of elevators up. In addition, the system's 173 elevators were spread over only 100 shipping points, thus creating considerable duplication in storage

⁶² P.A.M., Manitoba Debates (Telegram), March 24, 1912, p. 63.

⁶³ Nor'West Farmer, February 5, 1912, p. 148.

⁶⁴ P.A.M., Manitoba Debates (Telegram), March 24, 1912, p. 63.

⁶⁵ Ibid., April 3, 1912, p. 107.

facilities.⁶⁶ Some elevators were never brought into operation.⁶⁷

Milling companies tempted many farmers away from the government elevators. The separate binning facilities demanded by the grain growers were an extra expense and served no real benefit. The facilities provided for a sample market were rarely used as only millers would buy on sample, and they still retained their own elevators. Furthermore, farmers were still inclined to load their grain over a loading platform wherever practical, avoiding all elevator charges, government or private.⁶⁸

The Grain Growers cited government interference as the cause of failure, and the government accused the grain growers of neglecting to patronize the government elevators. The Nor'West Farmer took a dim view of this and commented, "To our mind it would be a little more dignified and courageous both for Premier Roblin and those who represent the farmers' associations to admit freely that they had mutually misjudged in this matter."⁶⁹ As the editors saw it, there were two acceptable solutions to the problem: either the Grain Growers' Grain Company buy the system, or a new farmers' cooperative modeled on Saskatchewan's should be set up to buy it.⁷⁰

Roblin was also of the same mind. If the farmers were so anxious to operate their own elevators, he was now prepared to let them try. The suspension of the commission rule by the Grain Exchange in 1909 brought home to the Grain Growers' Grain Company its vulnerable position

⁶⁶The Grain Growers believed that this was the first step in the direction of acquiring a complete monopoly of all grain elevators in the province. (Guide, August 31, 1910, p. 5.)

⁶⁷Sessional Paper #18, 1911.

⁶⁸Patton, op. cit., pp. 91-92.

⁶⁹Nor'West Farmer, April 20, 1912, p. 542.

⁷⁰Ibid.

in the grain trade. Efficient competition could only be ensured by acquiring its own elevator system. During the spring of 1912 the Grain Company negotiated with the government for the operation of the government system. Roblin offered to lease the system for 7% of the capital outlay. Crerar countered with an offer of 6% with the government to pay the taxes and finance the initial operation.⁷¹ Other companies offered to buy back certain elevators from the government,⁷² but Roblin did not forget the political importance of the farmers even if he condemned them. Political expediency dictated that he find some way of satisfying the Grain Growers. In July he accepted the Grain Company's offer.

The matter was canvassed from every standpoint, and while all the other offers were much more favourable from a financial standpoint than yours, the Government felt that inasmuch as your company represents farmers of this province it was in the public interest to lease to your firm even though the rental was very much less than that offered by others.⁷³

The Grain Company took over the elevator system, and after an initial loss of \$30,000,⁷⁴ a small profit of \$4,317 was realized the second year of operation.⁷⁵

The public ownership debacle of the Roblin government led in many cases to a re-evaluation of the ideal. The Winnipeg business and labour interests were discouraged by the obvious deficiencies in the telephone system. In the face of the complete collapse of Government Elevators the rural population also reconsidered their position. The Nor'West

⁷¹P.A.M., Roblin Papers, Crerar to Roblin, June 6, 1912.

⁷²Ibid., A Reid to Roblin, May 27, 1912, and G.R. Ruttan to Roblin, June 6, 1912.

⁷³Ibid., Roblin to Crerar, July 22, 1912.

⁷⁴Nor'West Farmer, November 20, 1913, p. 1402.

⁷⁵Ibid., November 20, 1914, p. 1134.

Farmer commented:

The prophecies of the handful of farmers and the one lone legislator who predicted that the whole policy of government ownership in this case was ill-advised, seem unquestionably to have come true.

Possibly, however, the lesson was needed. Prior to this experiment, demand for public ownership of this, that and the other seemed to be rampant in Western Canada, and men were not a few who openly declared for public ownership as a panacea for almost all economic ills. The outcome of this experiment will help just a little to steady public thinking on this question. ... We must have public ownership in some spheres of service.... But while this is true, the fact must always be remembered that private ownership possesses so much more of the saving salt of wise discretion than does public ownership⁷⁶

The dual deficits of 1912 of \$202,000 on telephones and \$120,000 on elevators necessitated a complete reorganization of the provincial utilities. Even before Roblin decided to dispose of the elevators, he had begun to study possible forms for reorganization. As early as the end of 1911 or beginning of 1912 Colin Campbell, Minister of Public Works since Rogers' move to Ottawa as federal Minister of Public Works, had written to various public service commissions in the United States for details of operation.⁷⁷ Accordingly, in 1912 session of the legislature a bill was introduced to establish a Public Utilities Commission to regulate all utilities, public and private. It would have control over rates, stock issues, dividends, auditing practises, combinations, and standards of service.⁷⁸ J.H. Howden, Attorney General noted:

I need only mention that in many states of the union has the principle embodied in this measure been worked out;

⁷⁶Nor'West Farmer, November 20, 1913, p. 1368.

⁷⁷P.A.M., Colin Campbell Papers, Letter Book: Minister of Public Works, October 12, 1911 - August 27, 1913, pp. 229-230, Campbell to Public Service Commission, New York City, January 24, 1912, and Campbell to Public Service Commission of Maryland, January 24, 1912.

⁷⁸P.A.M., Manitoba Debates (Telegram), March 18, 1912, p. 50.

it has been found to give general satisfaction, not only to the municipalities, but to the public service corporations as well; as a result the public has enjoyed better service at a reasonable cost and experience has shown that where the principle has once been established it becomes a fixture - no political party will interfere with its operation.⁷⁹

Although the theory might have been sound, the Roblin government again manipulated a commission to meet its political needs. The Commission was to consist of a single member who was responsible to the government rather than the legislature, and T.H. Johnson, Liberal member for Winnipeg West, charged that the measure was designed to divert public attention from the "muddle into which the government had gotten itself in the matter of elevators and telephones."⁸⁰

The bill passed, however, and in May, H.A. Robson, a former Liberal, was appointed as the Public Utilities Commissioner.⁸¹ At the same time, a revised Telephone Commission, consisting now of a single member, was transferred from the supervision of the Minister of Telephones to the Public Utilities Commissioner.⁸² Rates were raised in July, 1912 with the sanction of the Public Utilities Commissioner, thus relieving the government of responsibility. But Manitoba Government Telephones continued to show a real deficit rather than the reported surpluses for the rest of the Roblin administration and into the Liberal reign.⁸³

Fundamental to the Conservative policy of rapid expansion in the public utilities field had been a boundless faith in the future potential of Manitoba. The fantastic growth of Manitoba, stimulated by Sifton's

⁷⁹P.A.M., Manitoba Debates (Telegram), March 18, 1912, p. 49.

⁸⁰Ibid.

⁸¹C.A.R., 1912, p. 506.

⁸²Mavor, Government Telephones, op. cit., p. 118.

⁸³Ibid., pp. 124 et seq.

immigration policy, gave rise to high expectations. Roblin told the legislature in 1907, "We are just on the margin of a great era of extension and expansion, which will make this central part the most popular and influential part of the Dominion. Therefore, it is essential that in these, our younger days, while we are building the foundations, we should build strong and deep...."⁸⁴ In 1909 Roblin predicted a population of five million within the next fifty years.⁸⁵ These projections of future growth were used as the basis for determining the limits of the province's borrowing power. Needless to say, only by borrowing could the province find the immense sums necessary to take over public utilities. By 1912 the capitalization of Manitoba Telephones stood at \$9,233,357.16⁸⁶ while \$1,001,342.04 were put into Government Elevators.⁸⁷ By 1913 Manitoba's public debt was so great that it exceeded that of Ontario, a province with a much larger population.⁸⁸ The interest on these loans took an inordinately large part of the provincial revenues, but it was expected that this proportion would drop significantly as the province grew. But in 1912 the unexpected happened; immigration rates declined, growth slowed, and recession hit Manitoba.

No longer could the province afford reckless expenditures on new dubious public ownership projects. Yet, a movement for a provincial hydro system soon began to gather momentum. This time the Conservative government did not encourage the public ownership movement.

⁸⁴ P.A.M., Manitoba Debates (Free Press), January 8, 1907, p. 11.

⁸⁵ Collier's Weekly, August 7, 1909, cited in C.A.R., 1909, p. 492.

⁸⁶ Sessional Paper #25, 1912.

⁸⁷ Sessional Paper #24, 1912.

⁸⁸ Lionel Orlikow, "A Survey of the Reform Movement in Manitoba 1910 to 1920" (unpublished M.A. Thesis, University of Manitoba, 1955), p. 16.

Manitobans had been watching the development of Ontario Hydro. As early as 1905 Colin Campbell had told the Municipal Union that he looked forward to the day when the province would have both a public telephone system and a public power network.⁸⁹ The idea appealed to the Municipal Union, and in 1910 a delegation urged the government that since it had adopted public ownership of telephones and elevators, it should also include electric power.⁹⁰

It was the events of 1912, however, which really initiated the movement. As in the classic case of telephones, it was the introduction of a bill in the legislature to incorporate a private monopoly which brought widespread discussion. The Reese Syndicate of New York, affiliated with the omnipresent Mackenzie and Mann, petitioned for the incorporation of the Manitoba Power Company to develop the power potential of the province.⁹¹ Encroaching on what were traditionally municipal rights - sewage plants, gas, and waterworks - it was only natural that public opposition was aroused. Winnipeg, especially, opposed the charter as a threat to the popular City Hydro.⁹² The bill passed the committee stage before it died, such were the government's sentiments. That Roblin could have even considered the bill demonstrates his complete disillusionment with public ownership principles.

A counter movement for a publicly owned system began. In 1913 the Grain Growers began to show an interest, and a special committee

⁸⁹C.A.R., 1905, p. 143.

⁹⁰E.S. Russenholt, "The Power of a City", (P.A.M., unpublished manuscript), p. 274.

⁹¹Free Press, March 13, 1912, p. 8.

⁹²Ibid., March 23, 1912, p. 3.

was appointed at the annual convention to investigate hydro possibilities for the farm.⁹³ In the 1913 session of the legislature T.C. Norris, referring to the progress of Ontario, moved that the Public Utilities Commissioner look into the possibilities of a publicly owned hydro system. The motion passed unanimously, but it was obvious that the government hoped to delay the movement or consign it to oblivion altogether. The lesson of government elevators was still fresh. Goldwell thought the government should not rush into the matter, but consider it carefully. Campbell, hedging on his statement to the Municipal Union, promised that the government would support the measure if it ever became commercially feasible.⁹⁴

H.A. Robson, Public Utilities Commissioner, reported to the government in 1914, commenting favourably on the power potential of the Winnipeg River, but it was recommended that the provincial government not enter the field of power distribution - the municipalities should be left to act individually or cooperatively in this regard.⁹⁵ The Grain Growers, however, saw little value in a partial provincial hydro system outside of the marginal benefits of service to farmers along the proposed trunk line from Winnipeg to Brandon.⁹⁶ Rural interest waned, and the advent of World War I mercifully forced higher priorities on a government reluctant to add further financial burdens and the risk of failure.

