

Budget Speech Expected Early In May

Financial Policy Already Decided—Business Profits Tax Will Likely be Retained, but Slight Downward Revisions in the Tariff may be Made—Two War-Time Departments Remain—Handling the Wheat Crop is Still a Problem

(Special to *The Monetary Times*)

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THE present session, contrary to all predictions of the best political prophets, is proving exceedingly tame. There are not only no signs of a disintegration of the cabinet, but the government is holding its following without difficulty. The two breakers which were anticipated this session were the Franchise Act and the budget. The Franchise Act reefer is already nearly successfully passed, and ministers who should know predict that the budget will not wreck the ministry.

The budget is anticipated now about the first of May. It is understood that the government has already decided on its policy and ministers optimistically claim that the budget will be well received by all except extremists. The contents of the budget will, of course, be maintained a close secret until announced. There will not be many tariff changes, but what they are will be downwards rather than upwards. I have good reason to believe that it has been decided to continue the Business Profits Tax. This is for two reasons; first the government needs the money and second the ministers have come to the conclusion that it is the only way to get after the profiteer.

Board of Commerce Shaky

There are but two war organizations of the government still functioning, the Board of Commerce and the Canada Wheat Board. The former, indeed, is not strictly a war body, although an outgrowth of the old Canada Food Board. Both of these organizations have been very much under fire lately and it is a question whether they will be continued. The Board of Commerce has been attacked from all sides. The farmers are bitter against it for its attempts to control the price of milk and other farm produce; the retailer rails against it and the consumer is not particularly enthusiastic because despite the board the price of living keeps on mounting. The fact that it is abused from all sides is, perhaps, a fairly good argument that it has been accomplishing something.

However, governments are not in the habit of long pulling against the tide and if the agitation against it keeps on it may be legislated out of existence. Its authority to control the price of newsprint has already been successfully challenged by Price Bros., in the Supreme Court and the board has asked the Supreme Court for a ruling as to its authority to control other commodities. If the Supreme Court holds that it has not the authority of a judicial body to issue orders, then the board will have to go out of existence until the government passes fresh legislation. With the body apparently so unpopular this the administration may hesitate to do.

Wheat Board to Cease Work

As for the Canada Wheat Board, Sir George Foster, has already told the House that "it is not the present intention of the government to continue the services of the Wheat Board." This means that the present board will go out of existence this summer. However, there is already being strong pressure brought to bear to continue some form of national marketing owing to the difficult international credit system by which it is almost impossible for individual firms no matter how strong to deal directly with European countries.

A serious situation has apparently risen, both in connection with the milling industry and the packers industry, which will require some form of national direction. The export market for the time being is at somewhat of a standstill owing to the lack of international credits. There can

be no export market without credit and the government is loathe with its large financial undertakings and national indebtedness to continue a system of European credits. Since January 1 credits have been suspended. Under these circumstances, western members are urging the government that either the Wheat Board should be re-appointed or some other form of national marketing adopted. With such marketing and the national credit behind it, there is some hope that some considerable part of the surplus of this coming year's crop will be absorbed. Otherwise, it is claimed, if left to individual effort the situation may be serious. Some government announcement in regard to exports of meat and food products is expected shortly. Certainly if credits are extended it will only be for agricultural products; there will be none for manufacturers. They will have to shift for themselves.

West Anticipates Good Crop

The chief anxiety over the export of our surplus wheat and flour is naturally in the west. The west with its usual optimism is figuring on a big crop this year. There have been several slim seasons—the last bumper crop in the dry belt of Alberta was 1915—and it is figured that it is the turn of a big crop again. Conditions, it is claimed, are favorable. There were good rains last fall throughout most of the west. This soaked in and was frozen in. The heavy snowfall and hard winter is regarded as the forerunner of big crops. Even the dry areas are predicting large yields this season.

The federal department of agriculture and the interior department have been giving particular attention to the dry areas. Irrigation is being encouraged and assisted wherever feasible. The difficulty is that there are large districts where there is no water available. The department of agriculture after long experiments is urging the use of a species of Durum wheat for the dry areas. It is claimed that good crop of Durum wheat can be raised on a rainfall of eight or nine inches, where it would take fifteen or sixteen inches of Marquis wheat. The department has purchased several thousands of bushels of this wheat which it is selling below cost. One difficulty is, that there is no market in Canada as the Canadian flour mills are not equipped to grind this hard flinty wheat. Arrangements have had to be made for separate elevator storage, which is being supplied by the Saskatchewan Co-operative Elevator Co. and the railways are endeavoring to arrange for as good a freight rate to Minneapolis, where there is a market, as to Fort William. The experiment will be watched with keen interest by the agricultural experts at the capital.

SEEDING COMMENCED IN WEST

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Fine weather, with higher temperatures, has witnessed commencement of seeding operations in various parts of western provinces. Ploughs have already been doing their bit, and expectation is that work will be well under way by beginning of next week. As far as the calendar is concerned, this compares well with program of other seasons. Little indication can be given as yet of areas likely to be seeded. But there is no reason to expect diminution of acreage for the west at large. Land is reported to be in excellent condition. Long, steady winter, with abundance of snow, has ensured supply of moisture for a month at least, and rains will be doing business before that reserve is used up.