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SIR EDWARD BEATTY REVIEWS ECONOMICS OF THE PAST YEAR

Activities, Achievements Of 1937 are Discussed By President of the Canadian Pacific Railway

(By Sir Edward Beatty, G.B.E., K.C., LL.D., Chairman and President, Canadian Pacific Railway).

To enter upon a review of the activities, achievements and possible failures of a passing year may prove to be either a happy task or something altogether different. Looking back over the twelve months of 1937 one realizes that in many important respects it has been a year of broad and generally well-sustained progress. During the past two or three weeks several detailed accounts of this progress have appeared in the public press from leading business men exceptionally well equipped to deal with these matters. The conditions they reported were heartening and convincing. In view of this fact perhaps it will be more useful if I more particularly touch upon the state of Canada as it is at this end of the year; and since the undoubted progress which we have made has been affected by more than one adverse influence, the task is approached with somewhat mixed feelings.

Happily the brighter side of the picture very largely predominates; so much so that no thoughtful business man can have any honest doubt as to the basic soundness of this country's economic structure or the magnitude of its future development.

This fact was clearly brought home to me during an extensive tour of the country which I was able to make in the autumn. My journey extended from the Atlantic to the Pacific and far into the North, and with the exception of an extensive area in western Canada, all that I saw was of the most encouraging nature. Practically

everywhere one met with the spirit of returning confidence and strengthening realization that the worst was over and that creeping economic paralysis in this country. Throughout the greater part of the year all this was reflected in increased commodity production, heavier railway freight car-railings, increased exports, larger turn over of business employed money, decreased unemployment and all the other indications of returning prosperity. The fact that this developed in the face of a major crop disaster in part of Western Canada is to me an almost startling evidence of the resourcefulness and vigour of this country's industrial and economic set up. In years not long past the fact that our wheat production had been reduced to considerably less than half a normal crop would inevitably have been reflected in pronounced economic distress throughout the entire country. It is encouraging to realize that the volume and diversity of our agriculture and other industries have so increased, despite the regret which all must feel over the disappointment and distress of a large group of our fellow-citizens.

Future Uncertain

It must be admitted that, over the past two or three months, there has been a definite check to expansion of business activities, and that the immediate future is uncertain. I am more than a little disposed to wonder if this so-called recession, clearly marked by a turn-down in the curve of car loadings, industrial returns and other indices of economic progress would have made itself evident if measures designed and put into effect to end the depression had always been economically sound, well-planned and efficiently administered.

It is true that the world's political situation is much disturbed, and it is equally true that the prime forces that are most powerful in the encouragement or the retarding of business activity are greatly affected by such disturbing influences. It would be hard to believe, therefore, that the unsettled state of affairs in Europe and the Orient is not to some extent reflected in present business dislocation on this continent, just as surely as is the continued threat of labour

LONDON'S FIRST COURT WITH A JURY IS 600 YEARS OLD



The Riot Act is still read out in the Court Leet, one of London's oldest courts, which has been held annually for the past 600 years. Although the court is treated merely as a formal ceremony, and the ancient customs of King Alfred's days are still carried out in it, the court is actually the foundation of our present day jury system. It is presided over by the High Steward of Southwark who is now Gerald Dodson, the newly appointed recorder of London. Our picture shows the High Steward presiding over the Court Leet.

strife nearer home. These things have their place in helping to create that feeling of uncertainty which most of us have when we view the more immediate future, but I do not believe that they are the most important factors in the general situation as it applies to this country. Business big and little is apprehensive of the future, and this applies to the man who runs the garage or corner grocery, just as much as it does to him whose venture represents the investment of millions.

We may reasonably hope that this is not the end of recovery from the great depression, but a mere moment of hesitation. In Canada, at any rate, our economic resources and the sound common-sense of our people should guarantee that, subject to the effect on our fortunes of events in other countries.

At a time when national as well as individual revenues were deplorably reduced we took too light a view of the necessity for contraction in pub-

lic expenditures, and we gave too little thought to lightening the load of taxation under which business and the nation at large were already staggering. Despite the fact that business was far less able to bear it, we tacitly consented to increases in the load and thus further postponed the day of complete economic restoration.

Our Taxes

Elsewhere I have already pointed out that the annual tax bill of this country is approximately \$700,000,000 which means, since there are less than six million of us who have the right to vote in a Dominion election—about \$116 for every adult citizen of the Dominion. It is altogether a mistake to suppose that the income tax or the inheritance tax, both of which are largely paid by the wealthier classes, form a large percentage of this huge total. The bulk comes out of business and is paid by the ultimate consumer of practically every commodity we buy and no one escapes, the farmer in the West and the

office clerk in Nova Scotia each makes his contribution as also does the man who works at a trade. These taxes, national, provincial and municipal are a charge upon business and increase the cost of production, while to the individual they increase commodity prices and reduce purchasing power. These are factors which tend to restrict industrial development and offset the movement towards increased employment.

