

# DEBT CUT \$30,000,000 AND TAXES CUT \$24,000,000

## TARIFF ON IMPLEMENTS CUT AND SALES TAX IS DROPPED TO ASSIST AGRICULTURISTS

Federal Budget Shows Many Changes Affecting Price of Farm Machinery.

**REDUCTION IN DEBT**  
Shows Drop of More Than Thirty Millions in National Debt.

**ROBB IS OPTIMISTIC**  
Believes Cut in Revenue Will Be Made Up by Economy.

Canadian Press Despatch.  
Ottawa, April 10.—Hon. J. A. Robb, acting minister of finance, today submitted to the House of Commons the eagerly-awaited third budget of the present government. No budget in recent years had been the subject of so much speculation and conjecture; none is likely to have a greater bearing on political affiliations.

It was, for the first time since the war, a budget announcing a reduction in the net national debt. In the fiscal year, 1922-23, there was an increase in the net debt of \$31,641,067; in the fiscal year which closed at the end of March, not only did the budget balance—so Mr. Robb announced—but there was a reduction in the net debt of \$30,409,109.

**On Railway Loans.**  
On national railway loans, frequently a subject of controversy in connection with calculations of the public debt, Mr. Robb remarked that "moneys raised by way of guarantees, which place the government in the position of an endorser, do not presently affect the public debt in any way, as they are individual obligations."

And, as to the future? Mr. Robb declined to give any estimates of revenue for the fiscal year which had just begun. But he gave the tax reductions as \$24,000,000, observing that it was hoped to offset any considerable reduction in revenue by a "most rigid economy in expenditures."

In his taxation changes, Mr. Robb announced:  
"Sales tax reduction from 6 to 5 per cent."

Large list of agricultural and dairying implements, mining, quarrying, lumbering and logging machinery, provisions and breadstuffs, added to goods exempted from sales tax.

**Cut in Sales Tax.**  
Sales tax reduced 50 per cent on boots and shoes, biscuits, canned vegetables, canned fruits, jams and preserves.

Customs tariff reductions on agricultural and dairying implements, mining, quarrying, lumbering and logging machinery, and implements of fruit industry.

All fertilizers on free list.  
Sir Henry Drayton, former minister of finance and financial critic of the opposition, reserved his main criticism until Monday, when debate

### Changes Help Farmers

TARIFF REDUCTIONS.	General.		Preferential.	
	Old.	New.	Old.	New.
Mowers, binders, etc.	10	5	10	5
Cultivators, harrows, rakes, drills, manure spreaders, weedeaters, etc.	12½	7½	10	5
Plows, threshers and parts	15	10	10	5
Rollers, posthole diggers, hay loaders, stumping machines, grain crushers, potato diggers and other implements	15	10	10	5
Farm wagons	17½	10	10	5
Fertilizers	10	Free	5	Free
Axes, scythes, hoes, rakes, forks, knives	22½	20	15	10
Shovels and spades	32½	20	20	10

In addition to the above reductions, pig iron, bar iron and steel, used in the manufacture of mowers and binders has been placed on the free list, in lieu of a drawback of 95 per cent.

Other materials which enter in the cost of implements on which duty is reduced will be entitled to 7½ per cent under all tariffs.

Fruit Growing.	General.		Preferential.	
	Old.	New.	Old.	New.
Spraying machines, graders, pruning hooks and shears	15	10	10	5
Poultry.	10	5	15	10
Hatchers, brooders	10	5	15	10
Dairying.	15	10	10	5

**SALES TAX REDUCTIONS.**  
Farm Implements.

The sales tax is removed from all aforementioned agricultural implements.

The articles and materials to be used in the manufacture of agricultural implements, as well as goods consumed in the process of manufacture.

**Fruit Growing.**  
Spraying machines (fruit or vegetable) grading machines, pruning hooks and shears, nicotine sulphate and spraying preparations.

**Dairying.**  
Milking machines, testers, cream separators and extracts of rennet.

**Poultry Raising.**  
Hatchers, brooders and poultry food.

On the budget opens. But he observed that Mr. Robb had been frank in pointing out that the surplus claimed was obtained by the elimination of railway obligations to the extent of \$72,500,000.

For the financial situation, Mr. Robb had words of optimism. For the fiscal year 1922-23, Mr. Robb gave the increase of net public debt as \$31,641,067; in the fiscal year which closed on March 31 last, Mr. Robb estimated that there would be a reduction in public debt of \$30,409,109. This includes eight millions received from the imperial government in settlement of acknowledged book debts. He announced continued healthy growth in Canada's foreign trade.

