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REFLECTIONS

BY THE EDITOR

WE have received a number of letters from leading men throughout the country, giving their opinions on the advisability of increasing the British Preference from 33 1-3 to 40 per cent., as suggested in a recent issue. The majority of the letters express surprise that *The Canadian Courier* or anyone else should make such a suggestion. There was an air of novelty about it—unexpectedness—which seemed to disconcert some of our correspondents. Apparently most of them had made up their minds that the 33 1-3 per cent. preference was settled for all time to come. What reason they have for such a complaisant view it is difficult to discover. At present our trade conditions are in a state of flux. Changes are being made with France, Germany, the United States and the West Indies. Why should we not make another change in our trade relations with Great Britain?

ONE great reason for considering this question just now is the state of affairs in Great Britain. It is admitted on all hands that another general election will be held there within a year. It is a possibility—a reasonable possibility—that the Unionists will be returned to power. The Asquith government is not expected to weather the storm. In saying this we are not trying to discredit the present administration. Their merits and demerits do not greatly concern us. Canada, however, must ever be keenly interested in the political movements in the Motherland and must always be considering in advance just what effect those movements will have upon Imperial relations.

If the Unionists return to power, it will be reasonably certain that the trade relations within the Empire will be readjusted. Now is the time for Canada to make up her mind whether she is willing to further extend the preference which she extends to British imports into this country. She must also consider whether she will extend that additional preference to all the Colonies who grant a preference on Canadian products. We should not wait until this question is right on top of us before we examine the possibilities of it. Imperial cohesion and co-operation have been growing in recent years. Indeed, the imperial feeling in trade and defence has developed in a remarkable manner. This is the time to consider, theoretically if you please, just how far Canada is prepared to go. Only careful consideration, given in advance, will prevent a stampede when the question is actually presented.

ONE of our correspondents, a prominent metal manufacturer, admits that he would prefer to see a larger trade in British goods and a smaller trade in American goods, but thinks the way to accomplish this is to increase the duty on United States manufactures. This is a reasonable ground, and the argument is well worthy of consideration.

Another correspondent, the head of one of our largest steel concerns, agrees with the general principle that Canada should do everything that lies in her power to increase British imports into Canada, but is not sure as to the effect upon Canadian industries.

Another manufacturer claims that the present preference has done little to increase the sale of British goods in Canada, though it has created an injurious competition in certain lines. Because the present preference has done so little to increase the sale of British goods in Canada he cannot see any reason why it should be increased. On the other hand, many people would argue that if the present preference has not greatly stimulated trade, it should be increased from time to time until the desired effect is produced.

Several correspondents fear that any further increase in the preference would effect the national revenues and hamper the finance minister.

Some of these letters will be published in a future issue. In the meantime the matter is pressed upon the attention of our readers.

In a few days it will be known just what attitude the United States government will assume in tariff matters, and the present uncertainty will be removed. If the United States decides

that Canadian exports to that country must pay the maximum duty, the situation will be one demanding serious consideration. It will be absolutely necessary to increase the duties on United States goods or to increase the British Preference. If the United States' action results in leaving matters as they are, the question of an increase in the British Preference will be considered entirely on its own merits.

MANITOBA has been having a discussion as to whether the receipts from land sales should be treated as capital or revenue. It may not be possible in all the provinces to treat money of this kind as capital, but it ought to be so under ideal conditions. Every province, like the Dominion, should have a capital account and a current revenue account. Receipts from land sales should go in the former. Expenditures on public buildings of a permanent character and for railways and roads might reasonably be charged to that account. It is a matter of book-keeping, but even book-keeping has its lessons. The greatest good derived would be the continual object lesson to the people—that land once sold is gone forever, so far as the government is concerned, and that the supply of land is limited. Fifty years from now the provinces will have little revenues from their public land and all provincial revenues must be raised by taxation. We who are living now might act differently if we could but hear the criticisms which will be made fifty years hence in regard to the careless manner in which public lands were denuded of valuable forest, or were sold outright for paltry prices. It seems to the writer that some provincial lands might profitably be leased for 49 and 99 years, much as building lots in the larger cities are leased. Then we would leave to posterity something more than a heritage consisting of a bonded indebtedness.

ALBERTA'S government finds itself in a rather precarious position. It made a contract with a company to build a railway from Edmonton to Fort McMurray, a distance by air-line of 230 miles. The company has a capital of \$50,000 and was known as the Alberta and Great Waterways Railway Company. Its head man is from Texas or some other Mississippi point, and is named Clark. These two features would make any ordinary man suspicious of it, just as everyone was in that frame of mind when the Dominion Government gave several million dollars to the Quebec Bridge Company with about the same capital stock. But, nevertheless, the Alberta Government guaranteed the bonds of the road at \$20,000 a mile. Moreover the guarantee covered 350 miles, the 120 extra being presumably for sidings and curves.

When the agreement was made public, the Hon. Mr. Cushing and several other Liberals refused to accept it and voted against it. In the Legislature which is supposed to have an Opposition as small as that in British Columbia or Nova Scotia, the vote stood 23 to 15. The ground taken by the dissenters was that the agreement was badly drawn, that the bonds were sold at too low a price, that the standard of the road would give the constructors a big profit, that there was no guarantee that any but the easy sections would be built, that the road might be built with 56-pound rails, old or new, and so on. Then again they contended that \$20,000 bonus per mile for sidings was quite too generous even in the West where people are accustomed to lavish generosity.

Perhaps the Government of Alberta is guilty of nothing worse than a piece of carelessness. We rather incline to this view. Still, they must bear the blame for that carelessness. That is a responsibility which no minister of the crown may avoid. They now propose to amend the bargain, with the consent of the company so as