

## PROFITS OF CANADIAN INDUSTRIES

Statement That They Are Excessive Proved to Be Without Foundation.

### ARGUMENTS BASED ON INCOMPLETE DATA

Manufacturers Should be Protected by a Reasonable Tariff.

Hon. T. A. Crerar, Mr. F. F. Pardee and others who would deny to Canadian factory workers and Canadian manufacturers reasonable tariff protection to offset lower wages paid in other countries and, consequently, to enable them to compete on a level playing field in support of their arguments. On the basis of such Census of Industry, compiled and issued by the Dominion Bureau of Statistics, these men endeavor to prove that the profits in Canadian industries have been grossly excessive. Their procedure is to take the gross value of the manufactured product, deduct the cost of materials, wages and salaries, and certain other items of expense, and proclaim the balance as the manufacturer's net profit. That such argument is quite fallacious, is shown by the following statement by Mr. R. H. Cooke, Dominion Statistician, under whose direction the Census of Industry is prepared:

"The question as to how to obtain a statement of net manufacturing profits is one that cannot finally be answered from our Census of Industry any more than a statement of farming profits can be answered from our Census of Agriculture. We could, of course, insert a question asking every firm what its net profits were during the year covered. We avoid this, however, because our inquiry is made with broad economic purposes in mind, and not for regulatory action, which, as above stated, can be based only on intensive investigation into the whole range of business management."

The Census of Industry does not specifically include, and has never specifically included, the items of depreciation, loss on account of bad debts, interest and discount, or travelers' commission. There is a space for "Other Sundry Expenses," but there has been no uniformity on the part of manufacturers in making returns under this heading, and the chief statistician, officer of the Dominion Bureau of Statistics, who, under Mr. Cooke, has had charge of the census work for many years, is authority for the statement that the Bureau has not expected manufacturers to include such items under the "All Other Sundry Expenses" heading, or, indeed, to report them in any form under the heading "Miscellaneous Expenses." Some manufacturers have reported these items of expense, but many have not, and the lack of uniformity makes it utterly impossible to give any reliable estimate of net profits on the basis of the Census of Industry figures alone. A recent survey of the boot and shoe industry by the Canadian Reconstruction Association, showed that items of expenses, other than cost of material and salaries and wages, represented 16.12 per cent. of net sales in 1918, whereas the partial list of expense items shown by the Census of Industry accounted for only between 6 and 7 per cent. Surely it is time that criticism of legitimate Canadian industries by Canadian public men should be in accordance with all the facts.

During the budget debate, Mr. F. F. Pardee, M. P., contended that the so-called "luxury tax" of 10 per cent. should be paid by the Canadian manufacturer and not passed on to the Canadian consumer. Mr. Pardee asked the question: "Why should not the common man be saved that additional tax?" The answer is this: To pay such tax would not only take all the profits of the average Canadian manufacturer, but would also involve him in a heavy deficit and force him to close his doors. Careful investigation will show that average net profits to Canadian manufacturers do not average anything like 10 per cent. on turnover. It is a fact, for which there is abundance of official and other evidence, that Canadian manufacturers have been operating at a small margin of net profit even during the war.

A careful survey of the Ontario furniture manufacturing industry by Messrs. Clarkson, Gordon and Dineen, showed that in 1917 profits averaged only 2.35 per cent. on the capital employed, and 3.10 per cent. on total sales. Again, an analysis of the boot and shoe industry for all Canada showed an average profit for 1918, for a large number of representative firms, of only 6.29 per cent. on turnover, and 7.37 per cent. on capital. In 1919 the same companies averaged less than 1 per cent. on turnover. In view of such figures as these, how could Canadian manufacturers absorb a 10 per cent. levy on their sales?

