

The Grain Growers' Guide

Winnipeg, Wednesday, September 23rd, 1914

THE BALANCE OF TRADE

The Toronto News, in its issue of September 14, points out that last year imports into Canada exceeded the exports by \$120,000,000, and that of our exports \$100,000,000 worth went to pay interest on foreign obligations and were not exchanged for imports. Thus The News figures that the "balance of trade against Canada" was \$220,000,000, which amount was secured by borrowing, and because foreign borrowings are now curtailed, it is necessary for Canada to correct this balance of trade within the next year. This is to be done in two ways, first, by decreasing imports, and second, by increasing exports of food stuffs. As to the first method The News says:

"The whole country must strain every nerve to increase its exports and diminish its imports. This has to be done to the extent of at least \$220,000,000. The imports can be diminished by avoiding the use of everything not produced in Canada. This is a matter for individual effort, and the government cannot help. The country cannot be expected to do without imports altogether, since there are many articles of daily use which are not produced here. But every individual should restrict his or her consumption of foreign-made articles while the war lasts. This applies to imports from the United States, just as much as to imports from Europe, since both alike have to be paid for with exports of Canadian produce."

The News seems to forget that almost the entire public revenues of Canada are derived from duties on imports. If this advice were followed generally, we should soon see Canada bankrupt, as there would be no possibility of paying our debts. Either the tariff as a means of raising revenue is wrong or The News' advice is dangerous in the extreme. Tho there is no mention made by The News of the tariff, we fancy we discern a proposition for tariff increases on the patriotic pretense of consuming "Made in Canada" goods and also of increasing the revenue. We shall be most agreeably disappointed if some attempt is not made by the protectionists to increase the tariff under the cloak of patriotism. They have done it before. Foreign trade is the life blood of a nation and tariffs only decrease the prosperity which nature intended.

The plan which The News has proposed for increasing exports of food stuffs is as follows:

"The Grain Growers' Guide declares that a huge acreage of land, suitable for cultivation, and in proximity to the railway lines, is lying unoccupied and idle at this moment, in the hands of land speculators, and that a farmer who is willing to take up new land and cultivate it must either pay a high price or go a great distance from the railway. This should be looked into, and, if it is true, emergency measures should be taken. In ordinary times the land speculator may not be so harmful as The Grain Growers' Guide declares. At any rate a good many people think it is outside the province of the government to interfere with him. But these are not ordinary times. If people have large areas of land suitable for cultivation with which they are doing nothing, and which they are unwilling to sell except at a price which a new settler cannot pay, it would no doubt be unfair to take their property from them. But it would be perfectly justifiable, in the present crisis, to compel them to allow it to be used, by leasing it for a term at a low rent.

"This could best be done thru the government taking over such areas for a period, with an option of purchase at the end of the time. It should then get farmers to rent the land and cultivate it. In the event of their not being able to purchase eventually, it would have to promise them compensation for improvements. To increase the cultivated area quickly, it might be necessary to assist such farmers with advances for implements, seed and wages, to be repaid, or partly repaid, out of the proceeds of the first crop. The government should appoint a strong commission to act at once, should instruct it to take immediate action to increase the cultivated area, especially in the Western provinces, and should be prepared to supply it with funds for that purpose. Twenty million-dollars of a Dominion Note issue would be well used for this purpose if by spending it our agricultural production could

be increased by \$50,000,000 in the next twelve months."

We heartily commend the scheme of The News to investigate the vacant land situation in Western Canada. We should be pleased to see the Dominion Government appoint such a commission immediately and have them look into this matter as thoroughly as possible. If this commission can work out a scheme to bring this land under cultivation and place upon it the thousands of unemployed men and their families in our cities, it will be not only a great national relief, but also a splendid object lesson. We do not agree with The News that the increase of crop alone would be of such advantage as is outlined, unless at the same time the artificial burdens were removed from the agricultural industry and a certain degree of prosperity were ensured to those who were engaged in that industry. However, if the government can be induced to go even so far as investigating the vacant land question, it will be a great step in the right direction and we hope that in this case The News is speaking with authority.