If financial stringencies prevented further large scale ventures

⁹³ Nor'West Farmer, January 20, 1913, p. 76.

⁹⁴ P.A.M., Manitoba Debates (Telegram), January 16, 1913, p. 15.

⁹⁵ Public Utilities Commissioner, Annual Report; 1914 (Winnipeg: King's Printer, 1914), p. 44.

⁹⁶ Nor'West Farmer, January 20, 1914, p. 60.

in public ownership, and public scepticism of the government's ability to manage them prevented the development of the hydro system, the Conservatives had at least one more promise to fulfill in the public ownership field. Agitation had started early, and support was still strong for a publicly owned abattoir and stockyards.

The telephone agitation had hardly been taken up for a year when Glen Campbell, a rural Conservative MLA, charged in the 1906 session of the legislature that profits made after beef left the slaughterhouse were excessive compared with the profits made by the farmers.⁹⁷ The Tribune made this issue its own and started investigations to prove the existence of a beef combine. At the end of January it invited farmers to report the prices paid for cattle in their areas.⁹⁸ Prices were found to average between 2¢ and 3¢ a pound.⁹⁹ At the same time, the price of beef remained high for consumers.

What is wrong with the meat trade in the West? Who is benefiting by the absurdly low prices that farmers receive for their beef cattle? Certainly not the farmers who complain bitterly. Certainly not the people of Winnipeg who pay almost as much for their meat as do the people of Toronto - where the prices of cattle are twice as high as in Manitoba. Obviously, the answer to the meat question - which has become a very serious question, indeed - must come from the wholesale and retail meat dealers.¹⁰⁰

In the legislature J.T. Gordon, Conservative member for Winnipeg South, denied the charge. Gordon was the obvious spokesman for the meat wholesalers. The firm of Gordon, Ironsides, and Fares was the largest cattle-exporting firm in the world in 1906; larger than Swift or

⁹⁷ P.A.M., Manitoba Debates (Free Press), January 18, 1906, p. 11.

⁹⁸ Tribune, January 25, 1906, p. 4.

⁹⁹ Ibid., February 10, 1906, p. 10, February 13, 1906, p. 1., and February 16, 1906, p. 1. The Toronto retail price for beef in 1906 was 6.77¢/lb. (Nor'West Farmer, March 5, 1910, p. 268.)

¹⁰⁰ Tribune, February 12, 1906, p. 4.

or Armour in the United States, it shipped 50,000 head a year.¹⁰¹ As early as 1902 Gordon had blamed the high price of beef on the high rates and poor facilities of the Canadian Pacific Railway.¹⁰² But with the rise of the public ownership movement, trusts were seen in every large scale operation.

Although the price of cattle in Manitoba had declined, the responsibility did not lie entirely with the meat wholesalers. Rapid settlement had pushed the agricultural frontier steadily west until pressure began to build up on the federal government to open up the grazing leases of southern Alberta and southwestern Saskatchewan to homesteaders. As long as Sifton was Minister of the Interior, he had refused to do this, contending that the land was too arid and would be ruined by farming. When Frank Oliver took over the department in 1905, he reversed this policy and grazing leases were cancelled.¹⁰³ The result was the rapid liquidation of herds in Alberta and Saskatchewan. With unusually large quantities of cattle on the market, the price was naturally depressed.

A further factor in determining the low price of cattle in Manitoba was their quality. A few years before, cattle had been at a premium, and Manitoba farmers bought breeding stock in any condition they could find. The result was inferior cattle for the market. J.T. Gordon had brought in thousands of substandard Mexican cattle to satisfy the demand, and many accused him later of deliberately lowering the quality

¹⁰¹R.C. Bellan, "The Development of Winnipeg as a Metropolitan Centre" (unpublished Ph.D. Thesis, Columbia University, 1958), p. 114.

¹⁰²P.A.M., Manitoba Debates (Telegram), January 14, 1902,

¹⁰³J.W. Daffoe, Clifford Sifton in Relation to His Times (Toronto: Macmillan, 1931), pp. 314-316.

of cattle in order to lower prices. The Nor'West Farmer, however, disagreed with this view as this would reflect on Gordon's business.¹⁰⁴ Nevertheless, on the average, Manitoba cattle were not equal in quality to those further west.

The market glut continued into 1907, and with it grew demands for government action. In conjunction with the provinces of Saskatchewan, Alberta, and British Columbia, a commission was appointed to investigate the beef trust.¹⁰⁵ The Beef Commission report was tabled in the legislature in 1908. While there was no evidence of illegal combination in the beef trade, the commission suggested that the city of Winnipeg should provide a public market and abattoir and that the railways should provide a union stock yard.¹⁰⁶

The Retail Butchers Association of Winnipeg had petitioned the legislature for a public market and abattoir during the summer of 1907.

We believe that a public cattle market and a public abattoir will be the salvation of the meat trade in this city, as it will provide the farmers with a competitive market where butchers and dealers in meat can buy at first hand from the farmers, eliminating the large profits made by the wholesalers or abattoirs and will be a benefit to farmer and consumer alike.¹⁰⁷

In response to the agitation he had started, Glen Campbell introduced a resolution for a public market and abattoir.¹⁰⁸

There followed an intra-party struggle, primarily between Glen Campbell and J.T. Gordon. Campbell had public backing, but Gordon easily refuted his charges. Campbell said wholesalers paid only 2 1/2¢

¹⁰⁴Nor'West Farmer, March 20, 1906, p. 248.

¹⁰⁵P.A.M., Manitoba Debates (Free Press), January 20, 1907, p. 47.

¹⁰⁶Ibid (Telegram)., January 6, 1908.

¹⁰⁷Ibid., February 11, 1908, p. 80.

¹⁰⁸Ibid., p. 79.

a pound; Gordon said he paid 4¢. Campbell charged that profit was \$13 per steer; Gordon claimed he made only \$2.50. When Campbell alluded to the success of the public abattoir in Montreal, Gordon cabled the Board of Trade and found it had ceased to exist years before.¹⁰⁹ In an effort to end the feud, one Conservative suggested that Gordon be asked to sell his operation to the province or the province would enter into competition. Another suggested that if the government did not build an abattoir, interested members of the legislature should form their own joint stock operation. Opinion was clearly against Gordon. In the end Campbell's resolution passed, and Gordon became increasingly estranged from the party.¹¹⁰

A by-law for the establishment of a public abattoir was submitted to the voters of Winnipeg, and it was defeated. The Nor'West Farmer agreed that the operation would likely run up a deficit and that Winnipeg should not be burdened with regulating the meat trade of the province. The Beef Commission had recommended municipal control, but it was a provincial responsibility to support it.¹¹¹ The province was more or less forced to take responsibility for the agitation started in the legislature.

In 1908 Glen Campbell was elected to the federal Parliament,¹¹² and the public abattoir movement lost its greatest advocate. In 1909 the legislature began to be more occupied with the elevator scheme, and the public markets and abattoir issue sank into obscurity. Another

¹⁰⁹ P.A.M., Manitoba Debates (Telegram), February 13, 1908, p. 86.

¹¹⁰ Ibid., February 14, 1908, p. 91.

¹¹¹ Nor'West Farmer, October 5, 1908, p. 868.

¹¹² Capt. E.J. Chambers, Parliamentary Guide; 1909 (Ottawa: Mortimer Company, 1909), p. 94.

unanimous motion for a public abattoir was passed,¹¹³ but little came of it. With the refusal of Winnipeg to consider the issue, little could be done. Then St. Boniface stepped into the void. A charter was granted to the Union Stock Yards Company, and the city entered into negotiations, but no progress was made; the company wanted complete control.¹¹⁴ To stimulate initiative, the legislature made available a grant of \$25,000 to St. Boniface or any other municipality which undertook to build a public market and abattoir, but still the Union Stock Yards Company blocked the proceedings.¹¹⁵ The abattoir issue, which had not become a party issue, was solidly backed by the legislature, except for one man. In a parting remark at the end of the session J.T. Gordon protested that if those who criticized the meat packing industry were to spend their time instructing farmers on how to manage their farms, select their herds, and feed them, there would be less cause for complaint at prices received.¹¹⁶ But little attention was attracted either by legislative action or Gordon's protests.

The government grant was increased to \$50,000 in 1910,¹¹⁷ and finally in 1911 an arrangement was concluded. A Union Stock Yards was to be set up in St. Boniface by the three railways. A Public Markets Board consisting of representatives of the government, the CPR, the Canadian Northern, and the Grand Trunk Pacific, was to regulate its operation. Rates were to be subject to the approval of the government.¹¹⁸ The new stock yards were completed in August, 1912

¹¹³P.A.M., Manitoba Debates (Telegram), February 24, 1909.

¹¹⁴Ibid., March 3, 1909.

¹¹⁵Ibid., March 9, 1909.

¹¹⁶Ibid.

¹¹⁷Ibid., March 3, 1910, p. 19.

¹¹⁸Ibid., March 6, 1911, p. 31.

and provision was made for one public and five private abattoirs.¹¹⁹ However, since the government regulated all rates for slaughtering and storage, it was not until 1914 that construction on an abattoir commenced.¹²⁰

The prices paid to farmers for stock rose of their own account; no provincial government action affected them. The severe winter of 1906-1907 raised feeding costs to highly unprofitable levels in the West, and again herds were liquidated.¹²¹ Stock decreased markedly in southwestern Saskatchewan for the period.

	Cattle	Sheep
1901	82,358	62,777
1906	132,935	105,440
1911	121,707	89,052 ¹²²

With the fall in breeding stocks, the market supply declined, and prices again rose. In 1910 the Commercial, in an editorial entitled "Why Are Meats Scarce?", accurately concluded that beef prices in Manitoba

were so low three or four years ago that a holler was started about a beef trust, and there wasn't much money in selling stock; and so, ignoring the other valuable qualities of the stock, they were reduced to a minimum, and the farmers' associations were so busy shouting about the combines and moving earth and the governments to start investigations that they did not notice that all classes of stock were going up and climbing until all records for decades have been surpassed and the end is not yet.¹²³

¹¹⁹ Free Press, August 3, 1912, p. 19.

¹²⁰ C.A.R., 1914, p. 600.

¹²¹ A.S. Morton and Chester Martin, History of Prairie Settlement and Dominion Lands Policy (Toronto: Macmillan, 1938), p. 442.

¹²² R.W. Murchie, Agricultural Progress on the Prairie Frontier (Toronto: Macmillan, 1936), p. 59.

¹²³ Commercial, June 25, 1910, p. 13.

The business organ condemned the Grain Growers for focusing on political action and ignoring farming. "But who would dare to tell the grain growers of Manitoba that they did not know it all?"¹²⁴

The natural resurgence in the prices paid to farmers robbed the government of an important campaign issue. The Conservatives made the most of their action, however, and the Conservative handbook for the election of 1914 appealed to the voters of Winnipeg on their abattoir record. Although the government had not actually completed the abattoir, it had established control over rates. It claimed rather misleadingly that the price of meat "which heretofore, under the system of privately owned and operated abattoirs, has been abnormally high" was lowered by its public abattoir policy.¹²⁵ The ambiguous half-way stand between public and private ownership created by the government's subsidization, but not ownership, apparently effected the compromise which had been sought in 1908 between the two warriors Glen Campbell and J.T. Gordon. The government had contented itself with one small scale local abattoir, and Gordon's business position as an exporter was unaffected by the influence of the government abattoir on the Winnipeg market. Gordon, who had not stood for re-election in 1910 - probably due to the abuse he received in the legislature - came out of retirement in 1914 to campaign for Roblin. He addressed a Winnipeg rally concerning the rumour that he did not support Roblin. "I am here to say I am in hearty sympathy with the Roblin administration.... I have not always agreed with him in business matters, and I suppose that is one of the reasons it was thought I

¹²⁴Commercial, January 28, 1911, p. 20.