Following a brief review of the financial year 1922-23, Mr. Robb turned to the fiscal year which closed at the end of March, a few days ago. The estimated revenue from customs duties would be, he said, \$121,800,000, an increase of \$3,700,000 over the previous year. From excise duties, there were expected \$38,200,000, an increase of about \$2,500,000. Mr. Robb continued: "The estimated revenue from excise taxes will be \$121,000,000, an increase of about \$14,500,000. From income taxes we estimate \$33,550,000, a decrease of about \$6,000,000 under the previous year. From delayed business profits taxes we will receive some \$4,650,000, a decrease of \$8,381,000. We estimate a revenue from interest on investments of \$11,700,000, being a decrease of about \$4,700,000, which is accounted for by the reduction in 1922 of some \$56,000,000 in the indebtedness of the imperial government to Canada."

**Decreased Expenditures.**  
"Turning now to the expenditures,"

"During the fiscal year 1922-23 the government was in a position to meet the railway requirements by way of loans in cash."

"During the fiscal year just ended, \$24,550,000 was paid to the railways by way of cash; we received \$788,236 as a refund against the amount advanced in 1921-22 for purchase of rails."

"The vote for the fiscal year was charged with \$24,550,000, and the balance of \$50,000,000 was raised in February last by way of guarantee and acting by the minister of finance in a trust account, payments being made from time to time as necessity arose."

"I may say that when loans are made by way of cash, under the arrangements made by the former minister of finance, they are treated as non-active assets, and are, therefore, not taken into account when determining the net public debt."

"Moneys raised by way of guarantee, which places the government in the position of an endorser, do not presently affect the public debt in any way, as they are indirect obligations."

"The action taken by the former minister of finance in treating cash loans as non-active assets is, I think, a very proper procedure, especially when such loans are for the purpose of meeting deficits whenever incurred, and interest charges."

**Met by Guarantee.**  
"Where moneys are required for construction purposes to better equip the railways for increased earning powers, there is no question but that such obligations might be considered as proper capital charges, and, if necessary, be met by way of guaranteeing the issue of railway securities."

"The railway issue of February last, guaranteed by the minister of finance, was to meet capital charges. A substantial balance is still held in trust by the minister, and will be available for the railways for such purposes during the year 1924-25."

"Since 1920 the following railway bond issues have been guaranteed by the minister of finance under special statutory authority, quite apart from the amounts provided in the annual votes of parliament for railway purposes."

"October, 1920, Grand Trunk Railway Company, \$25,000,000."

"December, 1920, Canadian Northern Railway Company, \$25,000,000."

"March, 1922, Canadian Northern Railway Company, \$11,000,000."

"August, 1923, Canadian Northern Railway Company—serial equipment issue \$22,500,000."

**Bonds Secured on Equipment.**  
"The \$22,500,000 issue of 1923 is the first equipment issue carrying the government's guarantee. The bonds are secured on the equipment purchased and, in addition, guaranteed under the guarantee act of 1923. This was done so as to make the security more attractive to investors and secure the highest price. Previous equipment issues were obligations of the company, specifically secured by the equipment, but without any government guarantee."

"On the 31st March, 1923, our net public debt stood at \$2,453,776,868.74. Our estimated ordinary revenue for the year just closed is \$336,000,000; our estimated ordinary expenditures \$328,250,000 and capital expenditures \$12,750,000; railway loans, \$23,741,684; Canadian government merchant marine loans, \$1,500,000, and loans to Quebec Harbor Commission, which is treated as a non-active asset, \$500,000. Together with an amount of \$621,987 carried on the books of the department for Victoria Shipowners, limited, which is proposed to be treated as a non-active asset, in the place of an active asset, as heretofore, make the total charges \$375,213,651. Our surplus of ordinary revenue over the expenditures will, therefore, be \$20,786,349 to be applied towards the reduction of the national debt as it stood on March 31, 1923."

"To this must be added \$1,317,000, being the amount of sundry outstanding indebtedness cancelled during the past year, and a further amount of \$8,305,760.37 received in settlement of an adjustment of acknowledged book debts between the imperial and Dominion governments. Those two amounts, totalling \$9,622,760.37, together with \$20,786,349 surplus of revenue over the expenditures, reduce our net public debt as of March 31, 1923, by the amount of \$30,409,109.37."

