RIGHTS OF CAPITAL

The Dominion government has decided not to disallow the two acts of the Ontario legislature, passed in the session of 1916, respecting the public development of water power in the vicinity of Niagara Falls and the regulation of its use. The request for disallowance was made by the Electrical Development Company, which contended that the province had no authority to pass the legislation. It also asserted that the law was an unjust interference with vested rights. The action of the Dominion is taken on the recommendation of Hon. J. C. Doherty, minister of justice, who says that the question in regard to the power of the legislature could be determined more conveniently by the courts.

The Ontario government's high-handed treatment of the rights of private capital will undoubtedly turn many future investments from that province to territories where at least the primary principles of fair play are observed by the government.

PREFERENCE TARIFFS

Fixing a preference tariff which will carry out the best intentions of its authors, is not an easy task. The Imperial War Conference in London has endorsed the principle of a British Empire preference. How has the preference accorded by Canada to Britain worked? During the five fiscal years 1910-1914, the total amount of the reduction of duty on goods from the United Kingdom, *i.e.*, the difference between the duties actually paid and the amounts which would have been paid on the same imports under the general tariff, was approximately $33,000,000, an average of $6,600,000 a year. Comparing the incidence of the Canadian tariff on goods imported from the United Kingdom which under the preferential tariff enjoy the remission of duty noted above, with its incidence on imports from the United States which pay general tariff rates, we have this result. The average ad valorem duty on all goods imported by Canada from the United Kingdom for the five-year periods 1901-1905, 1906-1910, and 1911-1915, was respectively 17.6 per cent., 18.7 per cent., and 19.5 per cent. The United States figures are 13.3 per cent., 13.2 per cent., and 15 per cent. This appears to be contrary to the intention of the provisions for granting a preference on British goods. But to some extent, as pointed out in the fifth interim report of the Dominions Royal Commission, the explanation lies partly at least in the difference in the character of the imports by Canada from the United Kingdom and the United States. A very large proportion of imports from the latter country consists of duty-free articles, such as anthracite coal, crude petroleum, etc. If dutiable goods alone are considered, the average ad valorem rate for the same periods, works out as follows: United Kingdom, 24.2 per cent., 24.8 per cent., and 25.3 per cent.; United States, 25.3 per cent., 24.7 per cent., and 24.9 per cent. Even then, there is a slight difference against imports from the United Kingdom. Amongst manufactured articles the United States have the bulk of the import trade in the lower taxed goods, such as manufactures of iron and steel, which pay on an average about 21 per cent. ad valorem in duty, whilst on goods like woollen manufactures, which are mainly received from the United Kingdom, the average duty is 29 per cent. In practically every case, however, the rate of duty is less when the specific article is imported from the United Kingdom.

Some authorities ascribe disadvantages of British trading in Canada not as a matter of duties per se, but among other things to tariff anomalies, such as the clauses relating to valuation, packages, dumping, and clearance from bond. The working of our British preference gives an indication of the task involved in framing an Empire preference, complicated by relations with our Allies and the neutral countries.

LAW MAKING AND BARGAIN BREAKING

In 1900, a bargain was made between the city of Vancouver and the British Columbia Electric Railway Company protecting the company from municipal competition. The greater portion of the $48,000,000 invested by the company in the province was raised from the public in Great Britain on the strength of this bargain. Now the city is seeking to repudiate its portion of the bargain. A straightforward history of the facts is printed by the company on another page. Although the private bills committee in the British Columbia legislature, after a thorough investigation, recommends that the city should adhere to its bargain, the legislature is asked to override the committee and to insert the amendment desired by the city.

This is unfair to the British capital which placed its funds in the British Columbia Electric undertaking on the distinct understanding that the city, before entering into competition with the company, should first offer to buy out the company. British Columbia is achieving an undesirable notoriety for deeds which do not help the provincial credit and which will make capital seek investment elsewhere. The political corruption, the contract scandals, the financial crashes, in that province in recent years, have caused grave misgivings as to the safety of capital there. The provincial legislature of British Columbia is expected to see that the city of Vancouver sticks to its bargain with the British Columbia Electric Railway. If not, what measure of faith may capital properly put in the law makers of the province?

Mr. Geo. Holt, who for a number of years has travelled in the western States for United States life insurance companies, has joined the travelling staff of the Northwestern Life, of Winnipeg.

Mr. J. Murray Clark, K.C., Toronto, has been elected president of the Royal Canadian Institute. President Clark is well known in legal and scientific circles. He is connected with the law firm of Clark, McPherson, Campbell and Jarvis, Toronto. As an authority and writer on "Company Law" he has a high reputation. Mr. Clark was one of the founders of the Imperial Federation League and is a member of the British Empire League.

Mr. Robert A. Pringle, K.C., who has been appointed as a special commissioner to conduct an enquiry into the production and sale of newsprint, is one of the leaders of the Ontario Bar. As a special commissioner he has conducted a number of important investigations for the Canadian government during the past few years.

Mr. J. H. Campbell, who has been connected with the Mutual Life Assurance Company of Canada, has been appointed by the Equitable Life Assurance Society as agency manager for British Columbia, with offices at Vancouver. Mr. W. T. Tasker, the former manager, has been appointed to another position in the United States.