¹²⁵(Sanford Evans), Record of the Roblin Government; 1900-1914 (Winnipeg: n.p., 1914), p. 192.

was not in sympathy with him and his government."¹²⁶

The public abattoir issue thus faded into oblivion, leaving no mark on provincial politics. Its cost had been negligible, and its political appeal was dead. Public ownership had by this time come to be eclipsed by other problems growing out of Roblin's failures in operating the province's utilities.

Deeper than the effects on public ownership policy were the changes that public censure brought in Roblin's political ideas. Roblin at heart was a conservative in the true sense of the word. He felt it was the duty of the government to look after and protect the people. He advised Robert Borden on his victory in 1911, "Use your own good judgement and the party and the country will stand by you, no matter what you do." Apprehension over the impending elevator collapse caused him to add, "But if influence prevent you from using your own judgement confusion and disaster will follow."¹²⁷ Roblin told the legislature in 1912, "I am democratic in so far as the will of the people is concerned...."¹²⁸ The will of the people, however, was construed only to entail acceptance or rejection of the Conservative party in its role as guardian of the province. Each time Roblin neared a goal he went to the people for confirmation of what was essentially a fait accompli. In 1907 he asked for approval of his telephone policy; in 1910 provincial elevators required acceptance. Popular suggestions held little legitimacy for Roblin, and in the one instance when he bowed to public pressure, the elevator scheme collapsed around him. In a moment of weakness he confessed, "An autocratic form

¹²⁶ Telegram, July 8, 1914, p. 15.

¹²⁷ P.A.C., Borden Papers, Roblin to Borden, 1911.

¹²⁸ C.A.R., 1912, p. 501.

of government is the best form of government in the world if you have the right kind of autocrat."¹²⁹ Following 1912 Roblin became more autocratic in his methods of government.

At the same time, the people of Manitoba were beginning to take issue with Roblin's government by trusteeship; the fallibility of these trustees led to the demand for some measure of popular control. The strength of such rising movements as those for woman suffrage and direct legislation was due to the liberal reaction to Roblin's conservatism. R.L. Scott of the Direct Legislation League spoke at a People's Forum at the Grand Theatre in Winnipeg. He claimed that direct legislation would have been helpful in the cases of Government Telephones and Elevators; the people could have prevented the transactions from being rushed through. What was wanted more than public ownership of telephones and elevators was "public ownership of government."¹³⁰

By 1911 the Manitoba Grain Growers Association was beginning to display discontent over the political system due to the failures of public ownership. E.A. Partridge addressed the annual convention in connection with the proposed Hudson Bay Railway. He claimed that

western farmers could not have government operation of the Hudson's Bay road in the public interest until such a time as the people owned the government.... He had been a strong advocate of Government ownership, but he was beginning to think that until such a time as Canada had direct legislation, government ownership and operation was not such a good thing after all.¹³¹

The willingness of the Grain Growers to listen to the new reform advocates was demonstrated by their invitation to F.F. Coulter of

¹²⁹C.A.R., 1912, p. 501.

¹³⁰Voice, February 8, 1912, p. 6.

¹³¹Nor'West Farmer, February 6, 1911, p. 146.

Portland, Maine to speak on the benefits of direct legislation and F.J. Dixon of the Winnipeg labour movement to speak on the Single Tax.¹³² Dixon later recorded his impressions of the Grain Growers' annual meeting.

Originally these men may have banded themselves together from motives of selfishness for the sake of getting a few cents a bushel more for their wheat. If such was the original motive, they have outgrown it and have reached a higher stage of development... for they now realize that only by cooperation to secure justice for all can each individual secure justice for himself.¹³³

This was wishful thinking on the part of labour, for the grievances were still rooted in economics, but there was just enough foundation in the views of radicals such as Partridge, who lauded cooperation as the true goal, to give the Grain Growers an idealistic halo and permit closer cooperation with fundamentally dissimilar movements such as labour.

At the 1912 convention Dixon again spoke on the desirability of direct legislation, and the Grain Growers were induced to pass the resolution, "that we endorse the bill by the Manitoba Direct Legislation League to be presented to the legislature at its next session, and we direct our executive to cooperate with the League in presenting the same."¹³⁴ But the keynote of the convention was President Henders' speech to the assembled members of the MGGGA on current problems.

The principle remedy is direct legislation, because it opens the door to every other reform.... Government ownership of industrial monopolies is not public ownership unless the people own the government. Public ownership of

¹³² Nor'West Farmer, February 6, 1911, pp. 142 & 144.

¹³³ Voice, January 27, 1911, p. 9.

¹³⁴ Nor'West Farmer, February 5, 1912, p. 149.

the government is essential to real public ownership of industry, and public ownership of government involves what we have previously said concerning direct legislation, so that these must be a part of every thorough and reliable plan for the public ownership of industrial monopolies.... (Public ownership) increases the importance of governmental affairs and intensifies the disasters resulting from corruption, partisanship, and the spoils system, and so arouses the interests of the citizens and impels them to reforms that will guarantee pure and efficient management.¹³⁵

Thus, the evolution of the Grain Growers was complete. At the turn of the century they had needed the protection of a strong paternalist government. Soon, however, they had come to depend more on their own resources. As the Guide remarked, "The farmer does not care to be coddled or molly-coddled. He doesn't want to be nursed or treated like a very large deserving baby."¹³⁶ Only a decade after the birth of the movement, the Grain Growers were agitating for more control over the utilities which were operated for them by the provincial government; from there it was only a short step to the demand for a greater voice in government. The change was complete; conservatism gave way to liberalism.

The failures of public ownership under the Roblin government led everywhere to increased demands for public participation in government. Roblin was now engaged in a fight for his political life. While a wiser policy would perhaps have been to graciously accept defeat and await a later chance to return to power, he instead tenaciously clung to power, employing any means of corruption and political bribery to maintain himself. In the Kildonan - St. Andrews and Gimli by-elections of 1913 both sides exchanged charges of false voting and bribery, and as Morton says, "The ferocity of the campaign seemed to have brought

¹³⁵ Nor'West Farmer, February 5, 1912, p. 151.

¹³⁶ Guide, September, 1908, p. 14.

Manitoban politics to the mudsills of public life."¹³⁷ Such political manoeuvres only served to strengthen the reform movement. In 1914 a general election reduced Roblin's majority considerably; twenty-eight Conservatives and twenty-one Liberals were returned amidst a multitude of charges of corruption.¹³⁸ In 1915 Roblin lost power completely.

The effects of the failure of public ownership in Manitoba were felt throughout Canada. Alberta, which had always lagged somewhat behind Manitoba and Saskatchewan in development, was given the opportunity to watch the development of both provincial elevator systems. Needless to say, Alberta chose the successful Saskatchewan cooperative as its model.¹³⁹ In the East, James Mavor, professor of political economy at the University of Toronto, drew on the Manitoba experience in telephones to attack the policies of Ontario Hydro, and through the columns of the Financial Post he attacked the public ownership principle in general.¹⁴⁰ Roblin's failures did much to discredit the public ownership movement in Canada.

¹³⁷ Morton, op. cit., p. 334.

¹³⁸ C.A.R., 1914, pp. 607-608.

¹³⁹ Patton, op. cit., pp. 117-124.

¹⁴⁰ James Mavor, Public Ownership and the Hydro-Electric Commission of Ontario (Toronto: Maclean, 1917), passim.

Chapter V Banking Reform

The movements for a public abattoir and stockyard, and provincial elevators, demonstrates the growing power of the agrarian interests in determining the direction of legislation. It might also be noted that without rural support other public ownership movements could not blossom. A case in point is the public ownership of banks.

Credit problems had always plagued the West. With the turn of the century the availability of credit grew and prosperity became the norm. In 1907, however, the international money market was beginning to show signs of strain from excessive expansion. Interest rates in London rose to new heights, and in the United States credit was frozen completely when major New York banks collapsed and the nation's banks went on a two month bank holiday. Canadian bankers had been astute enough to foresee the impending crisis, and, although restricted credit led to a recession, the situation was not nearly as bad in Canada. Withdrawals were honoured, and the chartered banks generally remained solvent.¹

On the prairies, however, this deviation from the growth pattern was seen as a plot by financiers rather than as an adverse swing in the economic pendulum. Typical of rural charges was that of the Neepawa Press. "The alleged money stringency of 1907 was not caused by the withdrawal of deposits. It was a condition created by the banks themselves in the interests of men in control who needed all the money available for their own uses, and they squeezed the country to get

¹A.B. Jamieson, Chartered Banking in Canada (Toronto: Ryerson Press, 1953), p. 39.

it."² In exasperation Sir Edmund Walker, President of the Bank of Commerce, reported at the 1908 annual shareholders meeting:

Indeed, when we consider the rash and ignorant criticism of the banks heard in communities where the stringency in money has been most keenly felt, it seems as if it were almost useless to offer a signal of danger to the borrowing public so long as prosperity is in full force. A year ago this bank did its part in offering a warning which events have shown to be justified, but this warning was actually regarded as evidence of total inability to understand the true business conditions in the West.³

Against this background of farmers' grievances and misconceptions there began to appear suggestions that the government take over at least some banking functions. Said the Neepawa Press, "If the chartered banks - the present monopolists of money - cannot finance for farmers, merchants, and small businessmen, as well as for the railways, the grain elevators, land speculators, and big manufacturers, the duty will devolve upon the government of doing so."⁴ The Brandon Sun suggested, "It is quite possible that the provincial government will be approached with a view to taking steps to relieve the situation."⁵ No "steps" were listed, but later in a letter to the editor of the Guide Joseph Tucker of Shoal Lake gave a synopsis of agricultural banking policies in other areas of the empire. In Natal a government loan fund had been set up in 1907; the government of the Orange Colony made loans to farmers; since 1899 the government of New South Wales had been lending to farmers; in South Australia a state bank had been set up in 1895 to make advances to farmers; and in Victoria the govern-

² Neepawa Press, September 17, 1909, p. 2.

³ G.P. de T. Glazebrook, Sir Edmund Walker (Toronto: University of Oxford Press, 1933), p. 89.

⁴ Neepawa Press, September 6, 1907, p. 2.

⁵ Brandon Sun, November 7, 1907, p. 1.

ment savings bank invested in land mortgages.⁶

In Winnipeg the banks were also encountering opposition among the working class. The Socialists had always condemned banking as a feature of capitalism, but emphasis on this aspect led the Voice to publish a revision of Marx' views by Henry B. Ashplant. "The keystone of the capitalist system of industry and robbery was not uncovered by Marx, it lies in banking practise in both Europe and America...."⁷ There was no gold backing for the paper issues of either the Bank of Montreal or Bank of Commerce. This tended to transfer industrial wealth to the banks in return for worthless paper.