THE LIVE STOCK INDUSTRY

There is every indication that good prices for live stock will continue thruout the next year, and it is probable that the trend of prices will be upwards. There will be many farmers in the West who on account of short crops will not be able to winter as much stock as ordinarily. Those farmers who have grain, hay and straw for feed have an opportunity to convert it into beef, mutton or pork at a good margin of profit to themselves. It will pay to take care of all feed that is available because it will be worth money before spring. The opening of the American market to Canadian live stock has placed the live stock industry of Canada upon a profitable basis, where it is certain to remain for some considerable time and farmers will find it advisable to turn their attention to this branch of agricultural industry more and more. One effect of the war is certain to be a shortage in the ordinary meat supply of the warring countries. This will have to be made up to at least a certain extent by increased supplies from North and South America and will tend to keep prices at a high level. Last week it was discovered in Chicago that both Armour's and Swift's have secured large contracts for fresh beef to be supplied to the allied armies now fighting in France. These orders caused a great rush for live animals, and the report states that further orders are to be filled shortly. The price in Chicago has already increased, and the result will inevitably be that the prices in Canada will increase also.

PROTECTION FOR DEBTORS

The Manitoba Legislature has held its "war session," and besides making provision for sending a gift of 50,000 bags of flour to the British government and arranging to borrow \$2,000,000 from the federal authorities with which to resume the construction of the parliament buildings, has passed a moratorium bill which forbids the sale of land for arrears of principal and interest due under mortgages and agreements of sale. The bill, stripped of technicalities, suspends payments on mortgages and agreements of sale for six months or, in the case of payments in arrears prior to August 1, 1914, for six months from that date. The act, however, will not apply to land which has been abandoned or to mortgages or agreements of sale made after July 31. It will remain in force until repealed by proclamation of the Lieut.-Governor in

Council, and the government has announced that this proclamation will be issued immediately the war is over. There was considerable opposition to the wide nature of this act, both from the mortgage companies, who sent a large delegation to suggest limitations and amendments, and from members of the legislature, who considered that while house owners and actual farmers should be protected from grasping loan companies who are insisting on renewals being made for long terms at high rates of interest, no consideration should be shown to gamblers in vacant lands. F. J. Dixon, Independent member for Centre Winnipeg, agreed that the bill was necessary and exposed two loan companies who had made exorbitant demands, but moved that the benefits of the bill be limited to home builders and actual cultivators of mortgaged land. This proposal, however, was rejected by the government, Hon. Dr. Montague declaring that it was the most ridiculous thing ever offered in a legislature. In Saskatchewan a bill has been passed which gives to the government power to protect embarrassed debtors if in its opinion the need arises. Attorney-General Turgeon explained to the House that it was intended to use this power chiefly to protect the families of reservists and volunteers going to the front and probably farmers who had lost their crops. As far as possible, he said, the judges would decide in what cases protection should be given to debtors. The Alberta Legislature will meet next month and it will be interesting to see what form, if any, the moratorium in that province will take.

NEW SOURCES OF FEDERAL REVENUES

An official statement issued by the department of trade and commerce at Ottawa shows that during the twelve months ending with July last, the revenue raised by means of the customs tariff was more than \$20,000,000 less than in the previous year. This falling off in revenue was due to a decrease of imports, which totalled during the same period \$577,996,319, which was \$114,000,000 less than for the preceding twelve months. If the revenues of the Dominion were falling off in that manner before the war, one wonders what is happening now when imports from all European countries have been greatly reduced and from some entirely discontinued. Instead of raising the additional revenues which are required to pay war expenses, the customs tariff, which is the Federal Government's chief source of income, is producing less money than it was last year. The duties on a number of articles have been increased, and the Minister of Finance, in his war budget speech, anticipated that these increases would bring in a larger revenue, but there is now very little doubt that in this he will be disappointed, simply because the increased cost of the goods on which the additional taxes have been placed, together with the general need for economy, has caused people to reduce their consumption of those articles. The increased duties on sugar, for instance, were expected to bring in a considerable sum of money, but prudent housekeepers are economizing in sugar and have found ways of preserving fruit without its use. We are informed also that less liquor and tobacco are being consumed, which is a good thing for the health of the nation, but bad for the revenues of the country. It is evident that the tariff is a failure as a means of producing revenue in the present emergency. If the duties on the necessities of life are increased, as has already been done, the burden is particularly heavy upon the poorer people, while the increased taxation of luxuries simply means that their importation will immediately be reduced. New sources of