

## VIEWS REQUESTED ON CANADIAN TARIFF

Finance Minister Carrying out Intimation of Sir Thomas White, Asks for Written Suggestions First

INDICATION that the government intends to carry out an investigation of the Canadian tariff, as suggested by Sir Thomas White in his budget speech last June, is contained in a request issued on December 14, by Sir Henry Drayton, for written suggestions. In order that the national revenue may not be overlooked, proposals are to be accompanied by methods for raising the money lost by any reductions suggested. The statement says:—

"Since the signing of the armistice, a little over a year ago, the government and parliament have been devoting attention to peace and reconstruction problems. Among the many questions that have received consideration is that relating to a general revision of the tariff. Dealing with this subject, my predecessor, Sir Thomas White, in the last budget speech is reported in Hansard, June 5 last, as follows:—

### Sir Thomas White's Intimation

"It would not be practicable at this time to make a sound general revision of the tariff. International trade is most unsettled, still hampered by war restrictions and prohibitions and by exchange conditions, which are, and may long continue to be, subject to violent fluctuations. Prices are unstable, and labor conditions, internationally speaking, most uncertain. Until peace is restored and the world is upon a more stable basis with respect to capital, labor, prices, markets and exchange, the tariff cannot be revised intelligently.

"It is my hope that within a year conditions will have become so stabilized as to permit of a general revision of the tariff, which is long, but, owing to the war, unavoidably overdue. Preceding such revision, there should be a thorough inquiry conducted by the minister of finance and two or more of his colleagues representing the different geographical sections of Canada. Such inquiry should afford all interests, agricultural, industrial, fishing, lumbering, mining, commercial and financial, producers and consumers alike, an opportunity of expressing their views and opinions and urging their particular needs and requirements. The result of such inquiry should be a body of information which will enable the government to effect a general revision of the tariff, fair to all parts of the community, and effectually promoting the national welfare of Canada. This inquiry should proceed with its work just as soon as conditions are sufficiently stabilized to permit. My own view is that it might well be commenced about autumn of this year."

### Business Not Yet Normal

"Unfortunately, international and economic conditions are not only far from normal, but in many respects are worse than they were six months ago, or at any time during the entire war period. International exchanges in particular are not only unstable, but erratic. Tariff considerations of necessity have largely to be based on international and economic conditions, and the result is that the different countries of the world are still refraining from any general tariff rearrangement, waiting until some appreciation may be possible of the future conditions under which their tariffs will operate. Inasmuch, however, as any general tariff revision must be based upon as complete a knowledge as possible of the conditions and relations one to another of our various national industries and productive agencies, and as it is also desirable to obtain the views of as many persons as possible whose practical knowledge and experience would be most valuable, it is considered advisable to begin the collection of information relative thereto.

"In order to obtain proper results from public hearing, and in order to give all those interested the best opportunity of presenting their cases, it has been decided that the inquiry shall be started by written statements, which should cover each particular issue as each interested claimant for relief sees it. These statements ought to show the particular

complaint in each instance, a full statement of the grounds on which that complaint is based, the remedy proposed, and a statement of the grounds leading to the conclusion that such remedy proposed is effective. The issue is really, of course, not merely not a tariff issue from the standpoint of protection or otherwise, but is also a revenue issue, and in like manner, the submissions of those desiring reductions in tariff should at the same time show methods by which compensating revenues can be obtained. The preparation of these statements will necessarily require much careful consideration. Those desiring to make representations as to the problems involved, are therefore asked to undertake the preparation of the same without delay and forward their statements, addressed to the Minister of Finance at Ottawa. Upon receipt of the statements they will be systematically analysed and classified for the purpose of making them a basis of the general public inquiry to be held throughout the country as indicated by Sir Thomas White."

## LARGE GOLD SHIPMENT TO STATES

The Dominion government is shipping \$20,000,000 in gold to New York, according to an announcement made on December 12th by the finance minister. In connection with this shipment, Sir Henry Drayton said:—

"The depreciation in Canadian currency in New York is entirely owing to the unfavorable balance of trade between the two countries. There always has been an unfavorable balance because we have been heavier buyers on the American market than sellers. Formerly Canada had sold the bulk of its products overseas and settlement was made in dollars cash. This not only wiped out the adverse balance with the United States, but in certain times brought the Canadian dollar to a premium in New York. The situation is now entirely different. The overseas buyers are unable to make settlement in cash and must resort to national credits. Canada has not now the benefit of concurrent cash remittances, which in normal times maintained a proper rate of exchange. In other words, we must pay cash for what we buy and take credit for what we sell, and the people are continuing to make heavy purchases from the United States.

"A whole lot has been said about inflation. There has been inflation everywhere, but probably less in Canada than anywhere else. Canadian currency is in a very, very satisfactory condition. We hold gold covering 47 per cent. of the eight note issues of the banks and of Dominion notes. That this is a satisfactory condition of affairs is indicated from the fact that the gold reserve called for by the Federal reserve system of New York is only 40 per cent."

## PLATE GLASS PRICE STILL HIGHER

Dealers have announced a further increase, averaging 66½ per cent., in the price of plate glass. This follows an advance of over 40 per cent. since November 1st, 1918. Labor charges for setting have also greatly increased. These advances are hard on the companies writing plate glass insurance, as the contracts provide for indemnities at the market value. Premiums are already recognized as being inadequate.

## FINANCING MINING DEVELOPMENT

A meeting of the Manitoba branch of the Canadian Mining Institute in Winnipeg a few days ago was addressed by J. A. Campbell. Referring to developments in the northern part of the province, Mr. Campbell said that most of the capital came from the United States. He also referred to frequent criticisms of stock flotations, and expressed the opinion that careful judgment on the part of the investor, and protection, such as that afforded by the Manitoba "blue sky" law, were adequate.