Banking policies also came into conflict with J.S. Woodsworth's social gospel. In Studies in Rural Citizenship, assembled by Woodsworth and put out by the Canadian Welfare League, there appeared well-reasoned arguments for the public ownership of banks.⁸

Our banks are managed by boards of directors, the members of whom are almost always directors of industrial institutions, transportation companies, manufacturing interests and various other activities of commerce; and being human, they are disposed to use money deposited in the banks for the promotion of these other undertakings.... That is to say, the money deposited in banks by farmers and the labouring class is used in the interest of combines and trusts to oppress the people who are depositors in the banks. So that our banks, as long as they are managed as at present and so long as the directors are human, from the nature of things cannot satisfactorily meet the requirements of labour and the needs of the agricultural class.⁹

Woodsworth gave special attention to the banking systems of New Zealand and Western Australia. Following these examples he suggested that the

⁶Guide, August 2, 1911, p. 10.

⁷Voice, April 30, 1909, p. 7.

⁸Kenneth McNaught, A Prophet in Politics (Toronto: University of Toronto Press, 1959), pp. 64-66.

⁹J.S. Woodsworth, Studies in Rural Citizenship (Winnipeg: Public Press, 1913), p. 71.

Dominion Savings Bank should make available its funds to farmers and workers, especially considering that the source of these funds was largely composed of the small savings of this class. "It seems a reasonable proposition that their money should be used in the interests of that class rather than as now loaned to Chartered Banks to be used in 'building up big interests' which have become oppressive burdens to the producing classes."¹⁰

By far the majority of foreign models for banking reform were concentrated within the empire. Whereas the other movements had taken as examples developments in the U.S., there was very little north-south communication in this case. The American banking system allowed for thousands of local banks, usually weak, while the number in Canada was small, but included numerous branches. This centralization allowed efficiencies in organization and administration, and the Canadian banking system was generally stronger than that of the United States. This tended to become a point of national pride, even among those who sought to reform the Canadian system. The Nor'West Farmer commented:

The Canadian system of banking has been somewhat severely criticized at times, frequently by men who really did not know very much about it, but sometimes no doubt with a measure of justice. Yet, taking it all around, we believe that the Canadian system of banking is one of the best in the world.¹¹

It was only natural, therefore, that Canadians take their examples from similar systems within the empire. But these examples did not dictate events. The Commercial noted the movement in Britain for

¹⁰Woodsworth, op. cit., p. 76.

¹¹Nor'West Farmer, May 20, 1912, p. 732.

public ownership of banks in the wake of the collapse of the Birkbeck Bank, but it showed no sympathy.¹² Banking reform was a domestic issue. There was some influence from the United States, both radical and constructive, but this was brought mainly by immigrants who, of course, had little reason to acknowledge the superiority of the Canadian banking system. One recent American immigrant wrote to the Guide, "Since coming to Canada, I have learned that the financial system here is practically the same." He then went on to outline his proposals for banking reform:

The government to issue all the money of paper, full legal tenders, payable for all debts, public and private, to be put in circulation only by loaning it to the people under a standard rate of interest, fixed by the law-making power: this interest to be neither high nor low, the borrower in all cases to give adequate security. Perhaps the most effective way to put this system in operation and carry it out, would be to have government banks, wherever the business of the country would justify, and have plenty of money in them stamped and ready to loan at all times.¹³

In spite of such examples, the movement for banking reform was much more of an internal issue than the movements for public telephones.

On the surface bankers presented a calm appearance. Robert Rogers, Roblin's Minister of Public Works, complained that Canadian banks were lending too much money on Wall Street; deposits in these banks belonged to Canadians and should not be lent outside the country. The Financial Post merely reported an amused opinion among the experts on this point.¹⁴ However, fluctuations in the economy brought cause for concern. The Monetary Times reported:

Whenever national prosperity is checked or a difficulty is experienced in obtaining at moderate rates all the money

¹²Commercial, August 5, 1911, p. 20.

¹³Guide, February 16, 1910, p. 14.

¹⁴Financial Post, October 19, 1907, p. 6.

required for development, people come forward with patent financial medicines. ... There has arisen in comparatively recent years a feeling that banks are not private businesses, but distinctly national and even Government institutions.¹⁵

Yet, the movement for publicly owned banks never really got started in Manitoba. The Commercial even reported, "We do not hear much about proposed reforms in our Bank Act although next year it is to be revised."¹⁶ In large part, the reasons can be traced to hasty and benignly illegal federal action, and to the Grain Growers.

The financial situation in 1907 had prevented the banks from making available sufficient amounts of money to deal with a grain crop which, because of early frosts, had to be moved more quickly than usual. Grain dealers complained that they could not get credit. Delegations from the MGGGA, the Winnipeg Board of Trade, and other organizations presented urgent petitions at Ottawa. A secret order-in-council was passed in November allowing up to \$10 million to be borrowed by banks to finance the western grain trade. Due to high interest rates abroad, however, the federal government was forced to make the loans in Dominion notes - the entire issue being in excess of the amount which, under the Dominion Notes Act, could be issued without gold backing. It was not until the 1908 session that this action was revealed, but at that time the Bank Act was amended to allow additional note issues during the crop-moving period.¹⁷ This action by the federal government, then, did much to diminish future protest by the farmers.

At this same time the Grain Growers were also taking matters into

¹⁵Monetary Times, June 27, 1908, p. 2155.

¹⁶Commercial, September 18, 1909, p. 23.

¹⁷Jamieson, op. cit., pp. 37-39.

their own hands. In 1907 the fledgling Grain Growers' Grain Company was just getting off the ground when the Bank of British North America notified it that its line of credit was being terminated. In view of the troubles the Grain Growers were having establishing themselves on the Grain Exchange, it was only natural that the executive saw in this the long arm of the grain dealers.¹⁸ This tradition has been preserved by the United Grain Growers, but it may just as easily have been the universal policy of financial retrenchment which brought the Bank of British North America to give up the account of the struggling Grain Growers. In any event, W.H. Machaffie, Winnipeg manager of the bank, had always sympathized with the farmers, and when the opportunity arose, he quit his position and became Winnipeg manager of the Home Bank. The Home Bank had evolved from an Eastern savings and loan institution to a chartered bank, and was now working to establish itself in the West.¹⁹ The bank was known for its lack of corporate ties; the Free Press characterized general manager James Mason as "devoted exclusively to banking."²⁰ Machaffie at once offered to reopen the Grain Growers' account, and the offer was readily accepted. Relations between the Grain Growers and the Home Bank grew intimate. The Home Bank was anxious to increase its shareholders in the Northwest, and the Grain Growers wanted to ensure continued financial support. The Grain Growers thus encouraged farmers to buy Home Bank stock and make the bank their own.²¹

¹⁸R.D. Colquette, The First Fifty Years (Winnipeg: Public Press, 1957), pp. 65-66.

¹⁹Harald S. Patton, Grain Growers' Cooperation in Western Canada (Cambridge: Harvard University Press, 1928), p. 65.

²⁰Free Press, January 4, 1908, p. 5.

²¹Patton, op. cit., p. 66.

This relationship between the Grain Growers and the Home Bank was successful until well after the First World War.²² The Grain Growers' Grain Company put large sums of money in Home Bank stock and appointed one of the directors.²³ In the Grain Growers' Grain Company Annual Report in 1909 the union received favourable coverage by Grerar.

The need of a strong and certain bank connection had been evident from the very commencement of the organization of the company, especially in view of the powerful interests arrayed against it. The object in getting a connection with the Home Bank was to strengthen the Company's position in this respect, and also to open up to farmers an opportunity to invest their surplus savings in its stock, an investment that would be safe and bring them a good return....

The net results of our relation with the bank has been that we enjoyed last season a much larger line of credit than we otherwise would have had. The bank management have at all times shown a willingness to assist the company and work in harmony with it.

The importance of securing a permanent bank connection cannot be overestimated, and I sincerely hope that everyone of our shareholders will, by taking such stock in the bank as they are able to take, help in making the Home Bank essentially a farmers' bank.²⁴

E.A. Partridge, who had attempted to unite the Grain Growers' Guide with the Voice, addressed also the Trades and Labour Council on this issue. He announced that the farmers no longer viewed themselves as capitalists, but were now organizing and realized they should ally with labour to gain control of government. He explained the relationship between the Grain Growers and the Home Bank and urged that stock be bought by labourers. The Council endorsed Partridge's resolution,²⁵ but it is doubtful that Winnipeg labourers bought much Home Bank stock at a price of \$133.33 a share in an era when the average

²²The Home Bank failed in 1923.

²³E.A. Partridge, "To Help or Not to Help Home Bank Victims", The Progressive, May 1, 1924, p. 8.

²⁴Grain Growers' Grain Company, Annual Report, 1909.

²⁵Voice, June 19, 1908, p. 1.

male wage in Canada was \$417 a year.²⁶

Nevertheless, Home Bank stock sold well on the prairies. The president of the bank told shareholders in 1908 that, in spite of adverse financial conditions in the preceding year, the bank had expanded and it now planned to issue \$500,000 in new stock primarily in the Northwest.²⁷ When 300 shares had been subscribed in a certain area, a branch was to be opened.²⁸ By 1909 branches had been opened at Sintaluta, Saskatchewan and Crystal City, Manitoba.²⁹ The following year new branches opened at Goodlands, Grandview, and Neepawa, all in Manitoba.³⁰ In his address to the annual meeting of stockholders in 1911, the president of the Home Bank announced, "The total number of Shareholders have increased (this year) from 1,346 to 1,636, these new shareholders being chiefly Northwest farmers, who now number some 983, thus keeping pace with the Bank's operations in that promising field for its business."³¹

The Home Bank welcomed this new investment capital and knew well where its interests lay. In 1909 the number of Winnipeg directors was to be increased to three, two of whom were already directors of the Grain Growers' Grain Company. The bank wished to appoint an independent Winnipeg businessman, but, as James Mason wrote from Toronto:

The Directors here very much appreciate the connection of your Company with the Bank, and will not consider for a moment anything that could possibly be construed into an

²⁶Voice, October 16, 1908, p. 1.

²⁷Guide, July 10, 1908, p. 10.

²⁸Partridge, op. cit., p. 8.

²⁹Guide, May, 1909, p. 33.

³⁰Ibid., July 27, 1910, p. 12.

³¹Ibid., July 5, 1911, p. 4.

attempt to alter the terms of the agreement existing between us. They, therefore, wish to say that if there would be the slightest objection on the part of your Company to the proposed appointment, and that you would prefer nominating your own representative, your letting them know of this would be esteemed a favour.³²

And if the Home Bank began to accommodate the farmers, the Grain Growers' Grain Company also became sensitive to the difficulties of the banking industry. Again in 1912 there were constrictions in the capital markets. One local Grain Grower wrote to Crerar that the bills of the Grain Company could be paid "if the Bank would only give our people the accommodation to which they are entitled considering the heavy stock subscription that was made in the neighbourhood."³³ Crerar wrote back saying he had done what he could to have the bank provide more funds, but, "Money is pretty tight at the present time. The European war scare seems to have unsettled things considerably. Call money a few days ago, cost 20% in New York and this made things sort of nervous."³⁴

Farmers had thus entered the banking business, and with this action went a moderation in attitude. At the 1908 convention of the Manitoba Grain Growers' Association at Brandon, a banking resolution was passed stating that since the "Business of our country is largely conducted on credit based on confidence", it was necessary only to inspire confidence in the banks to insure availability of credit. The financial troubles in the United States had produced the suggestion that each bank be taxed a small amount to build up a guarantee fund to protect depositors. This idea was picked up by the Grain Growers,³⁵

³²Q.U.A., Crerar Papers, Mason to Crerar, October 15, 1909.

