

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.
Telephone: Main 7404, Branch Exchange connecting all departments.
Cable Address: "Montimes, Toronto."
Winnipeg Office: 1206 McArthur Building. Telephone Main 3409.
G. W. Goodall, Western Manager.

SUBSCRIPTION RATES

One Year	Six Months	Three Months	Single Copy
\$3.00	\$1.75	\$1.00	10 Cents

ADVERTISING RATES UPON REQUEST.

The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870 The Trade Review, of Montreal; and the Toronto Journal of Commerce.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents, nor does it hold itself responsible therefor.

The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

SUBSCRIBERS PLEASE NOTE:

When changing your mailing instructions, be sure to state fully both your old and your new address.

All mailed papers are sent direct to Friday evening trains. Any subscriber who receives his paper late will confer a favor by complaining to the circulation department.

ANOTHER "REGULATION" MEASURE GONE

A WELCOME Christmas box to the country as a whole was presented on Monday, when the finance department announced that the luxury tax had been repealed. This tax was a sound tax in many respects, as it was a direct tax, paid by those best able to pay it. But the method of collection was defective, and the cost in confusion and in actual outlay on the part of merchants added greatly to the one per cent. cost of the finance department.

The tax was another of the "regulative" measures which characterize the Drayton administration at Ottawa. Along with control of commodity prices and the security market, it has not only failed to achieve its purpose, but has also caused great inconvenience and dissension. True enough, the government maintains that the tax had accomplished its "exceedingly necessary and useful purposes . . . of curtailing extravagance, reducing prices, and causing the people to think and reflect upon conditions and prices," but in so doing it takes upon itself the credit for bringing about a movement which is world-wide in scope, and which has gone farther in the United Kingdom and across the border, where there are no similar taxes, than in this country.

The repeal of the tax is nevertheless sound, in view of present industrial conditions. Now that business is dull, a government effort to restrict business, as represented by a luxury tax, is very inadvisable. The removal of the tax has already produced a noticeable improvement, though it is a relatively small factor in the volume of business as a whole. The actual amount of revenue raised by this tax, along with that on sales and manufacturers, has been about fifty millions, and the government is this much to the good. It is important, however, that this lightening of taxation be not taken as a precedent. The maintenance of adequate revenue for many years to come is essential to sound national finance, for the debt charges and railway burden, along with that on sales and manufactures, has been about must be met annually.

PRINCIPAL CONTENTS

EDITORIAL:	PAGE
Another "Regulation" Measure Gone	9
The Proposed United States Tariff	9
The Unemployment Farce	10
The Bank and Its Armament	10

SPECIAL ARTICLES:

War Time Expansion Largely a Delusion	5
Remove Luxury Tax to Stimulate Business	7
Filling Orders from Customers Abroad	18
Manitoba to Insure Civil Servants	24
Property Subject to Provincial Succession Duties	30
Merchants Marine to Do Business Here	34

MONTHLY DEPARTMENTS:

Trade of Canada	22
Wholesale Prices in October	24

WEEKLY DEPARTMENTS:

News of Industrial Development in Canada	32
News of Municipal Finance	36
Government and Municipal Bond Market	38
Corporation Securities Market	42
The Stock Markets	44
Corporation Finance	46
Recent Fires	48

THE PROPOSED UNITED STATES TARIFF

NEW customs measures now before the United States congress provide for import duties of thirty cents a bushel on wheat, fifteen cents a bushel on corn, and duties on other grains and on livestock of up to thirty per cent. This "Emergency Tariff Bill" is one of the first measures of congress under the Republican administration, and is being watched closely here, not only because of its obvious effects on this country but also as an indicator of policy. Any measure which might give rise to a discussion of retaliatory action on the part of Canada would be regrettable.

The removal of the extra 7½ per cent. war duty this year has operated to save about \$100,000,000 to American exporters to this country, and in some quarters the suggestion is made that it ought to be applied anew. A more likely measure, or at least a supplementary one, would be to increase the British preference, and thus direct to British channels much of the business that now goes to the States. It is in Europe that the main hope lies of building up an export trade, and facility of importations would tend to simulate the compensating movement the other way. A sentimental preference exists throughout the Empire by reason of the common war effort, and an extended tariff preference might be in the logical order of things.

It is hoped, of course, that the ominous legislation now proposed will not pass at Washington, and there is little belief that it will this session or before the Harding Administration is installed. A certain nervousness is nevertheless displayed, and it is due to the injurious effect which an embargo against Canada would produce, particularly under the conditions that now prevail with Europe buying little wheat, and the cattle embargo keeping out Canadian cattle. The principle of reprisal is not at all favored, and it is hoped that it will be avoided; but it is very possible, if the situation should become particularly aggravated. This certainly will be the case if the new tariff proposals now under advisement at Washington should go on the statute.