

dustries might be directly encouraged by the government and this policy should receive equally the consideration of established manufacturing companies.

Tariff for Revenue.

It is evident that the largest revenue from commodities of general use will be obtained from a moderate or low tariff. "High" duties would lessen imports, since either the number of consumers will be reduced or the manufacture of the commodities will be engaged upon in Canada. In either case a reduction of revenue will result. The "commodities of general use" referred to are those conventionally accepted as necessities of life. A "low" tariff will not, however, produce the largest returns in the case of foreign luxuries and commodities which fashion has singled out for special approval. Duties even three times as high as these collected from necessities may not lessen the demand. The increased cost only makes the articles the more desirable as certifying the spending power of the purchasers. It has been said that the main object of luxurious spending is to put in evidence "the ability to sustain large pecuniary damage without impairing one's superior opulence." There is no good reason why governments should not assist in making luxuries self-evidently expensive. A tariff for revenue is best promoted, therefore, by low duties upon necessities of life and high duties upon all forms of luxurious commodities.

There is no room for party controversy in the statement that commodities should be easily and cheaply procurable in proportion as they are indispensable to life and health. If, under a "low" tariff, it is not possible to manufacture in Canada articles required by the least well-to-do citizens, such articles should not be made scarce or dear as a result of the tariff. Moreover, necessities of life are indispensable to production, and commodities indispensable to production are not proper objects of heavy taxation. This is but an indirect way of stating that a "protective" tariff has natural limitations.

Tariff rates should increase proportionately with the cost and fineness of the commodities imported. For instance, in case of floor coverings, some form of which is required in Canada owing to the climate, cheap and substantial carpeting, *i.e.*, hemp carpets costing not more than 6d. per square yard, and wool carpets costing not more than 2s. per square yard, should be admitted at low duties, while higher grades of these materials, together