**Settlement Effected.**  
"On the 28th March last an adjustment of acknowledged book debts between the imperial and Dominion governments was effected. The imperial government, as shown by the books of the department of finance, were indebted to us in the amount of \$66,779,597.42. On the other hand the imperial government held our bond to the amount of \$87,200,000, of which \$2,000,000 were 3½ per cent bonds maturing 1925-28 and \$65,200,000 were 4½ per cent bonds maturing 1925-28. The bonds being part of an issue made by Canada to the imperial government in 1916. Negotiations were undertaken and settlement made by offsetting bonds issued to the imperial government against their indebtedness to Canada. The unmatured bond issues were taken at the rate of 92½ for the 3½ per cent issue and 97½ for the 4½ per cent issue. A settlement was effected on a 5½ per cent basis, being the rate of interest Canada is paying on her outstanding Victory loans, from which the moneys were obtained for advances to the imperial government. The value of the bonds at these rates was \$58,901,590.80, being \$8,305,760.37 under their face value."

"On November 1, 1923, the 5½ per cent five-year bonds of the 1918 Victory Loan issue amounting to \$172,459,650 matured. In September last tenders were asked for an issue of a five per cent refunding loan. The highest bid, from a Canadian syndicate, was accepted, namely \$53,000,000 five-year bonds at 96½ and accrued interest, and \$147,000,000 twenty-year bonds at 96 and accrued interest. Arrangements were made with the syndicate to give to holders of the maturing bonds the privilege of converting their holdings into bonds of the refunding issue. The price to the public was for the five-year bonds and 98½ for the twenty-year bonds. The maturity date of the refunding loan is 15th October, 1928, for the five-year bonds, and 15th October 1948, for the twenty-year bonds. It was stipulated that the syndicate should associate with themselves the recognized bond dealers in Canada. Commissions to banks and brokers, advertising expenses and other charges, usually included in flotation expenses, were borne by the syndicate."

"Holders of the maturing bonds took advantage of the offer to the extent of \$59,388,200, leaving a balance of \$113,071,450 to be redeemed in cash."

"No change in the income tax was mentioned by Mr. Robb."

**Revenue Uncertain.**  
"Estimates of revenue for the year upon which we have just entered cannot be made with any degree of accuracy. The revenue we would receive on the present basis of taxation would be materially affected by reduction in taxes which, in view of the most satisfactory outcome of the year just closed, it is proposed to submit to parliament."

"It is hoped, however, to offset any considerable reduction in revenue by a most rigid economy in expenditures. The estimates now before the House show a very substantial reduction as compared with the estimates of last year. We will no doubt have supplementary, but revenue by a most rigid economy in their preparation. In this the government hopes to see a saving over from all sections of Canada."

Mr. Robb then turned to a review of Canadian trade. These showed that for the eleven months of the fiscal year ending February, 1924, Canada's trade with the United Kingdom showed an excess of exports over imports of \$194,851,000; with the British Empire, including the United Kingdom, an excess of exports over imports of \$230,209,574; trade with the United States an excess of imports over exports of \$143,091,906, and in Canada's total trade an excess of exports over imports of \$158,524,207."

**Growth In Trade.**  
"This brief statement, showing the steady growth of Canadian trade with

### The Budget At a Glance

Reduction of thirty millions in net debt announced. Tax reductions estimated at twenty-four millions. No change in income tax.

General rate of sales tax cut from six to five per cent. Duties reduced on agricultural implements, manufacturers of these articles to have reduction in return on raw materials, pig-iron, bar iron and bar steel being free when imported by these manufacturers.

Duties reduced on implements of fruit, dairy and poultry industries.

**Help Coking Industry.**  
Coking industry to be helped by reduction in duty on coal-washing and coke-making machinery.

Other machinery given reduced duties in some cases. Lumbering industry, lower duties on machinery.

Fishing industry aided by putting all matlin, deep-sea fish hooks and fish nets on the free list and reducing sales tax on rubber boots.

Breadstuffs and provisions—Sales tax removed from cereals, salted meats, etc., and reduced on biscuits, canned vegetables and fruit.

Boots and shoes—Sales tax cut in two.

Woolens—Materials used by manufacturers to be exempt from sales tax.

Sales tax—List of exemptions largely extended. New articles exempted include insulin, milk food, scientific and text books, cream separators and other agricultural implements and binder twine.

