Monetary Times

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of Canada

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PRINCIPAL CONTENTS OF THIS ISSUE

THE NATIONAL LIBERAL CONVENTION

THE fiscal demands of western Canada have evidently found expression in the platform gradually worked out by the Liberals, who have this week been in convention at Ottawa. The support of the government budget by members from the west, who believed that the tariff reductions made, in conjunction with substantial increases in the income tax, were sufficient concessions, has not met with general approval in the west. The tariff can easily be linked with the high cost of living, and a reduction has large possibilities as a political plank, even in the cities of eastern Canada, where it is not always realized what an important part protection plays in maintaining city prosperity.

The tariff resolution, which was passed at the convention on August 6th, is as follows:—

"That the best interests of Canada demand that substantial reductions of the burdens of customs taxation be made with a view to the accomplishing of two purposes of the highest importance:—

"First—Diminishing the very high cost of living, which presses so severely on the masses of the people.

"Second—Reducing the cost of the instruments of production in the industries based on the national resources of the Dominion, the vigorous development of which is essential to the progress and prosperity of our country.

"That, to these ends, wheat, wheat flour and all products of wheat; the principal articles of food; farm implements and machinery; farm tractors, mining, flour and sawmill machinery and repair parts thereof; rough and dressed lumber; gasoline, illuminating, lubricating and fuel oils; nets, net twines and fishermen's equipments; cements and fertilizers, should be free from customs duties, as well as the raw material entering into the same.

"That a revision downward of the tariff should be made whereby substantial reductions should be effected in the duties on wearing apparel and footwear, and on other articles of general consumption (other than luxuries), as well as on the raw material entering into the manufacture of the same.

"That the British preference be increased to 50 per cent. of the general tariff.

"And the Liberal party hereby pledges itself to implement by legislation the provisions of this resolution when returned to power."

The movement to have the free list enlarged will appeal to those specially benefited, and it seems somewhat inconsistent that free traders who have continually opposed the special advantages conferred on certain industries by the tariff should, in turn, advocate special relief for certain branches of industry rather than a general reduction. Hon. John Oliver, Liberal premier of British Columbia, emphasized this point in addressing the convention, urging that all necessities at least should be placed upon the free list. His radical proposals were voted down, however, as a majority of the delegates appeared to agree that the tariff was still necessary for revenue purposes. The income tax is looked to for the revenue lost by such reductions as are made.

THE DECLINING CANADIAN DOLLAR

IN the world market across the line the Canadian dollar now stands at a little better than ninety-five cents. The exchange of other countries is worth from par down to discount of as much as forty per cent. The pound sterling is worth about four dollars and forty cents. The equanimity with which Great Britain views this seeming reflection on her financial position is an object lesson to Canadians who have been complaining against our situation and urging the government to adopt remedial measures.

The rehabilitation of the Canadian dollar is not impossible. It might be done by the sale of Canadian securities in the United States. The difficulty would then be postponed, to return in aggravated form in proportion as the interest payments on our borrowings would be added to our obligations already outstanding.

The level of the exchanges is the reflection of a trade and financial relation, and reacts to adjust this relation. The premium on New York exchange retards purchases there, and the discount of the Canadian dollar encourages the purchase of our products by Americans. The British point of view is an illustration of their reliance on free and open markets, and natural methods of adjusting trade relations.