



Hon. Mr. Brodeur and Party, on the "Earl Grey," during Trials off Barrow-in-Furness. The Earl Grey is now carrying Mails to Prince Edward Island.

A PERMANENT TARIFF COMMISSION

Now that the Surtax has been Removed and the Value of the Preferential Altered — WHAT?

FRANCE, Germany and even Japan have permanent tariff commissions. The trend of public opinion in the United Kingdom and Australia, and in the United States, as expressed at the Indianapolis Convention is that the arrangement and adjustment of the tariff should be handled by an expert commission. The other day, at Hamilton, that influential body, the Canadian Manufacturers' Association, placed itself on record as being in favour of the creation of a permanent tariff commission for this country.

The permanent tariff commission proposal has not long been seriously discussed in Canada. It received its first notable support six years ago when the Canadian Manufacturers' Association passed the following resolution:

"We recommend that the Dominion Government establish in Canada a permanent tariff commission of experts who shall have constant supervision of tariff policy and changes, and shall follow closely the workings of the Canadian tariff with a view to making such recommendations to the Government as will best conserve and advance the interests of the Dominion."

Scope of the Commission.

From that time till the present, while the question has not attracted much public interest, a great deal of quiet thinking has been done by those having at heart the maximum development of Canadian trade. The opinion of the manufacturers embodied in the resolution of 1903 has changed somewhat in respect to the duties of the prospective tariff commission. It is recognised now that the commission instead of making recommendations privately to the Government should merely assemble the multifarious details, affecting the tariff question publicly before parliament.

Mr. G. M. Murray, general secretary of the Canadian Manufacturers' Association, a sketch of whom appeared in the Industrial Number of the CANADIAN COURIER, says in his recent article reprinted for private circulation from "Industrial Canada":

"The facts are what we all want. The protectionist needs them because he cannot wisely protect any business until he knows everything about that business. The Free Trader needs them to make sure he is not getting the short end instead of the long end of the deal. Parliament needs them so that it can classify scientifically the flood of imports that is sweeping through the doors of our great Dominion,

and then so adjust the duties on those imports that it will achieve the maximum good with the minimum of evil."

Mr. Murray goes on to charge the Canadian Government with bad business principles in its past administration of the tariff:

"When a private industry contemplates branching out in some new enterprise, it does not go about it in any haphazard manner. A railroad company planning to build a new road, or to extend an old one, does not refer the work to the clerks in its office, nor to the heads of the freight department, nor to the heads of the passenger department. It summons to its aid experts who have made a life study of such things, and instructs them to make the carefulest investigation into the resources of the territory to be served, the population it will probably be able to support, the climatic conditions likely to be encountered, the cost of constructing the line, the cost of equipping it, the cost of operating it, the taxes it will be required to pay, the various provincial laws to which it will be subjected and a hundred and one other things. It is an exceedingly complicated problem, the successful solution of which can only be had by the exercise of well seasoned business judgment after all the facts and conditions have been ascertained.

"Every business corporation in Canada to-day proceeds in the same way, that is to say, every one except the Canadian Government, which is the biggest and most important of them all. While marked advances and improvements are noticeable in all other branches of Canadian activity, our Government, in the important work of framing a tariff clings to methods that were out of date half a century ago.

The Kind of Men Not Wanted.

Discussing the work of former Canadian tariff commissions, Mr. Murray says:

"In the first place the Government made a fatal mistake by selecting all the members of its commission from its own Cabinet. However able these gentlemen may have been as parliamentarians or as statesmen, it is extremely doubtful if they had the business experience necessary to qualify them to act in the capacity chosen. Nor did they have the time to do justice to their important task. Each of them was more or less engaged with the politics of his own constituency. Each of them had the work of his own department to attend to, and it goes without saying that the Cabinet Minister who discharges

the duties of his portfolio conscientiously has little time for outside affairs. But in addition to these duties they undertook, with the aid of a couple of secretaries, and between sessions, to do what the German Tariff Commission of thirty members with a clerical staff of over 500, and with over 2,000 trade and industrial experts constantly available for consultation purposes took six years to accomplish.

It is obvious that a Canadian commission of this description could not cope with a situation the exigencies of which imposed the investigation of and familiarisation with every industry in the Dominion, the materials used, the wages paid, the methods employed in production, the proportion of machine labour, and the proportion of manual labour entering into each product, and the available market.

Canada vs. Germany.

"Now," says Mr. Murray, "if Germany with an area no bigger than one-tenth of the habitable area of Canada, with a soil, a large part of which is bare and unproductive, loaded down with taxation to maintain the most expensive army and navy in the world, can, by means of such a tariff, and through the negotiation of trade treaties with countries necessarily more or less jealous and hostile, place itself in the front rank of industrial countries, what are the possibilities ahead of Canada with her unparalleled resources, her potential population and her advantageous position as a part of the British Empire if she will only seize the opportunity to get started right which a permanent Expert Tariff Commission would afford?"

Surely it is time that the tariff ceased to be made the football of party politics. Let us elevate it to the level of a business issue, where it rightly belongs. Adapting the words of Ex-Governor Guild, of Massachusetts, to conditions in Canada, let Parliament continue to divide the dutiable from the free, let it continue to fix the rates of duty that shall apply, but let it have for tariff legislation as for other legislation, a source of information which can be relied upon as official, impartial, exhaustive, freed from class and political influences, such information in short as can only be secured through the agency of a permanent, non-partisan commission of experts, the members of which are men of wide experience, well seasoned judgment and irreproachable character.

Just what effect such a commission would have on a situation like the repeal of the German surtax is open to question. A permanent tariff commission, however, continually investigating tariffs both at home and abroad ought to be able to arrive at conclusions much more complete than any Minister of Finance or any government. Irregular seesawing of tariffs is not a good thing for any country. Our tariff relations with the United States are also up for readjustment.