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Canada's Tariff Policy After the War

What Should it Be?—The Tariff in its Relation to National Development, Revenue, Protection and the Empire—Its Bearing on Employment and International Trade—The Importance of Production for Export—A Suggestive Analysis.

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THE least, although most obvious, value of import duties may be their usefulness as a means of obtaining revenue, and the least cost connected with them may be the amount of revenue collected. The value and cost of import duties such as we have in Canada, must be sought in their social and economic effect rather than in financial returns to the government.

The government of Canada obtains two-thirds of its regular annual income by means of customs duties. In 1914 the receipts on consolidated fund account amounted to \$163,000,000, made up as follows: customs department, \$105,000,000; excise department, \$21,000,000; post office department, \$13,000,000; railway department, \$13,000,000; miscellaneous, \$11,000,000; total \$163,000,000. The growth in proportion of customs revenue is shown by the following figures: 1901, 54 per cent.; 1903, 56 per cent.; 1906, 58 per cent.; 1908, 60 per cent.; 1911, 61 per cent.; 1912, 62 per cent.; 1913, 66 per cent.; 1914, 64 per cent. The effect upon the industrial development of Canada of raising so large a part of annual revenue by this means is necessarily far-reaching and deserving of careful study.

The tariff has nominally divided Canadian political opinion, one party advocating a tariff chiefly for revenue, while the other maintains the national importance of "Protection." Since the same tariff, for the most part, has served both parties, it is evident that no serious effort has been made to base the tariff upon the principles underlying the policies advocated. One party has been happy so long as no serious opposition developed in agricultural circles; the other has been content to enjoy the approval of manufacturing interests. One party inclines towards a reduction of duties, while the other favors as a minimum the