#### Farm Machinery Free.

Since Feb. 7, 1919, close to 22,000 farm tractors, valued for customs purposes at approximately \$22,000,000, have been imported into Canada from the United States without payment of duty. If the normal custom duty and the war tax had been collected and if importations had been on the same scale, the Federal Treasury would have collected more than \$6,000,000. It was, the farmers escaped any contribution to the Federal revenue on these purchases, despite the fact that the wheat crop was guaranteed by the Government and Government machinery employed for its sale, while the farmers received war-time prices for all their products. By remission of duties on farm tractors, additional taxation burdens were placed upon people in the cities and even upon those farmers who were not sufficiently well-to-do to buy tractors. It is almost being suggested, the tractors

have been made in Canada, employment would have been provided for 10,000 men, and at least \$10,000,000 would have been distributed in wages. Instead, more than \$22,000,000, plus exchange, went to the United States, there to build up United States industries and to provide employment for foreign workers. Moreover, the purchase abroad of tractors and other goods which could be made in Canada creates exchange against this country and increases the cost to every citizen of such essential imported commodities as coal, cotton, sugar, and oil.

No less than nine reputable Canadian manufacturing companies either were already producing tractors or were preparing to do so when the Order-in-Council was passed putting this equipment on the free list without giving Canadian manufacturers an opportunity to supply such machines. Development of the tractor industry in Canada would have stimulated the development of other allied industries and provided additional employment to Canadian industry, prices of Canadian farm tractors would have been lower, if any, higher than the prices of comparable tractors when sold for home consumption in the United States. In cases where prices of Canadian-made goods are higher in Canada than the prices of corresponding products in the United States, the higher Canadian prices are due, in very large measure, to revenue-producing duties which must be paid on fuel, materials, machinery, equipment, and plant of a kind not obtainable in the Dominion.

It should be noted that more than 90 per cent. of the Canadian demand

is being supplied with tractors made in the United States by foreign labor. Last year less than 1,000 tractors were made in Canada, owing to the removal of the duties, while numerous plants in the United States were making tractors by the thousands. There is no good reason why equally efficient equipment cannot be made in Canada if reasonable protection be provided, and the fact that nine or more Canadian companies are ready to start the manufacture, under a moderate tariff, is ample proof of defective competition that would protect the Canadian purchaser against excessive profit-taking.

### TO FORCE McADOO ON CONVENTION

Admirers Insistent That He be Standard Bearer for Democrats.

Kansas City, Mo., June 23.—In a telegram sent from Pueblo, Colo., from the train bearing Missouri delegates to the Democratic National Convention, Burrill A. Jenkins, Kansas City clergyman and publisher, announced that he had definitely decided to place the name of William McAdoo for the Democratic National Convention for the Presidential nomination.

When there is nothing else in a man's pocket he can pocket his pride. Though the majority rules, the majority fails on telling the majority how to do it.

## ZAM-BUK

is the best remedy known for sunburn, heat rashes, eczema, sore feet, stings and blisters. A skin food! All Druggists and Grocers—50c.

### JAPS RECOGNIZE RUSSIA REPUBLIC

In Far East Providing it Shall be Independent of Russian Soviet Govt.

London, June 23.—A wireless despatch received from Moscow says: Japan has agreed to recognize the Far Eastern Russian republic on condition that it shall have complete political and economic independence of the Russian Soviet Government, and that it guarantees to be a democratic form of government. The despatch adds that the Foreign Minister of the republic has declared that these conditions are acceptable.

Jealousy is a vine upon which our grapes grow.

**WRIGLEY'S**

For rosy cheeks, happy smiles, white teeth, good appetites and digestions.

Its benefits are as GREAT as its cost is SMALL!

It satisfies the desire for sweets, and is beneficial, too.

CHEW IT AFTER EVERY MEAL

Sealed Tight—Kept Right

The Flavor Lasts

WRIGLEY'S DOUBLEMINT CHEWING GUM

WRIGLEY'S JUICY FRUIT CHEWING GUM

WRIGLEY'S SPEARMINT CHEWING GUM

**WILSON'S "The National Smoke"**

**BACHELOR**

Still the most for the money

10c.