³³Ibid., F.J. Collyer to Crerar, November 12, 1912.

³⁴Ibid., Crerar to Collyer, December 11, 1912.

³⁵Guide, April, 1909, p. 40.

and W.D. Staples, Conservative MP for Macdonald, presented it to Parliament.³⁶

In 1913 the Home Bank, in a move to consolidate its position in the East, attempted to take over the assets of the Banque Internationale. The Banque Internationale had been chartered in 1911; 80% of the capital was French, but effective control was in the hands of Sir Rodolph Forget.³⁷ The bank was clearly expansionist, and considerable nervousness was caused in Eastern financial circles. Many banks requested their shareholders to hold on to their stock in order to prevent a takeover.³⁸ When in turn the Home Bank moved to take over the Banque Internationale, public fear of trusts and monopolies brought renewed opposition in Parliament. However, Crerar wrote to Frank Oliver, former Minister of the Interior, saying that "even though the farmers of Western Canada are opposed to the principle of bank mergers", the purchase of the assets of the Banque Internationale would bring "a considerable increase in capital and resources to the Home Bank. This will have a beneficial effect on the business of the Bank in Western Canada."³⁹ The Grain Growers were no longer outside the banking system protesting exploitation, but competing actively within the system to protect their interests.

The most propitious time for any movement for the public ownership of banks would have been during 1913, for it was then that the Bank Act finally came up for revision after several postponements. However, events conspired to divide the labour and agrarian elements. The First

³⁶D.H.C., March 2, 1908, p. 4297.

³⁷C.A.R., 1913, special section, pp. 63-64.

³⁸Commercial, April 29, 1911, p. 22.

³⁹Q.U.A., Crerar Papers, Crerar to Oliver, March 18, 1913.

Balkan War broke out in 1912 and the second the following year. The results were financial panic in Europe and the inevitable recession in western Canada. But the recession was really felt only in Winnipeg. While unemployment grew in the city, the rural areas enjoyed the largest wheat crop on record in 1913.⁴⁰ And thanks to Parliament's currency measures of 1908 there was no real problem in moving the crop. Thus, while Woodsworth was giving his arguments for public ownership, the Grain Growers, secure in their connection with the Home Bank and already possessing some measure of federal protection, confined themselves to relatively minor demands. The influence of labour was consequently no greater in Manitoba than in the rest of Canada.

Western emphasis was on government control, not government ownership. Crerar told Oliver that, of the Home Bank, "in no case has it charged more than 8% interest on loans, in many cases farmers get their loans at 7%, and in some cases, at 6%."⁴¹ On the other hand, George F. Chipman, editor of the Guide, testified before the House Banking Committee that other banks charged between 8% and 12%. Both Chipman and Vice President McKenzie of the Grain Growers' Grain Company wanted the Bank Act amended to impose a ceiling of 7%.⁴² The proposal was not acted on, but other suggestions were. Considerable public protest had resulted from the failures of the Ontario Bank in 1906, the Sovereign Bank in 1908, and the Farmers Bank in 1910. More careful government control, especially an audit, was demanded to prevent further

⁴⁰R.C. Bellan, "The Development of Winnipeg as a Metropolitan Centre", (unpublished Ph.D. Thesis, Columbia University, 1958), pp. 228 & 237.

⁴¹Q.U.A., Crerar Papers, Crerar to Oliver, March 18, 1913.

⁴²Guide, April 30, 1913, p. 7.

failures.⁴³ The Canadian Bankers' Association reluctantly acquiesced in measures restricting banking activities. Sir Edmund Walker, President of both the Bank of Commerce and the Canadian Bankers' Association, stated, "I am of course as strongly as ever a disbeliever in the efficiency of government inspection or of compulsory audit," but "sooner or later the public will demand that we prevent as far as possible such disgraceful failures as those of the Ontario and Sovereign Banks."⁴⁴ He thus favoured a measure of inspection to appease the public, but he still maintained it would be no more effective than an ordinary audit.

The representations of the Grain Growers, however, were deceptive. While they in fact could claim a large following, there were still significant pockets where public ownership was in favour. Those areas which did not have the convenience of a branch of the Home Bank were the poorer areas which needed it the most; they still suffered from high interest rates. Even where a branch was available, credit was still sometimes restricted. However, there was no real organization which could handle these protests. E.A. Partridge, a founder of the Grain Company, resigned when Crerar refused to operate the company according to socialist principles, but he did not present a viable alternative. Partridge grew progressively more radical, and in 1912 he established the Square Deal Grain Company, charging that the Grain Growers' Grain Company "departed from the ideals of its founders, engaged in speculation, took advantage of the loyalty of the farmers to retain their support after having ceased to deserve it, and in a

⁴³Jamieson, op. cit., pp. 41-43.

⁴⁴Glazebrook, op. cit., pp. 107-108.

number of ways abused their confidence."⁴⁵ This marked the division of the Grain Growers movement. While the Grain Growers' Grain Company had originally been set up as a cooperative in opposition to big business, Crerar and the majority now adopted more standardized business procedures in order to compete efficiently, and Partridge and the minority moved ever closer to pure socialism.

For Partridge cooperation was an end in itself. It was not so important for the farmer to make more money as to use wisely the money he already had. "It is worth more to know how to live than to know how to make money."⁴⁶ In 1913 Partridge founded the No-Party League, a socialist non-partisan pressure group dedicated to, among other things, the public ownership of banks. In the League's manifesto Partridge wrote:

Each province can establish its own bank, its own trust, loan and insurance business.... By its entry into the banking, trust, loan and insurance businesses it can acquire such a control of currency that it can smash the "money ring" and destroy the monopoly of credit that now cripples industry, restrains trade, and loads the people with debt, bearing usurious rates of interest.⁴⁷

The movement was as premature as it was radical, however, and it did not share the success of the Non-Partisan League which swept the West only a few years later. Because the overall socialist program of the No-Party League was unpopular, there was no effective vehicle for moderate agrarian interests in favour of public ownership of banks. Thus the leaders of the Grain Growers had the added advantage of heading the only organization representing the rural areas. Agitation in Winnipeg remained sporadic and disorganized, reflecting the

⁴⁵Q.U.A., Crerar Papers, Partridge (to Crerar?), November 27, 1912.

⁴⁶Voice, January 27, 1911, p. 7.

⁴⁷E.A. Partridge, Manifesto of the No-Party League (n.p., 1913), p. 25.

fragmentation of the labour movement there. In this atmosphere it was inevitable that the views of the Grain Growers should dominate the bank reform movement while agitation for public ownership quietly expired.

The inability of the sentiment for public ownership of banks to develop into a general movement was due to its narrow appeal. Advocates who stood for government banking were almost to a man socialists. The Grain Growers, ~~th~~through the Grain Company and its growing business connections, were beginning to array themselves on the side of small businessmen. In this role they concentrated on reforming the minor irregularities of a system already functioning reasonably efficiently. But more than anything else the disappearance of any signs of a movement for government banks by 1913 signalled the maturity of the farming community, its entrance into society as an equal partner, and a growing sense of self-reliance in place of the former dependence on the government.

Chapter VI

Public Ownership and Federal Politics in Manitoba; 1907-1911

With all the importance attached to the public ownership movement at the provincial level, it was sure to have its side-effects in federal politics. Laurier had demonstrated a hostility to the principle when Roblin requested the power to expropriate Bell. Considering the general state of public opinion in favour of government ownership in Canada, it was virtually inevitable that Borden should be attracted to the issue.

On August 20, 1907 Borden set forth his Halifax platform, the collection of progressive ideals on which the Conservative party would run in the approaching election. In response to the problems of the meat trade in the West, he introduced a plank calling for "a thorough system of cold storage" facilities.¹ Local abattoirs were outside federal responsibilities, but anything that would facilitate the foreign meat trade would ease the problems of the West. However, the most significant plank of the Halifax platform was the one favouring a federal telegraph and telephone system.²

The Conservatives of Manitoba were well aware of their position in the vanguard of the public ownership movement. Colin Campbell, in his speech announcing Manitoba's new telephone policy in 1906, told the legislature:

I realize also that in doing this we are committing the Liberal-Conservative party to this policy, and the principles involved in it, but I strongly believe that in the days to come we will become stronger and that this policy will not

¹Owen Carrigan, Canadian Party Platforms: 1867-1968 (Toronto: Copp Clark, 1968), p. 51.

²Ibid., p. 52.

only become the policy of the Conservative party of Canada, but of Canadians as a whole.³

It was Borden's opinion that the function of the party was more than simply serving as the vehicle for contemporary thought; parties, and especially their leaders, must lead the people to reforms. Thus, for Borden the party would always be slightly ahead of public opinion.⁴ Manitoba was further advanced than the rest of Canada in the public ownership movement, and the success the Conservative party enjoyed there confirmed Borden's decision to adopt government telephones.

Laurier apparently was unruffled by Borden's platform. Mackenzie King, Mulock's apprentice, recognized the strength of the public ownership movement and suggested to Laurier that the Liberal party should have some independent journalists like W.F. Maclean writing for public ownership in order to prevent it from becoming a party issue. The Prime Minister, however, "thought there was no reason to lose sleep over Borden's programme."⁵ The leaders of the Liberal party were too firmly rooted in the last century to appreciate the popular character of the public ownership movement.

The Conservative Montreal Gazette condemned Borden's telephone proposals,⁶ but Maclean observed that public ownership extended only to telephones and telegraphs; he hoped the list would grow as Borden moved west.⁷ The Montreal Conservatives wanted to curtail Borden's

³"Resolutions and Memorials of the Legislative Assembly of Manitoba Respecting Public Telephones" (Winnipeg: King's Printer, 1906), p. 11.

⁴Robert Craig Brown, "The Political Ideas of Robert Borden" in Marcel Hamelin, ed., The Political Ideas of the Prime Ministers of Canada (Ottawa: University of Ottawa Press, 1969), p. 91.

⁵P.A.C., Mackenzie King Papers, Political Diaries, Vol. 6, 1905-1911, August 25, 1907, #2079.

⁶Montreal Gazette, August 21, 1907, p. 6.

⁷Toronto World, August 22, 1907, p. 6.

public ownership stance, in Toronto Maclean wanted it expanded, but in Manitoba the Conservatives seemed to be not paying any attention at all. Borden wrote to a friend:

At Winnipeg, on my (way) west, I had an interview with certain local Conservatives who constituted a delegation for the purpose of urging upon me the importance of declaring for an advanced and progressive policy. It seemed difficult to believe but I was forced to the conclusion that not one of them had even feebly grasped the fact that our policy had been announced and that it was more progressive and advanced than any previously promulgated in this country. I spoke to them for about fifteen minutes and several members of Parliament who were present, came to me afterwards and admitted that up to that time they had never realized how tremendous and important had been the advance made by the party in the programme announced by my Halifax speech.⁸

With Borden in advance of even the Manitoba Conservatives, there was little pressure for further radical developments. The Telegram had reported on the Halifax speech,⁹ but little immediate comment had been forthcoming, so that the Conservative party in Manitoba failed to take the initiative and achieve a more prominent place in the policy-making circles of the party.

