

The Grain Growers' Guide

Winnipeg, Wednesday, May 8, 1918

A Billion-Dollar Budget

The largest and most important budget, and one of the most disappointing, in the history of Canada, was presented to the federal parliament last week by the acting minister of finance, Hon. A. K. MacLean. It told of an unprecedented total trade for the past fiscal year, due largely to the demands of war. It cited the huge expenditures on war account, amounting to \$878,000,000 for the period dating from the beginning of the war to March 31, 1918, and indicated an increase of \$400,000,000 in that amount before the end of the ensuing fiscal year. It recorded further an unparalleled revenue for the past year, amounting to \$258,000,000, and raised very largely from customs' duties. It concluded with an estimate of the financial need of the country during the next 12 months, at \$980,000,000, and the different items of income required to discharge that amount were outlined. It was proposed that this annual requirement of almost a billion dollars should be met first, by revenue estimated at \$280,000,000; secondly, by advances from Great Britain amounting to \$300,000,000, which would be used to maintain the Canadian forces overseas; thirdly, by the unexpended balance of the Victory Loan of last year, amounting to \$130,000,000; and lastly, by floating further loans this year in Canada, or elsewhere, for the balance of \$280,000,000. But not one measure of practical assistance was suggested for the producer on the land, who, today, is supplying the larger part of the materials entering into the country's greatly-increased export trade.

It will be noted that the government proposes to raise this year from revenue, \$280,000,000, which is only some \$12,000,000 more than was realized from that source last year. Although our requirements for 1918-19 will be almost 80 per cent. larger than in the fiscal period just closed, the amount of income it is proposed to raise from revenue, will be increased less than five per cent. In order to realize this slight increase, a great pretence at drastic change in methods of taxation has been made. With the exception of an increased duty on tea, coffee, and certain other beverages, and movie films, no change whatever was made in the customs' tariff. The bulk of the extra five per cent. in revenue will be raised through an extension of the scope of the income taxes, and the increase in certain excise taxes. The details of the new tariff may be seen this week under The Guide's department of Business and Finance. This larger application of the direct method of taxation, and the fact that the customs' tariff remained practically unchanged, are supposed to appeal to the West rather strongly.

The truth of the matter is that the majority of the people in the western provinces will be disappointed in the provisions of this year's budget, and The Guide believes that such disappointment is justified. The outstanding weakness in the government's financial program is its failure to take full advantage of the feeling throughout the whole of Canada, and particularly in the West, favoring a much heavier tax on incomes. While the enlargement of the Income Tax Act over that of last year is a move in the right direction, it does not plan to realize nearly as much revenue as might be raised by the direct method, and raised without bringing hardship upon any person. The government, incidentally, has neglected also to follow the lead of Great Britain in abolish-

ing the law exempting war bonds from taxation. The desirable end to be attained by any minister of finance at this acute time would be to levy taxes in such a way as to meet the demands of expenditure to the fullest possible extent without entailing the least impairment to the productive strength of the nation. Contrary to the British example, Ottawa still persists in its devotion to a customs' tariff as its chief source of income.

Accordingly, the duty has not been removed from farm machinery entering Canada from the United States. The excuse advanced for not doing so is the need for revenue. And yet, in the very same budget that exhorts the nation to greater production, and to the maintenance of our surplus of exports over imports, the time-worn demand of the farmer for free agricultural implements, is politely ignored. The recommendation of Hon. C. A. Dunning, the Dominion controller of production, is thus also ignored. The western producer is accused by those who do not agree with him, with being animated by selfish motives in insisting, as he does, upon the removal of the tariff on farm machinery. The charge is entirely unfair. The truth is rather that the man living and working on the land of the West under the prevailing conditions of the pioneer, is a better judge of a national necessity than those in older and more comfortable parts of the country whose influence is weighed against him. The West wanted the removal of the duty on farm implements at this session of parliament, because it is felt that the country as a whole would benefit by that reform. Lower the customs' tariff, and make up the loss in revenue by increasing the tax on incomes. That is the view-point of the West, and because Canada's billion-dollar budget is not based on that policy, it will meet with much criticism west of the great lakes.