ANDREW WILSON & CO. TORONTO

## Business Cards

W. Simms Lee, Gen. H. Holder, F. C. A. LEE & HOLDER, Chartered Accountants, QUEEN BUILDINGS, HALIFAX, N.S. Rooms 1 & 2, 11 P. O. Box 723. Telephone 1512.

BETTER NOW THAN EVER. 67 KING STREET, ST. JOHN, N. B. St. John Hotel Co., Ltd. Proprietors. A. M. PHILLIPS, Manager.

KING STREET. St. John's Leading Hotel. RAYMOND & DOHERTY CO., LTD.

POYAS & Co., King Square JEWELLERS. Full lines of Jewelry and Watches. Prompt repair work. Phone M. 2965-11.

SIGNS—EXTENSION LADDERS AND TRELLIS. H. L. MACGOWAN, HOUSE AND SIGN PAINTER. Phone Main 697. 78 BRUSSELS ST. ST. JOHN, N. B.

WM. E. EMERSON, Plumber and General Hardware. 81 UNION STREET, WEST ST. JOHN. PHONE W. 175.

FRANCIS S. WALKER, Sanitary and Heating Engineer. No. 14 Church Street.

Established 1870. G. G. MURDOCK, A.M.E.I.C. Civil Engineer and Crown Land Surveyor. 74 CARMARTHEN STREET. Phone M. 63 and M. 655.

PAINTS AND BRUSHES. Varnishes, Enamels, etc. and all other necessary supplies for renovating the home. A. M. ROWAN, 331 Main St. Phone M. 398.

AUTO INSURANCE. Ask for our New Policy. FIRE, THEFT, TRANSIT, COLLISION. All in One Policy. Enquiry for Rates Solicited. Chas. A. MacDonald & Son, Provincial Agents. Phone 1836.

MARRIAGE LICENSES. Issued at WASSON'S, Main Street.

VIOLINS, MANDOLINS, and all String Instruments and Bows Repaired. SYDNEY GIBBS, 31 Sydney Street.

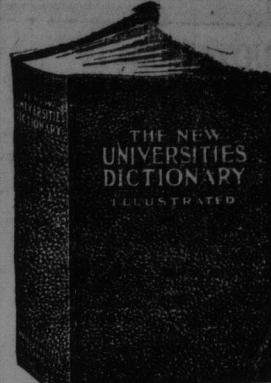
PATENTS. FETHERSTONHAUGH & CO. The old established firm. Patents everywhere. Head office Royal Bank Building, Toronto. Ottawa office, 5 Elgin Street. Offices throughout Canada. Booklet free.

Dr. DeVan's French Pills. A reliable Regulating Pill for Women. A box sold at all Drug Stores, or mailed to any address on receipt of price. The Seebell Drug Co., St. Catharines, Ontario. Sold in St. John by The Apex Drug Co., Ltd., 109 King Street.

PHOSPHONOL FOR MEN. Restores Vain and Vigor; for Nerve and Brain; increases "gray matter;" a tonic—will build you up. \$2 a box, or two for \$5, at drug stores, or by mail on receipt of price. The Seebell Drug Co., St. Catharines, Ontario.

Thoughtful Willie. Mr. Slim—"Willie didn't you go to the trunkmaker's yesterday and tell him to send round the trunk I order?"

Willie—"Yes, pa." Mr. Slim—"Well, here is the trunk but no strap. Didn't he say anything about the strap?" Willie—"Yes, pa, but I told him, 'thought you hadn't better have any strap'."



**DOMINION COAL COMPANY** Limited. DOMINION and STEAM COALS. GENERAL SALES OFFICE. 115 STAMFORD ST. MONTREAL.

R. P. & W. F. & A. P. LIMITED. Agents at St. John.

### Soft Coal

Reserve and Springhill. We recommend customers using soft coal to buy now and insure getting prompt delivery.

