

out British countries. Such an arrangement amongst British Overseas Dominions would correspond with the policy followed between the United States and United States overseas countries, including Cuba. A similar policy is followed toward their respective possessions by France and Italy, and was followed by Germany.

Tariff preferences would overcome the handicaps upon the exports of Canadian products. Import duties as collected in Australia apply upon higher values, in many instances, in respect to shipments from Canada, than upon like shipments from the United States. The tariff of Australia consists largely of percentage duties. These duties are assessed upon the value of imported goods as sold for home consumption at the time and place whence shipment is made directly to Australia, plus freight thence to the port of exit from the exporting country, and the whole plus ten per cent. New Zealand appraises importations similarly for duty purposes. South Africa appraises importations on the same basis, but without adding the ten per cent. The home selling price in Canada is higher on a large number of groups of commodities than the United States home selling price on like goods, caused by our higher manufacturing costs, owing to revenue duties on imported materials, equipment and supplies of a kind not obtainable here. Thus, goods shipped from Canada into such British Overseas Dominions, are assessed duty on a higher valuation than would apply on like goods shipped thereto from the United States. This results in a larger sum in duties being payable on the same goods shipped from Canada than would be payable on the same goods shipped from the United States. But, as already stated, tariff preferences would overcome these handicaps, while allowing each great British State to build up its own self-supporting fiscal system.

Canadian Factories in the War

Shortly after the beginning of the war the Canadian factory system was practically put on a war basis, and munition making was organized. How Canadian factories

succeeded in war manufacturing is illustrated by the following statement from the report issued by the War Cabinet and presented to the Imperial Government. "The manufacturing resources of Canada have been mobilized for war production almost as completely as those of the British Isles." Munition work was done chiefly under the control of the Imperial Munitions Board—which placed orders in Canada amounting to \$1,200,000,000. At the peak of operations between 250,000 and 275,000 workers were employed in making munitions including shells, parts, 64 wooden ships, 44 steel ships and 3,000 aeroplanes. At the same time Canadian factories largely supplied the Canadian people at home and the Canadian army abroad. About half the Canadian army came from the factories and half returned to the factories on demobilization. If we had not built up a factory system and allied business, if our manufacturing and business had been done for us largely by other countries; then Canada could not have sent as many men to the war, could not have supplied shells, ships and aeroplanes, could not have given large financial aid, and could not have absorbed her demobilized soldiers.

Conclusion

In the course of this statement an effort has been made to show that manufacturing in Canada is inseparably connected with other industries; that two million wage-earners and dependents secure their living through manufacturing, and that the most of the remainder of the population derive indirect benefits; that this country as a whole has made remarkable progress under the National Policy of protection; that, with the entire world swinging towards protection, Canada cannot relinquish it; that the revision of the tariff should be scientific and take into consideration the requirements of all classes, that a stable fiscal policy of protection with some assurance of permanence is a vital need; and, finally, that the aim of the fiscal policy, determined as a result of this tariff enquiry, should be to advance Canada towards her destiny as a fully developed nation within the British Empire.