Buy Implements Early

The Guide takes this opportunity of advising the western farmer, if he is in need of binders or mowers or any of the machinery which he may require later in the season or even next spring, to place his order immediately. The universal shortage of the materials out of which farm implements are made, is so pronounced, and transportation facilities are so uncertain, that deliveries from the East are bound to become increasingly slow as the pressure of the war claims so much railway and shipping equipment on the Atlantic coast. The majority of the farm implement warehouses advise The Guide that deliveries of machinery for use this spring were inadequate to the demand from the prairies. Many a farmer this season is being obliged to make shift with old, worn-out implements. The only recourse, therefore, for those who can afford it is to plan sufficiently in advance so that no season will catch a man unprepared for it in the matter of the proper machinery.

This advice is of more than individual importance. It affects the whole critical situation with regard to the nation's and the world's supply of food. The harvest this summer and autumn promises to be very large. It is now known that the total acreage under crop will exceed that of last year by nearly 5,000,000 acres. Everything must be in readiness for the work of garnering the grain next August. It will probably be difficult to secure all the labor that the country will require for its harvesting season, and

that is all the more reason why the West should be prepared for its work of next fall in every other respect. Take time by the forelock and stock up with all necessary machinery, binder twine, oil and other accessories.

Blaming The Reporter

In the issue of The Guide of April 10, and under the heading "One Hundred Dollars, Please," we called upon S. R. Parsons, the president of the Canadian Manufacturers' Association, to make good his wager of \$100 that certain statements credited to G. M. Murray, the secretary of the C.M.A., could not be corroborated or substantiated. In this week's issue and in another column, we publish a copy of Mr. Parsons' letter written to the editor of the Farmers' Advocate, London, Ont., in reply to The Guide's demand of April 10. He takes the position that the report of G. M. Murray's speech, as published in the Winnipeg Evening Free Press, of February 3, 1910, is not correct, and misrepresents what Mr. Murray actually did say on the occasion of his address in this city at that time.

The actual report of that part of Mr. Murray's speech over which this controversy has arisen, is again reproduced as follows from the Evening Free Press:—

The re-organized Canadian Manufacturers' Association is like a young giant, ignorant of its own powers. By the exercise of these powers, it could, if it chose, bring several millions of people to the verge of starvation, or paralyze the industries of the whole Dominion. From the half-hearted 122 who comprised the whole membership of the association in 1899 (the year of its re-organization), it has grown with such strides that now in 1910 its members number more than 2,500.

This paragraph appeared at the very beginning of the newspaper report, and was couched in quotation marks. It is clearly the accurate transcription of the press reporter's notes, and was presented as the feature of Mr. Murray's address. The president of the C.M.A., however, now quotes his secretary's flat denial of the report, and then proceeds to back it up by casting reflection upon the truthfulness of a press story which appeared before the public more than eight years ago. Mr. Parsons goes so far as to say in his letter: "A simple newspaper report of what was supposed to have been said at any time, would not be accepted in any court of law as evidence." We should like to inform Mr. Parsons that he is quite wrong in his appreciation of the value of a press report in a court of law. The man who reported Mr. Murray's speech in Winnipeg in February, 1910, for the Evening Free Press, by producing his stenographic notes of that speech in court, as evidence, would be a more effective witness in the eyes of the judge than would Mr. Murray or Mr. Parsons with their mere words of denial.

Furthermore, that report after having been published not only in the Winnipeg Evening Free Press, but also in The Grain Growers' Guide, and having been the subject of comment generally throughout Canada, is now denied publicly for the first time. Eight years is a long time to permit such a misrepresentation to stand unchallenged. Mr. Murray and Mr. Parsons however, are not the first men who have taken refuge from the printed words of a speech by blaming the obscure reporter. Nevertheless, to be quite frank, we rather expected to see a man of Mr. Parsons' standing and pretensions disdain to crawl through the very