

The Grain Growers' Guide

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LIBERAL TARIFF POLICY

An organization known as the National Liberal Advisory Council, comprising the leading Liberal members at Ottawa and a few other Liberals from the provinces, recently held a three days session in Ottawa to map out a Liberal program in preparation for a general election. The report of their work shows they have been discussing rural credits, bankruptcy laws, old age and mothers' pensions, proportional representation and the tariff. From the standpoint of the West the new Liberal platform on the tariff question is of interest. It reads as follows:—

"On the subject of taxation, finance and finance policy, the members of the council were agreed that the stand taken by the party in Parliament during the last two sessions was along the right line. The council expressed itself as wholly opposed to the doctrine of having protection, especially under the guise of "war taxation" imposed to meet wasteful expenditures for domestic purposes. Free wheat, free agricultural implements, free flour and customs duties so adjusted as to bear most equitably upon the general consumer, for which the party has put itself on record during the past three sessions, will be adhered to."

This is the tariff platform upon which the Liberal party will appeal to the Western farmers for their votes at the next general election which may be held within a year and certainly will be held immediately after the close of the war. It should be remembered that the most prominent members of the council, who prepared this tariff platform, were Sir Wilfrid Laurier, Hon. W. S. Fielding, Hon. Sidney Fisher, Hon. Geo. P. Graham and Hon. W. L. McKenzie King, all members of the late Liberal Government, and a number of them were present at the famous Liberal convention in 1893. What does this new tariff policy mean and what can the people expect from it should the Liberal party return to power at the next election? In 1893 the National Liberal convention at Ottawa declared for "tariff for revenue only" and announced as their ideal "free trade as they have it in England." When the Liberals came to power in 1896 they abandoned their free trade policy and save for the British preference, which was granted and afterwards very largely withdrawn, the Liberals from 1896 to 1911 were firm supporters of the Protective Tariff. In 1911 the Liberals negotiated the reciprocity agreement with the United States providing for Free Trade in agricultural products and reduced tariff on a very, very few manufactured products. During the election campaign the Liberal leaders announced definitely that they still adhered to protective duties on manufactured goods and they assured the manufacturers that there was no intention whatever of removing their protection. The Liberals were defeated and during the first session, when they were in opposition, they still talked reciprocity, but gradually changed that into a declaration for "wider markets" without specifying very clearly what they had in view.

The reciprocity agreement is still on the United States statute books and open for acceptance by Canada at any time, but it is quite plain from the new tariff policy shown above that the Liberals have abandoned reciprocity. In its place they have substituted free wheat, free agricultural implements, free flour and equitable taxation. Why have they abandoned the reciprocity agreement? It is as keenly desired today and as necessary as in 1911 when it was proposed. Free wheat and free flour form a distinct and complete reciprocal free trade offer made by the United States three years ago and still standing on their statute books. Several members of the Borden Government it is well known were personally favorable to accepting the free wheat offer at the last session of

Parliament, but after considerable discussion and secret consideration they decided to refuse it. The reason for their refusal, it is privately stated, was that the millers declared if their protection was removed they would join the free traders with all their influence and would force free trade in other manufactured articles. This attitude aroused the Canadian manufacturers generally and they forced the government to abandon free wheat.

The attitude of the manufacturers is still the same on the trade question and the Liberals would have to face this situation if they came into power. In the famous reciprocity agreement of 1911 it was provided that agricultural implements in both the Canadian and American tariffs should be reduced to 15 and 20 per cent. In 1913, however, the American Congress placed agricultural implements and parts absolutely on the free list. The new Liberal policy declares for free agricultural implements. Does this mean binders and mowers only or does it mean the full range of implements and machinery used on the farm? The Liberal Council should make this clear. If it means the full range of agricultural implements and machinery it will be a great boon to Western farmers, but it will affect a very large number of manufacturers and will undoubtedly arouse the sternest opposition which the Canadian Manufacturers' Association is capable of making.

