

Protection: The Curse of Canada

(Third Article)

By J. A. Stevenson

"The System of Protection which is maintained by the Government, that is to say by levying tribute upon the people, not for the legitimate expenses of the government, but for the private and privileged classes, should be condemned without qualification."—Sir Wilfrid Laurier.

A rising nation has a natural temptation to add new branches to its industry. But a man does not keep a carriage until he can afford it. He hires at a livery stable. So there are certain stages in the career of a nation when it simply cannot afford the luxury of a great volume of manufacturing industries. The theory advanced for the establishment is that a community can find the most profitable use for the increase of its capital and population in this direction. But Canada is today able to utilize all the population and capital which comes to her doors in her natural development, including, of course, the various enterprises connected with it, like lumbering and railway construction. But the more important question is whether, granting that industrialism is economically profitable for Canada at our present stage, it is advisable from a social and national point of view.

The evils of an extensive industrial system are deplorably visible in the great cities of Britain and the United States and no one who has any acquaintance with them, would desire to see them repeated in Canada. But we are on the high-road to faithfully reproduce them and already in our eastern manufacturing cities there are ominous signs of the rise of slum districts inhabited by the poorer class of artisans which the factory system creates. Protection is really a policy of state socialism and it should be carried to its logical conclusion. If the state by its action persists in guaranteeing a certain profit to the manufacturers, it should simultaneously reserve the right to exercise a certain control over their policy and methods. The worst dangers of industrialism in other lands are known, and it is a manifest duty to guard against them in Canada. The authorities should say to the manufacturer: "Mr. Manufacturer, we are providing you with certain profits by legislative actions and we will impose certain conditions. You will pay your employees a certain rate of wages and fix certain hours of labor. You must not build your factory in the centre of a crowded city where your friends have real estate to sell, but away in a country district near a river with water power where cheap land is available. You must not crowd your buildings together and create congested areas. Also, you must provide a sufficient space that each of your workmen can have a decent cottage surrounded by a garden and live in clean, healthy surroundings."

By such a policy as this, industrialism will be shorn of most of its blacker traits. We have seen a continuous effort to attract manufacturers to the city of Winnipeg by bringing cheap power from the Winnipeg River, and every real estate agent in the city has a site available for the prospective factories. The real policy of a sane community would be to ordain that each manufacturing concern should buy one hundred acres in the vicinity of the Winnipeg River even though the price of real estate in Winnipeg dropped as a result of the policy. Speculation in that district could be guarded against by state purchase.

But, instead of such a policy, not a vestige of control exists and we are proceeding in the attempt to scatter factories at intervals in our most congested districts where the high rents make it impossible for the workmen to live except under the poorest of conditions. Protection is the twin sister of socialism and the policy of the recently elected Australian labor party is proving this to the world. Similar developments will ensue in all protected countries and labor will demand a fixed and definite share in the profits which the tariff, established by the suffrages of the electors, enables capital to secure. The final outcome will be socialism, pure and simple. And individualism must cease to be an effective creed in a country which persistently pursues a protective policy.

We say that we are proud of our manufactures and take great credit in them as a nation. These manufactures are not ours. They belong to a select ring of

favoured capitalists, often aliens, whom we have authorized to rob the community. If manufactures are a necessity to the national life let them be a national institution and be run as a state department like the Post Office. The present tariff system, as far as the state is concerned, is a game of "Heads you win, tails I lose." If the industry fails, the community which paid the tariff tax for its establishment loses; but if it is prosperous, only the tariff beneficiaries reap the profits. My contention is that the state might as well secure the profits for itself as for a few selfish individuals. A country which repressed its industrial system and devoted the bulk of its energies to agriculture, would, in the march of time find itself infinitely stronger and healthier than a rival which pursued an opposite policy. It would probably be superior in the morals, physique and intelligence of its people; it might not contain the same quantity of people; but their higher quality would amply compensate, and quality counts more than quantity in a nation's history because quality means sooner or later the presence of great men.

By all means let us cultivate and foster such industries as are suitable to the country. Such industries as farming, meat packing, the beet sugar industry, and others, ought to obtain a firm foothold in Canada and deserve every encouragement. But we should cease to subsidize manufactures of pearl buttons and pepperments. The truth is that the industries which are naturally suitable to the country will flourish of their own accord, even under Free Trade, but such as are totally artificial even under the strictest protection can only enjoy a transient prosperity. Let us too, take an ample advantage of the presence of water power in large quantities in the country. Electricity manufactured from water power is obviously destined to play a large part in the industrial life of the future and its possibilities in the Dominion ought to secure for us the same advantages as the existence of vast coal areas near the sea gave Great Britain at an earlier date. The manufacture of paper out of pulp wood is a natural industry for this country; it must always pay to use this raw material on the spot. Free Trade in paper with the United States would see the establishment of enormous paper industries all over Canada, and it would pay the country to sacrifice some of our hot-house manufactures on the altar of reciprocity with our southern neighbor towards this end. The milling industry too, is almost in a similar position. The real situation is that we are deliberately stunting the development of our great natural industries for the benefit of others which are absolutely unnatural.

England was only able to establish her industries with the aid of capital accumulated by the landed interests, and the United States borrowed vast sums from the savings of England's land owners to assist in her development, where, before we have really begun our agricultural development, we are attempting to divert an enormous proportion of the capital which ought to be destined for it, to force the growth of an industrial system, and the process is a piece of national folly. It is the height of absurdity for us to waste our capital and energies on industries for which the raw material has to be brought from distant lands, and some of our prime errors in this direction will be discussed in the next article.

GRAIN MAN HELD

H. R. Lyon, of Minneapolis, head of the Lyon Elevator Company, and interested in several other corporations, was detained in New York Tuesday on a charge of smuggling two pearl necklaces, a brooch and a gold watch. Mr. Lyon is one of the best known grain men in Minneapolis.

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