

PROTECTION AND PRICES

FREE traders and advocates of a tariff-for-revenue-only seem to agree in thinking that the only object of a protective tariff is to enable manufacturers to increase their prices, and that if they fail in doing this it is of no use whatever to them. They cannot see how the importation of foreign goods, free of duty, or at a low rate of duty, can injure our home manufacturers, unless such importation forces down the price of home products. They say to the manufacturer, "If you can sell your goods as cheaply as the foreign manufacturer, why do you want protection?"

To many unthinking people that seems an unanswerable argument. But, in fact, it is a very poor argument, and shows complete ignorance of the best known laws of production. They entirely overlook the fact that when manufacturing is carried on upon a large scale goods can be turned out more cheaply than when it is done on a small scale.

The managing director of one of the Nova Scotia coal companies said a few years ago that the machinery in the mines