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THE TARIFF ISSUE.

ON April 6th, Hon. W. T. White, Minister of Finance presented his annual budget to Parliament and asked acceptance by the House of Commons of the proposals it contained. The proposals themselves, the debate which ensued, and the amendment offered by the Leader of the Opposition, Rt. Hon. Sir Wilfrid Laurier served to clearly define the lines of cleavage between the two great political parties on the fundamental issue of the tariff.

The Tory Policy.

The budget announcement provided for tariff revision upwards on some sixty items of the tariff schedule; all but one are designed to benefit specially favoured manufacturing interests and with the provisions for additional drawbacks, possible future bounties and other favours will have the effect of restricting competition, increasing customs taxation, and enhancing prices. One change only out of the sixty might be interpreted as intended to benefit agriculture, the basic industry of Canada upon the development of which depends the prosperity of all. This exception—a reduction from 17½ per cent to 12½ per cent on harvesters, reapers and mowers—a reduction on one class out of 17 agricultural implements mentioned in the tariff schedule is nominal rather than real in as much as the concerns manufacturing these articles have by the ownership of plants in the United States as well as in Canada complete control of the whole North American market, a control which the rate of duty remaining is sufficient to maintain. The demands of the farmers for wider markets and reduction of duties have been ignored.

The universal demand for some reduction in taxation which will help to relieve the high cost of living has been worse than ignored for the tariff changes made will serve to make the cost of living higher still. Not a single change was made for the benefit of the consuming classes as a whole. Instead there are increases in the tariff on the basic items of iron and steel, brass and building stone, all of which by increasing the cost of construction, and the cost of articles into which these materials enter, will tend to further increase the cost of living.

This is the first time in nearly twenty years that the tariff has been revised upwards. Once the tariff revision is started upwards as the Borden Government has now started it, a heightening all around is almost sure to follow. Emphasis of this intention on the Government's part is contained in a further proposal of the budget to enable the Government to increase the surtax against countries that discriminate against Canadian imports or Canadian shipping.

Most vicious of all perhaps is the insidious manner in which the Minister of Finance and the Government have sought to place certain interests under their control by taking power to the Government to say when certain of the increased duties shall go into effect and by the promise of bounties if "inquiry" appears to warrant that step. Had the Government openly sought to levy tribute upon special interests it could not have conceived a more effective method than this one which places within its power the granting of tariff favours of its own motion at times best calculated to serve its own ends.

The Finance Minister's budget has made it plain that it is on behalf of the interests and not the people that the Government is prepared to legislate and that it is from the interests that the Government intends to compel support.

The Liberal Policy.

The policy of the Liberal party as outlined by its Leader aims at the lessening of taxation by the removal or lowering of tariff restrictions where duties are no longer necessary to the development of industries already established, or where tariff restrictions operate adversely upon other industries, or foster combines and monopolies to the detriment of the great body of consumers. The Liberal policy aims also to so readjust the tariff as to secure to producers, wider markets. In other words, for producers and consumers alike it seeks a gradually enlarging measure of fiscal freedom designed to afford greater equality of opportunity in buying and selling.

Concretely this view was expressed in the following amendment moved by Sir Wilfrid on April 23rd:

"That this House is of opinion that in view of prevailing economic conditions of the country it is advisable to place wheat, wheat products and agricultural implements on the free list; and that without doing injustice to any class steps should be taken to alleviate the high cost of living by considerate removal of taxation."

Sir Wilfrid summed up the Liberal attitude in the following pointed sentences:

"The tariff exists for the people and not the people for the tariff. The tariff is not immutable like the laws of the Medes and Persians. The tariff has to be re-adjusted from time to time to bring it into harmony with changed conditions."

With restricted markets on the one hand and urban congestion, industrial unrest and high cost of living on the other, Liberalism would seek a fundamental remedy through a re-adjustment of the tariff which would remove these anomalies in the present stage of Canadian industrial development. A reactionary Conservatism using the tariff as a means of furthering privilege and monopoly is prepared to intensify these evils and to ignore the consequences of so doing.