The Tribune, however, had given more consideration to Borden's speech. Of the telephone plank, it commented, "This is an excellent plank if it were not for that suspicious clause, 'after due consideration'. That is too big a loop-hole to be overlooked. If Mr. Borden is sincere in his advocacy of Public Ownership, why did he so carefully insert that clause in this plank?"¹⁰ The next day in a platform which the Tribune would have liked to see the Conservative party adopt, it included "a declaration in favour of the principle of public ownership

⁸ P.A.C., Borden Papers, #172514-172515.

⁹ Telegram, August 21, 1907, p. 1.

¹⁰ Tribune, August 21, 1907, p. 4.

of all utilities which by nature, are natural monopolies, such as railways, telegraphs, telephones, etc."¹¹

The 1908 federal election was conducted openly by both parties on charges and counter-charges of graft and corruption. The Telegram described the dominant issue as "Shall Canada have honest government?"¹² Furthermore, after eight years under the Roblin government, Manitoba had a well entrenched Conservative machine administered by Robert Rogers - referred to by the Liberals as the "Minister of Elections". In many respects, then, it was dissatisfaction with a decaying regime too long in power at Ottawa, coupled with a growing Conservative organization in Manitoba, which led to the reversal of party representation in the province. Whereas in 1904 the Liberals had won seven seats to the Conservative three, in 1908 the Conservatives obtained eight seats and the Liberals two.¹³

Yet with these factors in mind, it is all too easy to overlook the part played by the independent vote which was certainly not non-existent. The labour movement was split during the 1908 elections. It was reported that the Trades and Labour Councils stood for independent political action. But in the Voice a letter to the editor pointed out that this would be ineffectual. The labour movement had only 50,000 union members throughout Canada, whereas Whitney had won the last provincial election in Ontario by 96,000; clearly labour could only work through the two established parties.¹⁴ In Winnipeg this difference of opinion was reflected by the candidates. The Socialist

¹¹Tribune, August 22, 1907, p. 4.

¹²Telegram, October 23, 1908, p. 6.

¹³J. Murray Beck, Pendulum of Power (Scarborough: Prentice-Hall, 1968), pp. 106 & 119.

¹⁴Voice, August 7, 1908, p. 7.

party nominated J.D. Houston to run for Parliament.¹⁵ The other segment of the labour movement was won by the Conservatives. R.A. Bonnar had been nominated by the Conservatives to run in Winnipeg; he withdrew in favour of the labour candidate Alexander Haggert, who was adopted by the Conservative party.¹⁶ Thus, while the Voice went on to support the Socialist candidate, the majority of the labour movement was won over to the Conservatives by their progressive stand in the election.

In spite of certain minor quibbles, the Tribune also came out solidly in support of the Conservative party. And in the independent press there was much more concentration on real issues. Two days before the election the Tribune published a list of reasons for voting Conservative. Of the twenty "because" listed, two found their origins in the telephone issue:

Because the government ... proved false to provincial rights by encroaching on the functions of the legislatures, and legislating for corporations which should continue under the jurisdiction of the local authorities. By this means Parliament has aimed at depriving municipalities of their proper control over their own streets.

Because it (the Laurier government) prevented Sir William Mulock from nationalizing the telegraph and telephones under control of the postmaster - general, and forced him from the cabinet on that issue.¹⁷

The telephone issue in Manitoba had played a large part in determining Borden's campaign platform in 1908, and in its own small way contributed to the federal Conservative victory in Manitoba.

Borden was not unaware of the elevator controversy in the West, but the movement for federal terminal elevators was still in its infancy at the time of the election. Roderick McKenzie, Secretary of

¹⁵Voice, October 1, 1908, p. 4.

¹⁶Ibid., October 9, 1908, p. 3.

¹⁷Tribune, October 24, 1908, p. 4.

the MGGA, wrote to Borden in February, 1908, directing his attention to the problems at the terminals and commenting, "No practical solution of the difficulty can be found other than Dominion ownership and operation."¹⁸ If the movement for government terminal elevators was premature for the 1908 election, however, the Grain Growers were to have three years to develop their agitation.

Primary emphasis went to provincial government elevators, but at the end of 1909 the Grain Growers switched their attention to the terminals. McKenzie wrote to Sifton, "Now that the provincial governments of Manitoba and Saskatchewan have expressed their intention of creating a system of publicly owned elevators in those provinces for the handling of grain, the question of the Dominion government acquiring and operating the terminals will be given more prominence than ever."¹⁹

The Liberal party, however, was not receptive to the idea of owning and operating terminals. The victory of 1908 only served to confirm Laurier in his belief in the chimerical quality of the public ownership movement. The idea of government terminals was far from new and had not originated with the Grain Growers. As early as 1899 eastern businessmen had requested that the government build terminal elevators at Montreal and Port Colborne. American capitalists at Buffalo were threatening to form a combine of elevator companies in eastern Canada and divert grain to the United States. A.G. Blair, Minister of Railways, found the idea "very fanciful and illusory, and I find it impossible to believe the suggestion involves a possible

¹⁸P.A.C., Borden Papers, R. McKenzie to Borden, February 29, 1908.

¹⁹P.A.C., Sifton Papers, R. McKenzie to Sifton, December 29, 1909.

danger."²⁰ He added, "At the same time this policy (government ownership) will operate to deter others through the certainty of a crushing government competition."²¹ Blair also felt there was little chance of a Canadian combine developing. In view of this he advised Laurier not to take any immediate action. "Why embark in so doubtful a policy as taking up a purely commercial business on the strength of a fear which may not be realized? If the remedy against combinations and their effects is to be found in this policy, why may not the application of the remedy be postponed until the disease breaks out?"²²

By 1909 the disease had broken out, not in Montreal or Port Colborne, but at the Lake Head. American interests were taking over the western grain trade. James A. Patten, an American elevator owner and commodities speculator, was one of the worst offenders. In 1908 he had cornered the American wheat market and allegedly made \$4,000,000. In 1909 he was working on the cotton market. When he entered, the price of cotton was 10¢ a pound with futures at 8 1/2¢. He had driven the price up to 13¢ where he was holding it in order not to drive some users out of business before they had sufficient stocks. He was then planning to push the price up to about 15¢. The Guide commented:

Patten is the chief operator in the very worst form of legalized robbery that can be found on this continent. He takes no part in the production of wheat and cotton and only attacks it when it is on the way from the producer to the consumer. ... There is a means of checking this piracy if the government would aid the producers. The Governments will not assist the producers until they are compelled to do so, and as long as the people are careless, this pillage must continue.²³

²⁰ P.A.C., Laurier Papers, A.G. Blair, Memorandum, June 20, 1899, p. 4., #34737.

²¹ Ibid., p. 1., #34734.

²² Ibid., pp. 5-6., #34738-34739.

²³ Guide, September 29, 1909, p. 13.

This form of operation was threatening to spread to Canada. A great new grain combine to include all North America was being planned. President John H. Bunnell of the Chicago Board of Trade was pushing the formation of the Associated Boards of Trade of America to secure higher prices for grain. Bunnell reported, "There is great enthusiasm among the grain men over the proposed organization, and the Canadians are just as anxious as the Americans to see it perfected. Toronto, Winnipeg, and Quebec are favourably inclined toward the proposed association. It is intended to better the conditions for the entire grain industry of the continent."²⁴ The Grain Growers, however, were sceptical; the Guide remarked:

Such a combine as the one planned will put the farmer more than ever into the background and will only make more strenuous the struggle by which he will come to his own. It is easy to imagine the board of trade men (elevator combine) of Winnipeg in hearty support of this new trust. But the idea of the president of the Chicago board of trade working to give the farmer a higher price for his wheat is so ridiculous as to be really amusing. Of course, this combine will secure higher prices, but it will be to their own advantage and not to the farmers'.²⁵

Roderick McKenzie told Sifton that there was a "quiet determination among the farmers of the Western provinces to take the storage facilities out of the hands of the Americans."²⁶ The Peavy and Patten combinations of Minneapolis and Chicago controlled the grain trade in the American West and had now "evidently secured the controlling interest in our elevator system."²⁷ McKenzie also informed Sir Richard Cartwright, Minister of Trade and Commerce, that even the new Grand Trunk Pacific

²⁴Guide, September 29, 1909, p. 13.

²⁵Ibid., p. 11.

²⁶P.A.C., Sifton Papers, McKenzie to Sifton, December 29, 1909.

²⁷Ibid.

terminals were leased by the Peavy interests.²⁸

With Sifton's help the Grain Growers had arranged conferences with Cartwright as early as 1907.²⁹ By 1910 the executive of the MGGGA had apparently become so worried that they deemed it necessary to speak to the cabinet as a whole, and Sifton's aid was once again enlisted.³⁰ The delegation was headed by President Henders and Secretary McKenzie. The Grain Growers again briefed Cartwright, who agreed to present the issue to the cabinet, and Sifton arranged an interview with Laurier.³¹

Laurier, however, maintained the position established by Blair ten years before. No action was taken, and the Guide complained, "Year after year the farmers have made out their case and presented it to Ottawa. Still they get little or no encouragement that the situation will be remedied. Outside of the terminals owned and operated by the Canadian Pacific Railway, practically all the other elevators at the lake front are controlled by the Elevator Combine."³²

At the same time American interests were quietly taking over the terminals, the Grain Growers were faced with the standard problem of grain mixing and grade manipulation. At the end of 1909 government inspectors began to uncover discrepancies in the reports of the terminal elevators. Investigation revealed that large quantities of grain had been upgraded by mixing, and the two companies involved were fined a total of \$5,500 and threatened with the loss of their licenses.³³

²⁸ P.A.C., Sifton Papers, McKenzie to Cartwright, December 29, 1909.

²⁹ Ibid., McKenzie to Sifton, July 4, 1907.

³⁰ Ibid., McKenzie to Sifton, January 10, 1910.

³¹ Guide, February 2, 1910, p. 31.

³² Ibid., April 13, 1910, p. 5.

³³ Patton, op. cit., p. 135.

The Guide noted that in spite of government supervisors, "The manipulations continue under their very eyes and they are powerless to prevent it."³⁴ The court action against the elevator companies was added to the growing list of reasons for Dominion ownership. "In view of all that has been learned and is now known of the manner of conducting the terminal elevators, it seems that the Dominion government should have proof enough at hand to show the need of taking over the terminal elevators."³⁵

In pressing for federal ownership of terminals, the farmers of the West showed a much greater degree of unity than they had when agitating for provincial elevator systems. The Nor'West Farmer commented, "There is, we think, a very, very much clearer case in favour of Dominion Government ownership of terminals and transfer elevators than there is for Provincial Government ownership of initial elevators."³⁶ When the terminal elevator operators were convicted of mixing grades, it added, "This occurrence is by far the strongest evidence yet adduced for the government ownership of terminals."³⁷

Furthermore, the Grain Growers found themselves allied with the Dominion Millers' Association on this issue. Small eastern millers who did not have their own elevator systems complained that wheat bought from storage at the terminals was frequently mixed, undercleaned, and overly moist.³⁸ When a deputation of the Grain Growers met Cartwright in May, 1909, they were backed up by petitions from the

³⁴Guide, May 4, 1910, p. 5.

