

THE TAXATION OF AGRICULTURAL IMPLEMENTS.

Conservative and Liberal Policies Contrasted.

(See also article on Abolition of duties on Agricultural Implements in April number).

ON March 11th, the Liberal members of the House of Commons voted unanimously in support of a resolution advocating the abolition of duties on agricultural implements. The Conservative members voted unanimously against the resolution, and with the exception of the Prime Minister and the Solicitor-General, who opposed the resolution every representative on the Government side refrained from expressing any opinion. The representations of the Liberals were, however, not without some effect, for in the tariff changes outlined by the Finance Minister in his budget speech on April 6th, an acknowledgement that something was due the farmers of Canada in this connection was made in the announcement that the rate of duty on harvesters, reapers and mowers would be reduced from 17½ to 12½%; in other words, that on three of the largest farm implements a reduction of 5% would be made.

With this exception, the tariff changes announced were practically all in an opposite direction. While to appearances a concession was made to the farmers in the way of a reduction on three machines, increased protection was given manufacturers on a number of commodities which enter into articles that farmers along with the public generally are obliged to use and for which an increased price will hereafter be paid.

In announcing the reduction Hon. W. T. White, the Minister of Finance mentioned that there were three firms in Canada manufacturing harvesters, reapers and mowers, the Massey-Harris Co. of Toronto, the International Harvester Co. of Hamilton, and the Frost and Wood Co. of Smith's Falls. He did not, however, mention that the two first manufacture in the United States as well as in Canada and virtually control the market in the two countries, so that so far as the reduction in duty on these commodities is concerned, the farmer will look in vain for any benefit from the reduction.

Mr. White made one interesting admission. He said:

"It is a matter of pride to me that the Canadian manufacturer of harvesters, reapers and mowers is not only able to hold his own

but to do exceptionally well and sometimes to pass his competitors in the markets of the world."

With this knowledge in his possession, it is difficult to see on what grounds the Finance Minister and the Government are able to defend the 12½% duty which they still impose on harvesters, reapers and mowers. When in the markets of the world Canadian manufacturers can pass their competitors, the continued imposition of a protective duty is wholly indefensible, and amounts to levying tribute on the agricultural industry,—on the farmers who are producers, and on consumers of agricultural products everywhere—that the fortunes of individuals may be enormously enhanced.

CANADA'S IMPORT AND EXPORT TRADE IN HARVESTERS, REAPERS AND MOWERS.

Fiscal Year ending March 31st.	Harvesters.		Reapers		Mowers.	
	Imp'ted Value \$	Exported Value \$	Imp'ted Value \$	Exported Value \$	Imp'ted Value \$	Exported Value \$
1910	166,013	1,371,843	8,350	202,618	62,978	614,912
1911	115,794	1,695,040	60,677	448,888	52,999	766,146
1912	264,890	1,433,697	75,455	418,634	79,539	649,630
1913	215,009	1,718,052	68,647	247,304	76,699	665,651
Total for 4 years	761,706	6,218,632	213,129	1,317,444	272,215	2,696,339

Total value of harvesters, reapers and mowers imported into Canada in 4 years, 1910-1913 \$1,247,050
Total value of harvesters, reapers and mowers exported from Canada in 4 years, 1910-1913 \$10,232,415

During the last four years the total value of harvesters, reapers and mowers exported from Canada exceeded the total value of the same articles imported by over 800 per cent.

Growth in Export Trade.

Statistics respecting the growth of exports in agricultural implements show that this industry stands on an entirely different footing than other manufacturing industries in Canada. When the tariff was revised in 1894 Canadian export of agricultural implements amounted to \$466,479. When revised in the fall of 1906 the exports amounted to \$2,499,104. In the year ending March, 1913, the exports amounted to \$6,152,559. In other words since the great reduction made in 1894 whereby the tariff on agricultural implements was reduced from 35% to 20%, exports have grown more than 13 times. Exports of other manufactured goods during that time have not

grown to anything like the same extent. They have, taken collectively, grown only 5½ times. Exports in all manufactured goods in 1894 amounted to \$7,690,755 and in 1913 to \$43,692,708.

A comparison from another point of view is equally significant. Taking manufactured goods as a whole Canada imports more than ten times as much as she exports. Last year Canada imported manufactured goods to the amount of \$462,461,943. Her exports of all manufactured goods amounted to \$43,692,708. or not quite one-tenth of what she imported. Just the contrary is the case with agricultural implements. Last year Canada imported agricultural implements