

# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

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## WANTED—A NATIONAL VIEWPOINT

If there is one subject upon which Canada is liable to divide into two camps it is the tariff, for the division between the purely agricultural interests of the west and the industrial interests of the east correspond clearly to the sections separated by Lake Superior. The farmers of Canada are finding, through organization and co-operation, a new political power which they did not exercise before, and which they will apply towards securing a reduction in the existing tariff. The manufacturers, on the other hand, have been organized for a long time, and they are now prepared to resist any reduction in the customs duties, for they recognize that a large portion of the manufacturing industry in Canada cannot exist without protection. There are, in fact very few Canadian manufacturing industries which have passed the "infant" stage, in spite of the fact that writers have sometimes maintained that Canadian manufacturers can compete in the markets of the world. This is illustrated by a statement of Mr. S. R. Parsons, past president of the Canadian Manufacturers' Association, in a recent article in the "Toronto Star." "A common fallacy," says Mr. Parsons, "is that the tariff enriches all manufacturers to the full extent of same. This is positively ridiculous, as without the measure of moderate protection which the tariff affords, industries, except here and there, could not be sustained at all."

The interest of the farmers of Ontario, Quebec, and to a lesser extent of the maritime provinces, is to some extent linked up with the cause of the manufacturers, because the existence of large cities provides a convenient market for products of mixed farming which could not otherwise be profitably produced. In Western Canada this does not hold excepting in a few cases where mixed farming has developed in the vicinity of cities such as Winnipeg, Edmonton and Calgary, which are primarily trading rather than manufacturing centres. The position of the manufacturers is clearly stated in their reply to the Grain Growers' Association given elsewhere in this issue. They point to the fact that the burden of reconstruction will fall principally upon industry rather than upon agriculture, and therefore, nothing should be done to discourage manufacturing enterprises.

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The westerners, of course, feel that they have continually borne the burden of the Canadian tariff for the protection of eastern interests, and have secured no benefit from it themselves. They are now averse to carrying for an indefinite period the extra war levy. It is a question, however, if a large reduction in the tariff, while increasing the profits of agriculture in Canada, would not so disorganize our manufacturing industries, that the net result to the nation would be a loss rather than a gain. Most certainly the industrial situation in our eastern cities which promise to be a difficult one for some months and possibly years to come, would be aggravated by such a measure.

The soundest solution would be a compromise such as an agreement to maintain the present tariff, including the war levy, for a period of say two years. One of the points which must be kept in mind is that uncertainty is always injurious, and an agreement promptly reached and carried out, while it might not be for the best interests of the nation, as a whole, would at least enable definite plans to be made. There are many United States organizations which are postponing their plans to erect branch plants in Canada in view of the uncertain outlook for the tariff here.

Compromise has been a frequent factor in British history and there is no reason why it should not be a useful expedient at this critical stage in Canada's development. A new government, no matter how radical it might be, could not achieve more than a partial reduction in the tariff. In fact, the Liberal government which came into power in 1896 on an avowed low tariff understanding, did not accomplish anything in this way except the Imperial preference. The tariff has become an integral part of Canadian industrial life, and as the Hon. Robert Rogers said recently in Winnipeg, "for forty years Canada has been listening to local speeches on tariff reform, but it is a noted fact that throughout this long period our tariff has remained practically the same. The phrase 'tariff for revenue only,' has always been vague and indefinite."

What is wanted, therefore, is a national viewpoint as was asserted by the Hon. A. Seigney in Toronto recently, "There must be mutual concessions between eastern and western economic ideals," he said, "if we are to build a big country in Canada and maintain our British connection. The big question of the future is the tariff and we observe that the people of the west want free trade, while those of the east want protection."