In the light of these facts and the past record of the Liberal party, can that party be depended upon to carry out their tariff pledges even on free wheat and free implements if returned to power. It looks like a tariff policy framed specially to catch the Western free trade vote without raising too serious opposition among the Eastern protectionists. The only way by which the Liberal party can command the confidence of the free traders in the West is by making a clear cut, definite, exact and signed statement of just what they agree to do with the tariff if returned to power. The Conservative Government quite plainly intend to adhere to the protective system and to grant further protection. Unless the Liberals can be depended upon to reduce the tariff very considerably there is no advantage in returning them to power. More and more it becomes evident that the West should declare a Western policy in Western interest and send to Ottawa members who will support that policy regardless of the two old political parties.

THE BANKER-FARMER CONFERENCE

The fact that the leaders of the organized farmers from the three Prairie Provinces gathered and met with the Winnipeg section of the Canadian Bankers' Association for the discussion of all matters of interest to the two organizations, speaks volumes for the new public spirit developing in Western Canada. Both these organizations are deserving of the highest commendation for their efforts to improve the business side of the agricultural industry. The conference was arranged for several months ago and the members of the Winnipeg Bankers' Association had had an opportunity to consult with their general managers and superior officers, most of whom are located in Eastern Canada. They were, therefore, in a position to speak with authority and to make definite proposals to the organized farmers. They expressed themselves as very favorable to the development of the farmers' organization and hope to see it include all the farmers of the Prairie Provinces, in order that they would be able to deal with such an organization instead of individuals. It was quite apparent that as a result of the preliminary negotiations the heads of the banking institutions of Canada have a clearer apprecia-

tion of the conditions and needs of Western agriculture. Under the agreement between the bankers and the farmers there will be practically three classes of credit henceforth dispensed from the chartered banks in the West.

1—General floating credit for the transaction of farmers' business between periods of crop shipment.

2—Credit specifically for holding grain in order to market it leisurely throughout the year and maintain prices at a higher level.

3—Credit for the development of the livestock industry.

All three of these credits have been carried on to a certain extent by the bankers in the past, but not until this conference was there any general understanding as to the policy of the bankers in this regard. The bankers expressed themselves very forcibly in favor of providing credit for farmers' business, which they considered very desirable, and they were in hearty accord with the farmers in the desire that the farmers should secure all their credit from the bank and do a cash business with everybody else. It will be the aim henceforth both of the farmers and the bankers to encourage individual farmers to arrange their year's credit at the beginning of each year and handle their business on a cash basis until their crop is harvested. It will also be their policy to encourage the livestock industry by granting credits especially for this purpose to run for longer periods than ordinary credits, upon notes to be renewed from time to time in order that the bankers may always have an opportunity to review the security upon which a loan is granted. The policy of assisting farmers to hold their grain and market leisurely is a departure from the general policy of the past and was very gratifying to the farmers' representatives, and it should have a very salutary effect in maintaining uniformly better prices for grain throughout the winter. It was the general feeling of both the farmers and bankers that the conference was highly satisfactory and that it would tend very considerably towards the betterment of agricultural conditions and towards very decidedly improved relations between farmers and bankers. So far as we know it was the first time in history that the bankers' and farmers' representatives, covering such an immense territory, ever gathered together for the purpose of putting their mutual business on a better basis. Arrangements were made for future conferences of the same kind, and we believe that very beneficial results will follow both to the farmers and bankers.

STEADY PROGRESS ON ALL FRONTS

The progress of the allied offensive on every side during the past week is giving entire satisfaction. In fact, ever since the commencement on July 1 of what is generally termed the "Big Push" on the western front, where the French, British and Belgian forces are co-operating in an offensive, slow but continued progress has been reported. It is evident that during the long months of waiting plans have been carefully made and the most minute details of organization worked out to ensure the steady progress of all the armies towards the desired goal. The whole of the enemy's first system of defence has been captured, British troops have taken Delville Wood as well as the town of Pozieres and are successfully holding these positions against all counter-attacks. The Russians on the eastern front have made another vast sweep forward, twenty-five miles over a front of fifty miles, comparable in its speed to the opening stages of the Lutzk advance. The Russian forces in the south, under Grand Duke Nicholas, have again moved forward and captured the