PROTECTION AND EXPORT TRADE

One of the most important developments that has taken place since the world war broke out in August, 1914, is the rise of Canada as an exporting nation. In the last four years, before the war, our imports exceeded exports by an average of $181,000,000 a year. Today, Canada is exporting much more than it imports and in the twelve months, ended with June, 1919, the excess of exports over imports was more than $381,000,000. This change in Canada's trade position has an important bearing on the tariff controversy, and may well result in a change in the fiscal policy of the Dominion.

Our contemporary, the Grain Growers' Guide, says:

The organized farmers of Canada have for many years agitated for a reduction in the tariff. As producers for export they realize that the customs tariff adds nothing to the price of their product, but increases their cost of production and their cost of living, and consequently lowers their profits. The farmers believe that the protective tariff is morally indefensible, economically unsound, and contrary to the general welfare; one of their chief objections to it naturally is the financial burden which it unfairly imposes upon themselves.

The manufacturers of Canada, on the other hand, have hitherto produced chiefly for home consumption. The tariff has protected them from British and foreign competition, and enabled them to obtain higher prices for their goods than they would have been able to secure in an open market. For this reason they have supported the protective tariff, and their influence with governments of both political parties during the last 50 years has been sufficient to maintain and increase the tariff wall.

As an exporter the Canadian manufacturer is not benefited by the tariff, for he has to sell his goods abroad in competition with the world, and often has a hostile tariff against him. In the past, however, it was only a few lines of goods, notably agricultural implements, that the export trade was of much consequence to the Canadian manufacturer. The profit which protection gave him in the home market more than compensated him for his disadvantage in export, especially as under the system of drawbacks practically all the duty which he pays on raw materials is refunded to him when goods are exported.

Protection may increase their profits on sales in this country, but by increasing the cost of production it reduces their profits on the export trade. Consequently, as the export trade grows the tariff becomes a burden instead of a blessing to the manufacturer; and the time will come when it will be profitable for the manufacturer to throw aside protection so that he may develop his export trade more successfully.

TAX INTEREST NOT PRINCIPAL

War Taxation Only Affects Interest From Victory Bonds Not Amount of Investment

The average Canadian with 3 children whose income is from $2,000 to $2,500 need not have any fear that his purchase of Victory Bonds is going to bring him within the scope of the Income War Tax Act. It is true that the new issue of Victory Bonds is taxable; but the generous exemption allowed in the taxation of incomes of married men with children and unmarried men with dependents and the small amount of income relatively which the ordinary buyer of Victory Bonds receives from his investment will make the Federal taxation a matter of little or no consequence to the average person buying Victory Bonds. It cannot be too strongly emphasized that it is not the amount of the Bonds that the Commissioner of Taxation insists on adding to your income; it is the interest on the money invested in Victory Bonds. In other words, you are liable for income tax only on $5.50 for each $100 invested, instead of on the $100 itself; but the tax feature really affects the wealthy person and Corporation buyer and not the average citizen.

BANQUET IN HONOR OF OVERSEAS MEN.

Messrs. Dale & Co., Limited, the well known firm of Marine and Fire Underwriters, Montreal, were the hosts at a banquet given in honor of members of their staff who served their King and country in the great war. The banquet was held on the 17th instant, in the large dining room of the Canada Club. Mr. R. J. Dale, who presided on the occasion had on his right Mr. J. H. Riddell, Toronto, manager of the Eagle Star and British Dominions and Mr. Egerton Parsons of New York, on his left. Invitations had been extended to all returned men both at Head Office and the branches. The local managers at Halifax, Toronto and Vancouver also attended, and the gathering which numbered about seventy, spent a most enjoyable evening.

It is interesting to note that 21 members of the staff had enlisted, and seen service in various branches of the Army and Navy, five of whom paid the supreme sacrifice.

WHAT THE COUNTRY WANTS

What the country wants is a rational stabilization of the dollar through reduction of extravagance, wise saving and investing, elimination of speculation and abandonment of schemes for Government control and regulation of industrial conditions.