It is not enough to say that governments are to blame, nor is it just. The public cannot so easily escape its responsibility. It should ever be remembered that governments do not in fact cannot, pass measures which they do not believe to be in accord with public will. Throughout the past year Canada has made no progress in this matter of reducing her tax-added cost of doing business. I do not know how we are able to expect a full measure of prosperity until something worth while is done in this regard.

Small Increase Noted In Revenue Collections

An increase of \$770.98 in the net amount of revenue collected at the Port of Fredericton in December 1937 as compared with the amount collected in December, 1936, according to statistics released by J. D. Chas, acting collector of National Revenue for this city.

The amount collected last month was \$89,110.10, while the net return for December, 1936, was \$88,339.12.

The collections for the period April 1st, 1936, to December 31st, 1936, amounted to \$502,073.77, while for the corresponding period in 1937 the amount of revenue collected was \$658,194.93, an increase of \$156,121.16.

The detailed statement for December, 1937, is as follows:

Customs Import Duty	\$49,709.90
Customs Sales Tax	7,321.63
Customs Excise Tax	1,648.04
Excise Tax (Domestic)	5,473.95
Excise Duty	24,905.44
Sundry Collections	51.00

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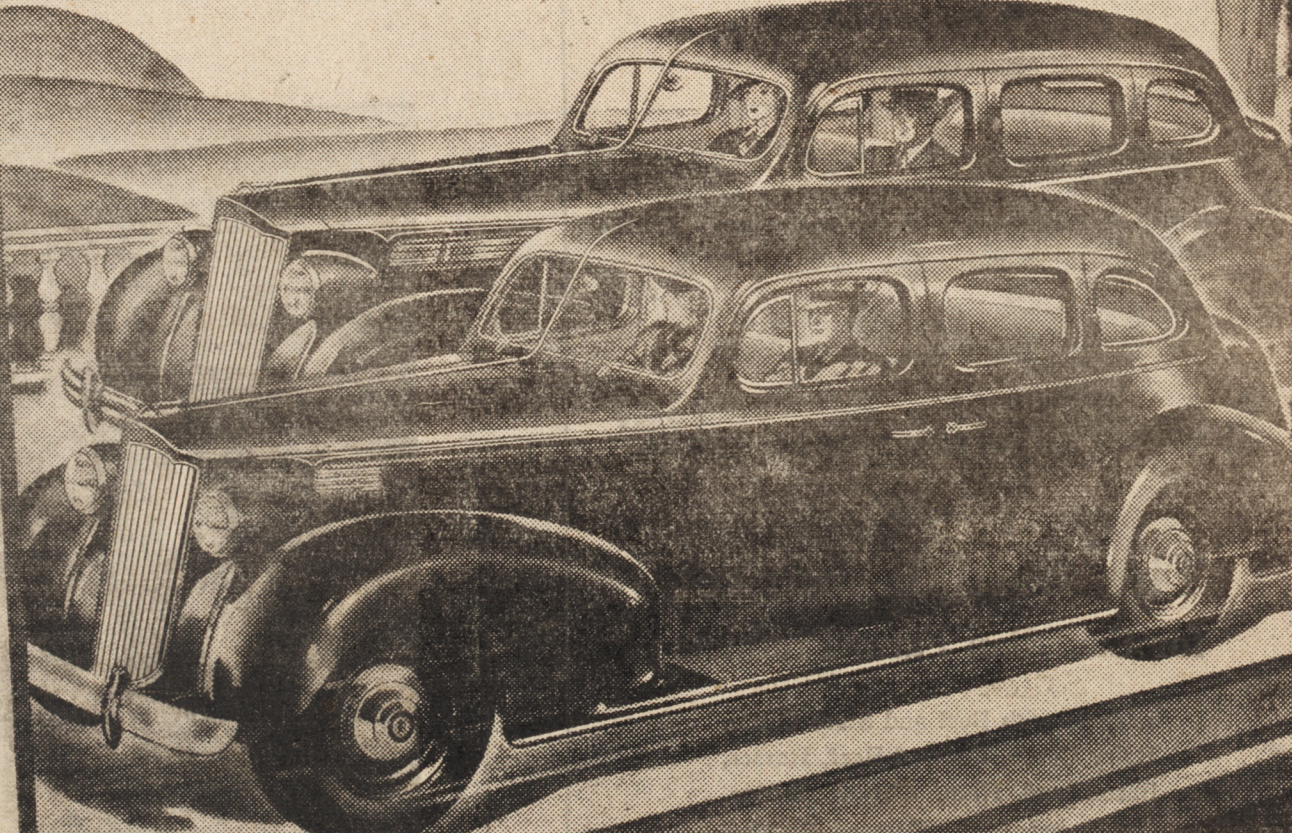
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