Sales tax removed from materials used in manufacture of agricultural implements and from materials used in manufacture of implements of other industries on which duties are reduced.

**Exempt Small Factories.**  
Sales tax is abolished on factories manufacturing less than \$10,000 worth of products per annum.

Rental of land under license to be denatured for use in the industrial arts put on free list under preference and subject to tax of 60 cents a gallon under other tariffs.

British preference—Provision made for extending these rates to the products of countries for which mandate under the League of Nations is held by a British country to which the preference applies.

Tariff changes and changes in the sales tax to go into effect April 11; removal of exemption of small manufacturers from sales tax not to take effect until July 1.

the nations of the world, must be gratifying to Canadians," Mr. Robb commented.

He continued: "During the fiscal year ended March 31, 1914 (four months before the outbreak of the Great War), Canadian foreign trade was \$1,074,631,232, with an excess of imports over exports of \$163,756,744. To that extent the balance of trade was against Canada."

"The fiscal year ended March 31, 1923, showed a foreign trade of \$1,501,731,341. The difference between exports and imports will be only \$6,122,677, but the balance was favorable to Canada."

"The balance of trade for the year ended March 31, 1924, showed a total foreign trade of \$1,747,875,981, with a favorable balance of \$142,716,593 over imports. In other words, Canadian foreign trade of 1914, an unfavorable trade balance of \$163,756,744 had been converted into a favorable balance of \$142,716,593."

**Find More Labor.**  
"Returns for the eleven months ended February, 1924, indicate continued healthy growth of Canadian foreign trade. Already both imports and exports exceeded those of 1923, and the balance of trade was favorable to Canada on eleven months business is \$158,524,207. Statistics indicate that each succeeding year Canadians are increasing the percentage of products marketed in the finished or semi-finished condition, thus providing more labor for our own people and higher class freight for Canadian railways."

**Reduce \$24,000,000.**  
As a result of these proposed changes, it is estimated that there will be a reduction in customs and sales tax revenue of \$24,000,000.

Surely we share a united confidence in the future of our country. We have great natural resources. We have a certain basic industries upon the success of which depend the growth of all other industries, and the greater development of our trade. Of these basic industries, I would place agriculture in all its varied branches first. Next to agriculture I would place our forests, our minerals, and our fisheries. A real national policy is a policy that will develop the growth and development of these basic industries."

**Adjourns Debate.**  
Sir Henry Drayton, in moving the adjournment of the debate until Monday to give members time to consider the proposals said that the House expected a number of things not included in the budget speech. He complimented highly the acting minister of finance on the splendid and complete way he had discharged his duties. Mr. Robb had made the "best out of an impossible job." He had been compelled to bring down figures which showed a surplus arrived at by "elimination of obligations." Sir Henry spoke of railway obligations ignored.

Before proceeding with the debate, Sir Henry said it was necessary to consider a number of things not included in the budget speech. There was nothing to stem the exodus of citizens educated in Canada, who to the number of 181,000 went to the United States looking for the work they could not find in Canada.

There was nothing constructive to restore to Canadians the purchasing power of their dollar.

**See No Change.**  
There was nothing to indicate a change in the policy of this government which, whether they meant it or not, had served more to build up the United States than to build up Canada.

The House might have expected some measures to improve the lot of the farmer, to restore to him his natural market to the south, to equalize the trade in farm products, such as eggs, cheese, etc., which now was so uneven. Several million dollars worth of United States eggs were sold in Canada last year, while less than \$50,000 were exported to that country.

Sir Henry Drayton read answers made by the department of railways to questions regarding the earnings and operating expenses of the Canadian National Railways. Last year the earnings of the western provinces had been \$72,000,000 and the operating expenses \$74,000,000. The railway books showed a loss of \$2,000,000 from operations in Western Canada after the movement of the greatest wheat

### BOTH PRAISE AND CRITICIZE PROPOSED TAXATION CHANGE

Some Manufacturers See Drop in Prices To Consumer As Result.

**OPINIONS ARE VARIED**

**Farm Implement Makers Most Affected, But Withhold Any Comment.**

Canadian Press Despatch.

Toronto, April 10.—The business-men generally in this part of the province are tonight engaged in studying the taxation changes, including the reductions in the tariff, as announced by Hon. J. A. Robb, acting minister of finance, in the budget speech in the House of Commons this afternoon. The changes come in for praise and blame by the representatives of the varied business interests affected who were interviewed tonight.

