

self at home and disport himself abroad, what expenditure he should make upon his family, the wages which he pays to his employees, and how they in turn expend the money they receive, for all these factors enter intimately into the cost of production.

There is another, and perhaps more important, matter which would fall within the province of the commission. That is, to determine the amount which capital is fairly entitled to earn; and this would lead to an enquiry into the nature of capital, to ascertain if capital is a tangible thing or merely the figment of a promoter's brain. As a result of the operation of financial prestidigitateurs many Canadian industries are charged with a capital which is composed merely of figures, with no relation to reality; and to pay five per cent. upon the figures, fifty per cent. must be earned upon the money which is actually employed.

We can learn something definite of what a tariff board may do if we consider what the tariff board has done in the United States. It will be remembered that on August 17th President Taft declined to sanction a bill by which the duties on woollen goods were to be reduced, until the measure had been submitted to scientific examination. With the result of that examination before him he now recommends that Congress proceed to a consideration of the whole schedule "with a view to its revision and a general reduction of its rates." The board could not help showing that upon a set of one-yard samples of sixteen English fabrics the duty was 183 per cent.; nor could the President help remarking that "although these duties do not increase prices of domestic goods by anything like their full amount, it is none the less true that such prohibitive duties eliminate the possibility of foreign competition, even in time of scarcity; that they form a temptation to monopoly and conspiracies to control domestic prices; and that they are much in excess of the difference in cost of production at home and abroad." The board states expressly that it is impossible to determine authoritatively what that difference is; and, accordingly, a protection which would be