³⁵Ibid.

³⁶Nor'West Farmer, April 5, 1910, p. 414.

³⁷Ibid., June 6, 1910, p. 679.

³⁸Patton, op. cit., p. 134.

Dominion Millers' Association,³⁹ and in September, 1910 the annual meeting of the millers passed the resolution that "The association should cooperate with the Grain Growers' association of the Northwest ... to make proper representation to the government towards the taking over of the (terminal) elevators."⁴⁰

While Dominion ownership of terminals had been only part of an all-encompassing scheme for the public ownership of all grain elevators, after Manitoba set up a provincial system, Dominion terminal elevators took on a new running mate - a federally-owned and operated railroad to Hudson's Bay. A competing road would lower freight charges on the established rail links with the East and provide a shorter route to European markets. With the rise of the public ownership movement, the farmers came to the conclusion that only by government ownership and operation could a railway combine be prevented and the lower rates ensured.⁴¹ Government ownership of railways had been an issue in the 1904 federal election, and the concept continued to circulate among the farmers, albeit on a more subdued level than other issues. However, after 1909 the idea was raised to a prominent position.

The idea of a railroad to Hudson's Bay had become current in the 1880's, and a railway was chartered to accomplish the task. However, highly suspect dealings with the Norquay government forced the resignation of the premier and led to the demise of the project in 1882.⁴² Discussion of the project continued, and the issue was continually in the background. In 1905 Laurier effectively quashed Manitoba's

³⁹C.A.R., 1909, p. 486.

⁴⁰Guide, September 7, 1910, p. 23.

⁴¹George F. Chipman, The Siege of Ottawa (Winnipeg: Grain Growers' Guide, 1911), p. 41.

⁴²Morton, op. cit., p. 221.

territorial claims to eastern Assiniboia by creating the two new prairie provinces; Roblin turned his attention north for compensation and focused on Maritime status for Manitoba. Eight railway companies had applied for Dominion charters for roads to Hudson's Bay,⁴³ and the most notable of these was the Canadian Northern which was building a branch line to The Pas.⁴⁴

Roblin had worked closely with the Canadian Northern, and the idea of a road controlled by Mackenzie and Mann was anathema to the grain growers. Charges of political influence had been hurled at the railway magnates since the deal between Roblin and the Canadian Northern in 1901. The alternative was public ownership. The Guide again led the discussion.

The people of the West do not want Mackenzie and Mann to have anything whatever to do with this great highway. They do not want any other private concern to have control of it. What is wanted is a road built by the government and operated by the government, and terminals on the Bay under the same ownership and control.⁴⁵

Public opinion throughout the West was strongly in favour of a Hudson's Bay railway, and in 1908 Laurier bowed to public pressure and announced that the government would build the railway. Nothing was done, however, until 1910 when a total of \$500,000 was appropriated, a completely inadequate sum. The Grain Growers considered this "in the nature of a good-sized joke,"⁴⁶ and the agitation continued unabated.

The Prime Minister decided to take a tour of the West in the summer of 1910. The Grain Growers organizations began to prepare for

⁴³Commercial, October 27, 1906, p. 46.

⁴⁴Morton, op. cit., p. 291.

⁴⁵Guide, April 13, 1910, p. 5.

⁴⁶Ibid., April 27, 1910, p. 5.

the visit by encouraging farmers' delegations to meet Laurier at every stop and present their views. To prevent chaos, the Guide urged that these petitions should consist of only four basic issues: the reduction of the tariff, government owned terminal elevators, government aid to the chilled meat industry, and a government owned and operated Hudson's Bay railway. "If more questions are taken up of smaller importance, a great deal of strength will be lost."⁴⁷ These, then, were the primary concerns of the Grain Growers. They were aware of Laurier's views on public ownership, but felt that he was also a politician and would bow to public pressure if impressed with its unanimity.⁴⁸ Laurier seemed to fulfill the expectations of the Grain Growers. On the elevator question he announced;

The remedy you suggest is that the government should own all the elevators. I am not very much in favour of government ownership of utilities, but in this case I see no very serious objection to the ownership of the elevators at terminal points, if that be the only remedy available. Although I cannot make any announcement, I will say that I shall have the matter investigated and I shall ask the delegates of the grain growers of the West to come to Ottawa and give us the benefit of their information as to what investigation is necessary to cure the evil from which you are suffering.⁴⁹

And the leaders of the Grain Growers went to Ottawa, although not, perhaps, in the orderly manner which Laurier had in mind. Shortly after the tour, the Toronto Sun, the organ of the Ontario farmers, suggested that the force of the delegation sent to Ottawa would be in proportion to the mass. The Grain Growers accepted the proposal, as did farmers' organizations all over Canada.⁵⁰ In what later became

⁴⁷ Guide, May 25, 1910, p. 5.

⁴⁸ Ibid.

⁴⁹ Commercial, July 30, 1910, p. 24.

⁵⁰ Chipman, op. cit., p. 3.

known as the "Siege of Ottawa" eight hundred farmers descended on Ottawa in December, 1910; five hundred were from the West. It was the largest deputation ever to wait on the government, and the entire body filed into the House of Commons to present its demands to the government.⁵¹ Among the issues covered were the tariff, federal assistance to the chilled meat industry, government ownership and operation of the Hudson's Bay railroad, and terminal elevators. Laurier claimed he could not act to change the tariff while negotiators were still working in Washington. On the terminal elevators, and railway issues, the Prime Minister seemed ready to give in. He announced that Cartwright had an elevator bill already prepared. As for the Hudson's Bay Railway, Laurier said he was prepared to go ahead with the project.

We will give due consideration to your representations. Government ownership as I said a moment ago is not altogether in my line, but I think I can go that far. Government operation is a matter as to which we shall give due weight to your representations.⁵²

Laurier's response was far from satisfactory to the Grain Growers. E.A. Partridge was appointed to head an organizational committee to look into the possibility of the farmers building their own Hudson's Bay railway in the absence of federal action.⁵³ Partridge issued a call through the pages of the Guide for stock subscriptions, and the campaign was started.⁵⁴

Such was the state of affairs when the election of 1911 was announced. The Grain Growers had been correct in their estimation of Laurier's

⁵¹Patton, op. cit., p. 137.

⁵²Chipman, op. cit., pp. 65-66.

⁵³Hamilton, op. cit., p. 38.

⁵⁴Guide, January 11, 1911, p. 8.

bad faith. Little progress had been made on the Hudson's Bay railroad, and the bill which Cartwright had prepared was apparently whittled down to a harmless trifle. When Laurier went off to England in May, 1911, Minister of Finance Fielding wrote after him for action on the elevator bill which "clearly contemplates authorizing the acquisition, by purchase or lease, of the terminal elevators. But there is no direct appropriation for that purpose."⁵⁵ With delightful abandon, Laurier publicly submitted to the Grain Growers' demands for government ownership and privately did his utmost to prevent their implementation. Only the tariff stand appealed to the farmers.

Robert Borden, in contrast, moved into the gap created by Laurier's obstinacies. Government ownership of railroads had been a Conservative plank in 1904. Repudiated in 1908,⁵⁶ it was resurrected for the 1911 campaign. Borden promised not only that the government would begin immediate work on the Hudson's Bay railroad, but that it would also take action on the terminal elevator proposals. Government aid for the chilled meat industry was carried forward from the campaign platform of 1908.

The farmers were thus presented with a difficult choice. Laurier offered free trade; Borden offered public ownership. One local of the Grain Growers wrote to Borden:

We are glad to note from reports of your addresses ... , that you have recognized the reasonableness of our demands for government ownership and operation of the terminal elevators and government ownership and operation of the Hudson Bay Road and have intimated your support to this part of our demands. But we exceedingly regret your expressed opposition to the reciprocity agreement between

⁵⁵P.A.C., Laurier Papers, Fielding to Laurier, May 24, 1911.

⁵⁶Montreal Gazette, September 21, 1908, p. 8.

Canada and the United States now before parliament for ratification.⁵⁷

When it became obvious that neither party would adopt all the Grain Growers' proposals, the executive of the MGGGA officially chose the reciprocity party. The rank and file of the organization, however, apparently did not all follow. The Hamiota Grain Growers wrote an encouraging letter to Borden.

We, the representatives of the Grain Growers of Marquette constituency, desire to convey to you our warm and sincere appreciation of your services and the stand you have taken regarding certain matters very important to us, namely:

The early completion, ownership and operation of a railway to Hudson's Bay; Government ownership of terminal elevators; and the chilled meat industry.

And while we regret that you cannot see as we do re the Reciprocity Agreement, we admire and appreciate your frankness and sincerity in stating your views plainly.⁵⁸

In spite of their executive's opting for reciprocity, many Grain Growers chose Borden's public ownership. The provincial Conservative machine apparently detected this trend, for Rogers wrote to Borden, "Statements emanating from (President) Henders and (Secretary) McKenzie have no effect at all."⁵⁹ Borden's loyalty call meant more to the Grain Growers than mere gratitude to the mother country; it meant the elimination of American combines in the Canadian grain trade; it meant the successful culmination of the struggle to end the abuses of the elevator companies; it meant cheaper freight rates for wheat and a shorter route to Europe; in short, it meant public ownership.

The Grain Growers had consciously entered on a policy of educating

⁵⁷P.A.C., Borden Papers, Somerset Grain Growers to Borden, n.d. #181764.

⁵⁸Ibid., D. Mair to Borden, n.d. #181761.

⁵⁹Ibid., Rogers to Borden, March 6, 1911, #70356-70357.

the farmers on current topics. The whole purpose of the Guide was to give a farmers' view of events. "So long as partisan and capitalistic organs are the only media of publicity which we have, it is practically impossible to carry on a campaign of education which affects the interests of a party or of a capitalist institution."⁶⁰ By and large, after three years the Grain Growers had succeeded to a remarkable extent in fostering a spirit of independent thought among the farmers. While the Telegram and the Free Press engaged in partisan duels, the farmers considered the issue in relation to their own interests. The Conservative machine no doubt entered into that party's victory, but public ownership also weighed heavily in favour of Borden. Manitoba returned eight Conservatives among her ten representatives at Ottawa.⁶¹

The emphasis on public ownership as a controlling variable in Manitoba raises the question, "Why did Saskatchewan return nine Liberals and only one Conservative?" The answer is simple enough; public ownership as an ideal was only superficial in Saskatchewan.

The Grain Growers had urged a provincial telephone system on the government, but when the government refused to take over all aspects of the telephone business, there was no protest, and the SGGA did not even consider the issue in their next convention.⁶²

Premier Scott, reviewing the elevator agitation in 1911, remembered that at a meeting in 1908 the executive of the SGGA had told him

unanimously and freely that they lacked confidence in the Partridge scheme. When I wanted to know why then did they

⁶⁰ Guide, June, 1908, p. 4.

⁶¹ Beck, op. cit., p. 134.

