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## Farm Tractors and Tariff Tax

Manufacturers Massing Strength against Rebate of 271/2 per cent Duty on Small Tractors -- By H. E. M. Chisholm, Ottawa Correspondent Winnipeg Free Press

THAT there is no reason to apprehend any failure of markets for all the food that Canada can produce is the statement of Sir Thomas White, minister of finance, and acting prime minister, made to the press a few days ago. Grain, livestock, and other natural products of the farm, he believes, should be in keen demand at high prices. With the end of the war, he states, there will, be the increased demand for food for enemy populations numbering hundreds of millions of people, large numbers of whom will be in a condition of starvation, and whose demoralized agriculture cannot be speedily restored.

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Of this phase of the Dominion's trade, there would appear to be no apprehension whatever, and if is on the volume of export trade which Canada can secure that prosperity after the war depends very largely, not to mention her ability to meet, and pay her heavy war indebtedness, and to keep exchange level. It would therefore appear that everything possible to insure increased production, especially of agricultural products should be done. Steps are being taken to avert the labor dislocation which may ensue from the cessation of war orders, and efforts are being made to keep the wheels of manufacturing industries running by peace orders from other countries. In other words, the Canadian manufacturers are out for export trade. No artificial means are required to secure cial means are required markets for natural products. to secure

Demand Duty on Tractors

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Meanwhile, however, the manufacturers continue to demand that the protective tariff on tractors easting \$1,400 and under, which was removed by the government on February S, last, in the interests of increased production, be restored. In fact they have kept up their clamor ever since the duty was removed. Indeed they demanded that the duty be put back even before the year (which was the duration of the removal provided for in the order-in-council) was up.

So far the government has been to all intents and purposes deaf to their demands. It may be stated definitely that the manufacturers have received no promise whatever on the matter.

that the manufacturers have received no promise whatever on the matter. But the pressure continues and a "showdown" is inevitable at an early date. The government desires that there shall be no unemployment in the cities, and that the chimneys of the manufacturing plants shall continue to belch smoke. The manufacturers contend that they cannot be expected to embark on peace manufacturing unless they are assured of a "stable" tariff. Some of them are in a position, as a result of profitable war orders to close down for a term in the hopes that their demands may be acceded to. The tractor question they consider a "test case." In more than one respect it is.

Text of Order-in-Council

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It was on February 8, 1918, that the following order-in-council was passed:—
"His excellency the governor-general-in-council on the recommendation of the minister of customs, and under, and by virtue of the power in that behalf, conferred by the War Measures Act, 1914, or otherwise vested in the governor-general-in-council, is pleased to order, and it is hereby ordered as follows:—

"During the period of one year from
the seventh day of Yebruary, 1913,
remission, and refund of duty is hereby
authorized in respect of traction engines
costing not more than \$1,400, in the
country of production, designed to be
moved by steam or other motive power,
for farm purposes, and parts thereof
for repair, and traction attachments
designed and imported—to be combined
with automobiles in Canada for use as
tractor engines for farm purposes, and
parts thereof for repair."

Rebate, Not Removal of Duty

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It will be noted that it was a rebate, and not an actual removal of the tariff, which was authorized, that action was taken under the War Measures Act, and that the duration of the order was for one year, so that the order lapses on February 8 next. Should the demands of the manufacturers prevail, it will simply be allowed to lapse. Should the government, on the other hand, decide that tractors should coatinue on the free list, that decision will go into effect through the budget next session.

The decision of the government in February last was taken without consultation with the manufacturers, and on the recommendation of the Production Committee of the Canada Food Board, Hon. Mr. Dunning, of the Saskatchewang overnment, and J. D. McGregor, of Brandon. As a result of their endeavors, 1,132 Fordson tractors were brought into Canada duty-free, and supplied to as many farmers at cost, plus freight. It is estimated that as a result of the bringing in of these alone many thousands of additional acres were placed in crop last season.

Indignation of Manufacturers

In March a delegation of manufacturers came to Ottawa, and requested to know if the government looked upon them as "undesirables." They complained that they had not been consulted in the matter, and that to meddle with the tariff by order-in-council was a very dangerous thing to do, and must shake the confidence of all manufacturers. They demanded that the duty be replaced. The premier and the cabinet, it is stated, were firm. It was pointed out that the order, while assisting materially in production, did not harm the manufacturers, since the type of tractor made in Canada was of not harm the manufacturers, since the type of tractor made in Canada was of the heavy variety, much higher in price than those to which the order applied. Indeed it was pointed out that only a few hundred tractors altogether were being manufactured in the Dominion. To this contention a Brantford manufacturer declared that he had been preparing for some time past to embark upon the manufacture of the light tractor, that he had invested much capital in the enterprise, and that he was now faced with heavy loss.

Request for Renewal Refused

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The agitation continued thereafter.
Shortly before the Canadian Manufacturers' Association's annual meeting at Montreal, a further visit was paid to Ottawa, and a request made of the government for assurance that the divided would be replaced. This was not granted. At the congress which followed an entire day was given to discussion of the matter and some strong opinions were expressed. And so the matter stands. Request for Renewal Refused

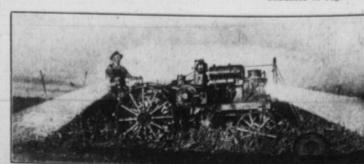
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