R. H. Greene secretary of the Guttapercha and Rubber Company, had expected a tariff change on rubber footwear, and was agreeably surprised when told of the sales tax reduction. "I think it will mean a reduction in price to the public," he said.

"It will cause a lot of dissatisfaction at first," said W. A. H. Hamilton, shoe manufacturer, "although in the end it may turn out all right. What they want in Ottawa is stability."

"I am exceedingly glad to learn that it is proposed to remove the sales tax on the dairying equipment," declared W. W. Stafford, general manager of a separator company, who said it would mean lower prices to the farmers.

The proposed reduction in the general tariff rate on incubators and brooders from 15 to 10 per cent will put the Canadian industries engaged in the manufacture of these articles out of business, was the opinion of C. J. Daniels, president of an incubator company in this city.

The representatives of the manufacturers of farm implements, when seen tonight, declined to discuss the proposed tariff reductions to agricultural machinery. It is admitted that the budget affects this industry more than any others, but heads of the larger firms declined to do more than point to a statement issued jointly a short time ago, in which it

was set forth that that industry, under the existing tariff, was having a strenuous time. The automotive industrial heads claim they expected reductions in the taxes in their business, and express disappointment that there is none except the general reduction of the sales tax.

John McDonald, president of a wholesale drygoods firm, expressed satisfaction with the reduction of the sales tax.

**HEAVY LOSS SUFFERED IN FIRE IN HIGHGATE**

**One of Best Residences and Large Barn Prey of Flames.**

Special to The Advertiser.

Highgate, April 10.—Fire this afternoon totally destroyed the home of Jide Bonham, one of the finest in town, and the barn of Frank Beaton. The total loss has not been estimated, but it is heavy. The contents of the Bonham home were largely saved.

The fire started in the Beaton barn, which was filled with baled hay and straw. The wind drove the flames to the Bonham residence, which was only a few yards away.

Difficulty was experienced in fighting the fire, as the first hose laid was not long enough to reach the building, and when another length had been added the heat was so great that the fire-fighters could not get close enough to do effective work. Nothing but piles of ashes tonight show where the buildings were.

This is the first fire in Highgate in six years.



**They are Happy and Well**

**You Should Be the Same**

A LARGE number of women's ailments are not surgical ones. Serious displacements or radical changes have not yet taken place.

A tiny part in a fine clock may become loose and cause the clock to gain or lose. If not attended to in time, the part may fall from its place and cause serious trouble. So it is with women's ailments, they start from simple causes; but if allowed to continue, produce serious conditions.

When the warning symptoms are first noted, take Lydia E. Pinkham's Vegetable Compound to relieve the present troublesome ailment, and to prevent the development of serious trouble.

Hamilton, Ontario—"I have suffered for three years from a female trouble and consequent weakness, pain and irregularity which kept me in bed four or five days each month. I nearly went crazy with pains in my back. I saw Lydia E. Pinkham's Vegetable Compound advertised in the Hamilton Spectator and I took it. Now I have no pain and am quite regular, unless I overwork or stay on my feet from early morning until late at night. I keep house and do all my own work without any trouble. I have recommended the Vegetable Compound to my neighbors."—Mrs. Emily Biechert, 16 Douglas St., Hamilton, Ont.

Pine Grove, Ontario—"I took Lydia E. Pinkham's Vegetable Compound for female troubles. I would have headaches, backaches, pains between my shoulders and under my shoulder-blades and bad feelings in the lower parts on each side, in the groins. I was sometimes unable to do my work and felt very badly. My mother-in-law told me about the Vegetable Compound and I got some right away. It has done me more good than any other medicine I ever took and I recommend it to my neighbors."—Mrs. Enoch Simmons, R.R. No. 2, Pine Grove, Ontario.

Many such letters prove the virtue of

**Lydia E. Pinkham's Vegetable Compound**

LYDIA E. PINKHAM MEDICINE CO. LYNN, MASS.

**SICK HEADACHE**  
Take a good dose of Carter's Little Liver Pills—then take 2 or 3 for a few nights after. A few doses restore your organs to their proper functions and the Headache and the causes of it pass away. In the same manner they regulate the Bowels and prevent Constipation. Genuine bear signature—Bantford Small Pill, Small Dose, Small Price

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The Ever Popular  
**Laura Secord CANDIES**  
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