⁶² D.S. Spafford, "The Elevator Issue, the Organized Farmers and the Government, 1908-1911", Saskatchewan History, (Vol. XV, No. 3), 1962, pp. 91-92.

agreed to it in convention they said that some action was needed and they had no satisfactory alternative to present. they wanted me to find a satisfactory alternative if possible which would be free from the dangers of government ownership.⁶³

Scott told Roblin in 1909, when the Saskatchewan legislature agreed to appoint a commission to deal with the elevator question, that the SGGa executive was "quite willing to consider any alternative scheme that may be suggested to serve the same purpose" as government ownership.⁶⁴ It should have come as no surprise when government ownership was scrapped in favour of a cooperative. Even George Langley, an English immigrant who had been one of the first members of the Fabian Society,⁶⁵ told the SGGa annual convention in 1911:

But do not forget this: these public ownership schemes were not intended to bind us to a fetish in any way at all. They were all proposed as a means of ridding us from the evils that attended the marketing of our grain. I want to point out distinctly that public ownership was not the end we were aiming at.... Therefore, when Mr. Partridge gets up and says it was public ownership we have been striving for, he is wrong.⁶⁶

Public ownership in Saskatchewan was merely a rallying cry for reform, not a serious attempt to institute government ownership. The Saskatchewan grain growers were therefore not faced with a difficult decision in 1911; in view of their weak support for public ownership, it was only natural that they leapt at the chance for reciprocity.

In 1911 the public ownership movement in Manitoba had reached the apex of its popular appeal. There were still only distant rumblings

⁶³Regina Morning Leader, March 8, 1911, p. 10., quoted by Spafford, op. cit., p. 89.

⁶⁴Scott Papers, Scott to Roblin, December 13, 1909, quoted by Spafford, op. cit., p. 83.

⁶⁵Hopkins Moorhouse, Deep Furrows (Winnipeg: G.S. McLeod, 1918), p. 231.

⁶⁶Regina Morning Leader, February 9, 1911, p. 5., quoted by Spafford, op. cit., p. 91.

of discontent over Government Telephones, and for all the Grain Growers knew, the provincial elevator system was a success. Support was strong for a public market and abattoir, and a new movement was just getting under way for a public hydro system. Nothing had yet occurred to dampen seriously the Grain Growers' faith in the principle of public ownership, and it was therefore in character that Borden should attract support with his adoption of a government owned and operated Hudson's Bay railway and government terminal elevators. The Conservative policy of public ownership outweighed the Liberal offer of reciprocity in Manitoba in 1911.

Chapter VII

Conclusion

The public ownership movement in Manitoba provides one of the most interesting cases of the interaction of implicit rather than explicit political ideals in Canada. Of these implicit ideals, there are three general types: liberalism, conservatism, and socialism.

In The Founding of New Societies Louis Hartz hypothesizes a monolithic liberal culture in America. Deriving from the liberal, bourgeois elements of English society of the eighteenth century, America is imbued with the Lockean ideals of individualism and social equality. The results of this liberal philosophy in the economic sphere were a laissez-faire policy and a faith in the spirit of individual competition, while politically all opinions were of equal value.

Conservatism in the accepted North American sense implies a resistance to change, and hence the tendency to conserve liberal values. However, in Canada there is a tinge of the old British tory conservatism - a sense of elitism, of social distinction in which it is the duty of the upper classes to concern themselves with the condition of the people as a whole. In the economic sphere this translates to the need to protect the less efficient elements of society from oppression by the economically stronger, while politically it tends to deny the validity of the popular will.

This conservative element was largely purged from the American political culture by the Revolution, and therefore there was no interaction between liberalism and conservatism. It is this interaction which produced the socialist phenomenon. The conservative concept of

a state in which collective rights take precedence over the individual combined with the liberal concept of social equality to form a state concept in which competition gives way to economic cooperation and government is carried out by the popular will. Conservatism was largely missing in Canada, although to a lesser degree than in the United States, but not in Britain. The conflict between liberalism and conservatism in the old country led to the development of a socialist ideology which was transplanted to the new world. The British pedigree of the socialist concept allowed the acceptance of British socialists immigrating to Canada.¹

These three elements were all present to some extent in Manitoba after the turn of the century, and each arrived by different paths at acceptance of the public ownership ideal.

The socialist ideal was represented mostly by the Winnipeg labour movement, which in large part consisted of recent British immigrants. For the socialists public ownership represented the first step towards the ideal of cooperation. This ideal, however, also came to be adopted by a small number of farmers led primarily by E.A. Partridge. Whereas the Winnipeg socialists looked to cooperation among the working class, Partridge viewed the western farmers as a distinct class which also should cooperate for its own benefit. Public ownership was a means of ensuring this cooperation. And what more logical step could there be than to unite the farmers and workers to achieve a collective state?

Yet nothing more than a loose alliance could be maintained between

¹Gad Horowitz, "Conservatism, Liberalism, and Socialism in Canada: An Interpretation" in Hugh Thorburn, ed., Party Politics in Canada (Scarborough: Prentice-Hall, 1967), passim.

the farmers and the Winnipeg socialists. Partridge's attempts at formal unity were repudiated by the Grain Growers executive. Fundamentally the farmers were not oriented toward the collective ideal. The spirit of individualism and competition was too strong. As one prominent grain grower remarked, "The leaders of the 'Voice', the organized labour paper in Winnipeg are socialists of the extreme type and nothing would have been gained by our amalgamating with them, in fact it would have meant a death blow to the Guide at the start."² Public ownership for the majority of the farmers was not the means of eliminating competitive capitalism, but the only solution left to them for its reform and preservation. It was necessary to break the elevator monopoly in order to bring a return to competitive bidding among dealers, which in turn would drive the price of grain up. Even Partridge in his less radical early career remarked that the status quo of the grain trade had to be up set "before anything like equality of opportunity can be ours."³ The Grain Growers were only looking for a means to ensure the proper functioning of the market place. This competitive spirit is further evidenced by the growing business connections of the Grain Growers' Grain Company.

Businessmen especially were interested in a regulated competitive economy. With Winnipeg promising to become a new industrial center in Canada, it was only natural that business should consider a means of competing effectively with the Eastern manufacturers. Public power was a solution which promised to lower production costs, and indeed, with business in control of Winnipeg civic affairs, management of the

²Q.U.A., George F. Chipman Papers, E.J. Fream to W.J. Tregillus, September 10, 1912.

³Guide, October, 1908, p. 7.

new power project was so efficient that electric rates were reduced in 1912 from 9¢/kilowatt Hour to 3¢.⁴

Conservatism in the old British tory tradition was an elusive phenomenon which was tied neither to economic class nor to political party. Apprehension over the excesses of American democracy had been fostered by the American Revolution and the War of 1812, and this essentially anti-democratic elitism moved west with the descendants of the United Empire Loyalists. Scions of the Manitoba business community banded together to form the Maple Leaf Club which became the bulwark of the Conservative party.⁵ Ontario immigrants thus came to determine the ideological complexion of the Conservative party, and Roblin was assured of support for his measures to improve the welfare of the people. His telephone legislation which was "so radical a departure from the beaten path"⁶ was radical not in the popular sense, but in its innovations for the public good as bestowed from above. What critics branded as opportunism in Roblin was really an ability to bend popular movements to coincide with his own ideas of the public good. He could be a popular hero for conceding public ownership, yet at the same time he refused popular control. This rather ambiguous stand led to inconsistencies in Roblin's thinking. He gave the Grain Growers their elevators when such a course of action was unnecessary, and then later blamed them for demanding elevators and then refusing to patronize them.

So much of the work on the progressive era in Manitoba focuses on the growing spirit of democracy that a true sense of perspective

⁴Free Press, August 29, 1912, p. 13.

⁵Telegram, February 1, 1902, p. 1.

⁶P.A.M., Manitoba Debates (Free Press), January 7, 1908, p. 12.

is lost. In effect this was a later development. The farmers of the West had tried cooperation and self-help, and it failed. It was not a matter of coincidence that the decline of the farmers' elevators corresponded with the growth in demands for government elevators. The Grain Growers had tried to work within the accepted liberal laissez-faire economic framework, but had not been successful. They therefore briefly turned to the government to solve their problems for them.

Nor was the liberal spirit of frontier democracy all that pervasive. In 1908 the Hamiota branch of the MGGGA passed a resolution to have the franchise act changed to remove people from the voters' lists who had no stake in elections. They favoured the adoption of the municipal lists which included only rate-payers.⁷ The reform spirit which embodied the liberal ideals of political equality only came into being as a determining force after 1911 in reaction to the failures of the paternalist conservatism of the Roblin government.

Public ownership had been the panacea of the age.

New Zealand has nationalized its railways, steamship lines, banks, insurance, loan and trust companies, the telegraphs and telephones, the mines, forests, and to some extent, the land. There are few capitalistic parasites in that country sucking the life blood out of the people. There is a greater diffusion of wealth than may found in any other country on earth. Is it not time that the producers of Canada followed their lead in these matters, or will the worm have to be trodden still further into the earth before it will turn?⁸

The nationalization of all such industries, the Grain Growers believed, would remove influence from politics and free the nation of greed.

"The grain growers of the North-West made the initiative move in Canada

⁷Guide, November, 1908, p. 49.

⁸Guide, September 4, 1909, p. 5.

in this great idea of national cooperation when they demanded state-owned and operated elevators."⁹ When public ownership in practise was found to increase rather than decrease the possibilities for corruption, the grain growers were bitterly disappointed and a violent reaction to the Roblin government set in.

The period from 1905 to 1911 was a brief honeymoon in which all three political ideologies - socialism, liberalism, and conservatism - could briefly unite on the concept of public ownership. However, the failure of the ruling Conservative oligarchy to administer properly the newly assumed state functions led to the elimination of the conservative ideal as an effective voice in future provincial politics.

Following Roblin's resignation over the Parliament buildings scandal in 1915, conservatism was effectively eliminated from the Conservative party. A new set of leaders was chosen, and the distinctions between the old and new Conservative party were emphasized. The Telegram proclaimed:

The rank and file of both parties have been largely unthinking onlookers; while the professional politicians - and this is used in no contemptuous sense - have forgotten that they were the representatives of the people, and have become obsessed with the idea that they are, united, the peoples' sole proprietors.¹⁰

The new Conservative party under J.A.M. Aikins appealed entirely to the reform movements for support. Such planks as total prohibition, woman suffrage, a federal investigation into the Laurier government graft on the Transcontinental Railway, revision of the Elections Act, and abolition of political patronage reflect the general provincial

⁹ Guide, September 4, 1909, p. 5.

¹⁰ Lionel Orlikow, "A Survey of the Reform Movement in Manitoba 1910 to 1920" (unpublished M.A. Thesis, University of Manitoba, 1955), pp. 155-157.

commitment to the liberal reaction.¹¹

The Liberal party, rather than guiding the reform movements, had been led by them. It could exercise no party discipline and the proliferation of political independents destroyed the party system. It would be many years before Manitoba would regain any semblance of a party system with firm leadership. It was unfortunate for the province that Rodmond Roblin, although he had the wisdom to foresee future provincial needs, had not the wisdom to administer his new economic schemes properly nor the good grace to accept criticism for his failures.

¹¹Orlikow, "A Survey of the Reform Movement in Manitoba 1910 to 1920", op. cit., p. 157.

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