

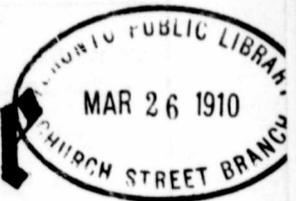
The Chronicle

Banking, Insurance & Finance.

ESTABLISHED JANUARY, 1881

R. WILSON-SMITH, Proprietor

PUBLISHED EVERY FRIDAY



Vol. XXX. No 11.

MONTREAL, MARCH 18, 1910.

Single Copy - 10c
Annual Subscription \$200

A MAXIMUM CANADA cannot see wherein the minimum tariff of the United States offers anything worthy of special concessions on her part. Actually this so-called minimum is the general tariff of the United States—the threatened maximum involves a 25 per cent. surtax. And there may be more than a "newspaper guess" in the New York Herald's statement that the tariff negotiations at Ottawa brought to light a Canadian desire to obtain free entry into the United States for Manitoba wheat and other food products, but especially wheat. "The surprising part from the U. S. viewpoint," says the Herald, "is that the tariff experts at Washington are by no means unanimously against the proposition."

It is certain that, within a few years, the United States will be importing wheat largely from Canada. The 750,000,000-bushel mark seems to be about the annual limit for our neighbour's production; its exports are getting smaller and smaller, as its domestic demands increase. For some time past, the movement towards removing the tariff on wheat has been gaining headway in the United States.

The New York Times recognizes that at the present juncture some special concessions may have to be made by the United States, and that Canada's tariff reductions to France (being made under a special commercial treaty), cannot be regarded as favors to the country receiving them, but are strictly reciprocal and are compensated by corresponding reductions extended by that country. "Such reductions, it is claimed by Canada—and the same doctrine has repeatedly been asserted by the United States—do not make the nation receiving them a 'favored nation' since they can be had by any other country on the same terms."

MONTREAL

HARBOUR LOAN.

THE Finance Minister has introduced a resolution into the House of Commons to authorize a government loan of \$6,000,000 to the Montreal Harbour Commission. The objects are to retire \$100,000 of debentures maturing in 1910, to complete the construction of terminal facilities now in progress, and to facilitate new works in contemplation. Debentures to the amount of the \$6,000,000 bearing interest at 3 1-2 per cent. payable half yearly and repayable in twenty-five years will be issued. The Commissioners originally asked for \$18,000,000 in instalments of

\$1,500,000 per annum for twelve years. The plans will have to be modified for the present, but it will be surprising if the Commissioners do not, like Oliver Twist, "ask for more" before long.

TARIFF WAR OR PEACE.

THERE is naturally much speculation as to whether President Taft will allow the maximum tariff rates to go into effect automatically against Canada on April the First. While the responsibility attaches to Mr. Taft, he is naturally at the mercy to some extent of a multitude of counselors—in whom there is said on high authority to be wisdom. But April the First is All Fools' Day and nobody knows what may happen. Tariff war would be so much more injurious to the United States than to Canada, that we can well imagine the President to be anxious to find a way to avoid it; and we could heartily wish that some way may yet be found that would, to use a slang expression, "save Mr. Taft's face."

Our neighbours are good fellows and we want tariff peace and every other kind of peace with them, but not exactly at any price. We want peace, but peace with honour and with a fair regard for Canadian interests. We have no desire to take advantage of the fact that they have enjoyed the best side of a jug-handled arrangement for so many years that they have come to regard it as one of their rights to get the better of Canada in every bargain.

Some apparently inspired figures emanating from Washington are quite in accord with the saying that statistics can be made to prove anything. The contention based on this "juggling with percentage" is that Canada's average rate of duty upon actual importations from the United States is considerably higher than that paid upon return trade. A detailed analysis of trade statistics shows that this is due to the fact that the United States draws upon Canada largely for raw materials; these, for its own benefit, it admits free or at low customs rates. On certain manufactured lines that Canada might normally supply, the tariff rates are so high as to prove practically prohibitive. Canada, on the other hand, imports its manufactured goods very largely from the United States, regardless of the existing tariff wall. Under such conditions, to say that a higher average payment of duty on actual importations into Canada shows this country's general tariff to be more prohibitive than that of the United States, is bunkum.