R. P. & W. F. Starr, Ltd., 49 Smythe St. 159 Union St.

For Reliable and Professional Optical Services, call at S. GOLDFEATHER. 629 Main (opposite). Tel. M. 3413-11.

### Headquarters For Trunks.

Bags and Suit Cases. We have a large assortment which we are offering at moderate prices. H. HORTON & SON, LTD. 9 and 11 Market Square. Phone Main 448.

### FOR "Insurance That Insures"

SEE US. Frank R. Fairweather & Co., 12 Canterbury Street. Phone M. 653.

### QUEEN INSURANCE CO.

(FIRE ONLY.) Security exceeds One Hundred Million Dollars. C. E. L. JARVIS & SON, Provincial Agents.

### FARM MACHINERY

OLIVER FLOWS. McCormick TILLAGE AND SEEDING MACHINERY. J. P. LYNCH, 270 Union Street. Get our prices and terms before buying elsewhere.

### FIRE INSURANCE

WESTERN ASSURANCE CO. (1851.) Fire, War, Marine and Motor Cars. Assets exceed \$4,000,000. Agents Wanted. R. W. W. FRANK & SON, Branch Manager. St. John.

## SOFT COAL, HARD COAL

— TO LAND — McGivern Coal Co., Main 42. Mill St.

### WILLIAM E. MCINTYRE, LTD.

34 St. Paul St. Montreal. P. O. Box 1990.

### JOHN J. BRADLEY

208-219 McGill Street. P. O. Box 1479. Montreal, Quebec.

**Improve Your Looks**

by purifying the blood. Sal-low skin, liver spots, pimples and blotches are usually due to impure or impoverished blood. Clear the skin, put roses in pale cheeks, brighten the eyes, build up the whole system by taking

**Dr. Wilson's HERBINE BITTERS**

It's a wonderful tonic for women, especially. Prepared of Nature's herbs and gives the happiest results when used regularly and according to directions.

The Brandy Drug Company, Limited. At most stores, 50c a bottle; Family size, five times as large, \$1.

meeting delegates leave St. John recently pleased with the entire proceedings.

You can make almost any man nervous by telling him that a policeman was asking about him.

**Bloom with the Flowers**

Build up your health—put roses in your cheeks—look well, eat well, sleep well, feel well—by taking

**OLIVEINE EMULSION**

The Great Health Restorer

Just read this letter from Coxsall Mills, N.S.

"I used OLIVEINE EMULSION for my daughter. She was weak, pale and run down. After taking two bottles of the OLIVEINE EMULSION, she is now able to go to school and is rosy and well — my neighbors are surprised at the improvement in her. I cannot speak too highly of OLIVEINE EMULSION."

Mrs. J. S. FITCH

Druggists and General Stores have this splendid blood-purifier and body-builder.

Prepared by Fraser, Thomson & Co., Limited, Colonsay, Que.

**QUE TODAY**

**Frederick**

**N FULL**

Jekyll and Mr. Hyde.

**ERA**

**VILLE**

**TODAY**

Matinee at 2.30

Evening 7.30 and 9

**RIA**

**aturday With Mark Twain!**

The riot at the "Royal Nonesuch."

The "Robber Band" at work.

The liberation of Black Jim.

The inheritance hoax of the "Duke" and the "King."

The slave-hunters' chase through the night.

The theft of the orphans' treasure.

The "murder" of Huck that "frees him from civilization."

The roaring show of the "world-renowned tragedians."

Vagabond life on a raft on the Mississippi.

Plantation scenes in the South before the war.

**reat Par Excellence.**

**ES OF ADMISSION!**

**By NATE COLLIER**

**STOP! WHAT DOES THIS MEAN!**

AND A YOUNG MAN LEAPED OUT OF HIS HOUSE (CONSIDERED "BROADWAY")