FEW TARIFF AMENDMENTS ANNOUNCED IN BUDGET

Changes to Meet New Conditions—Duty on Agricultural Implements Reduced—Wire Rods Protected—Milling Industry Continues Supported

The tariff is being changed to meet new industrial conditions, according to Hon. W. T. White, minister of finance, in his budget speech on Monday. The chief changes are a duty of $3.50 per ton on wire rods, which will have the effect of establishing this industry in Canada; a reduction of duties on agricultural implements of from 17½ per cent. to 12½ per cent., coupled with a drawback provision which puts this duty practically upon a 10 per cent. basis, and protection for the building stone industry in Canada. There is to be no change in the wheat and flour duties. The new duties on certain classes of agricultural implements are lower than those proposed in the reciprocity agreement.

The surtax provision of the present law is to be amended to give it flexibility. The present surtax is fixed at one-third the existing duty. The new surtax provision fixes a maximum of 20 per cent., within which the government may act at its discretion.

The importation of aigrettes and other plumage of birds, with certain exceptions, is to be prohibited in Canada, as it has been prohibited in the United States, and is being prohibited in Great Britain.

Mr. White announced a surplus of $36,500,000 in spite of the world-wide financial stringency and trade depression last year, and its effect upon the Dominion as well as upon other countries. The surplus tradition was accordingly maintained.

MILLING INDUSTRY IS SUPPORTED

Finance Minister Discusses Question of Free Wheat and the Flour Trade

"On the one hand, it is contended that the price of wheat at the great milling centre of Minneapolis is frequently or rather usually higher by several cents per bushel than it is at Winnipeg, and that the Western wheat grower would, in the event of wheat having free entry into United States get the advantage of the higher price," said Mr. White, in the budget speech. "Particularly it is pointed out that the spread in price prevails at certain seasons of the year when the farmer needs to sell his grain and that it is most marked in the case of wheat of poorer quality, for which the demand for export to Great Britain is comparatively limited. It is also put forward that with 'free wheat' the western agriculturist would be benefited by the development of further competitive shipping facilities."

Liverpool Governs the Price.

"As against these contentions it is represented that the higher price at certain seasons at Minneapolis is due to local demand on the part of the milling industry there for hard wheat to mix with the softer varieties, for the manufacture of flour; that such demand is limited and that consequently in the event of free entry of our wheat to the American market, the tide of our hard wheat descending upon Minneapolis would at once equalize prices on both sides of the line. It is further argued that as both Canada and the United States are wheat exporting countries, the export price at Liverpool governs, and would continue to govern, subject to freights and other charges, the price of wheat in Canada and the United States. The opinion has also been expressed that free entry of wheat to the United States would be a detriment rather than an advantage to the grain grower of Western Canada, on the ground that by reason of mixing in the United States it would lose its identity and consequently its higher value in the world market at Liverpool.

"Representatives of the milling interest of Canada have protested strongly against the abolition of the present duty of 60 cents per barrel upon flour. They point out that the materials entering into the construction of their buildings, their plants and machinery are all subject to duty and that with the abolition of duties upon flour, they would be in a worse position than under a system of national free trade.

Climate Favors United States.

"They contend that by reason of the geographical situation of the United States' wheatfields, and the climatic conditions which give the American miller the benefit of both early and late wheat, he enjoys an advantage over them which would speedily give control of Canadian markets to the milling interests of the United States. They claim, also, that placing flour on the free list would have the effect of limiting or preventing the extension of the milling industry into the North-West. They urge as a further important consideration that there is no such guarantee of permanence of the Underwood tariff provisions to which I have referred as to justify them in making the costly attempt to create a market for their higher grade flour in the United States in competition with the highly specialized and powerful milling industries which now control the field.

"Representatives of the mixed farming agricultural community have put forward the view that bran and shorts, the by-products of flour milling, are essential to the live stock industry upon which all successful agriculture must ultimately depend, and they counsel against any step which might close or limit the output of our mills upon whose operation mixed farming so much depends. They point out further that offal is dearer in the United States than in Canada, and that the removal of the duty would equalize prices on both sides of the line to their disadvantage.

Freight for Railroads.

"Speaking generally, it is not advisable that a nation's tariff should be so arranged as to fit into the particular features of that of another nation. This, however, would not be a conclusive reason for not making a change clearly in the national interest. In addition to the weight of the arguments which have been presented against the proposed tariff change, and to which I have alluded, it must be borne in mind that Canada has at present nearing completion two transcontinental lines of railway, in addition to the Canadian Pacific, which have cost hundreds of millions to construct and whose purpose and object is to carry the grain of the West to the markets of the world and the products of the East to the consumers of the West.

"The Government of Canada is also building a railway to Hudson Bay with the object of gaining a shorter route to Great Britain, and consequently lower freights to the western grain grower. On the Pacific Coast we are spending vast sums to be prepared for the opening of the Panama Canal. Having regard to all these considerations we have been unable, after having given the question most painstaking attention, to bring ourselves to the view that so great a change, involving by possibility such serious consequence, should be favorably considered until at least we are more certain as to the outcome of our vast railway development and the result to western grain growers of the opening of the competitive routes which will be afforded by the Hudson Bay Railway and the Panama Canal.

Interests of Grain Grower.

"It is surely the part of wisdom to await the outcome of these developments rather than to take a step now which might involve the risk of grave and irreparable injury to our milling and by consequence to our live stock industry and to our transportation systems through the diversion of traffic to routes other than Canadian. In the meantime, realizing the economic conditions surrounding grain production in the West and the supreme and vital necessity that the net price of his grain to the farmer should be as high as the circumstances of storage facilities and rail, lake and ocean transportation will by possibility permit, the government will continue to devote itself to the solution in the interests of the grain-grower of the question of rates of elevator companies, railway and steamship companies and other agencies whose aggregate