

will remain, nevertheless, as a consequence of such duties an added cost which will either increase the cost of production or weigh with prejudicial effect upon the wage rates of Canadian labor. If revenue requirements render the collection of duties unavoidable, compensating measures should be immediately taken to stimulate the productive efficiency of machinery and labor. Should this alternative be accepted, it constitutes an urgent demand upon the Dominion government for the generous support of trade, agricultural and technical training in order that the increased market value of Canadian national production, either in quality or quantity—preferably in both—may offset the handicap otherwise inseparable from higher costs of production.

We have adopted a policy of protection without taking the measures necessary to develop its logical economic accompaniment—a highly organized and efficient system of production and marketing. In a debtor country such as Canada, if we neglect to accept this further responsibility, protection will break down—must fail, and prove a burden alike to consumers and the working classes.

While nothing should be left undone to secure advantageous trade treaties, it should be realized more fully that in the last analysis the protection which is secured to home industries by improved methods of production and marketing is the only sure and permanent protection. Our duty is to obtain all the advantages which can be secured both by diplomacy and greater efficiency in order to materialize our ambitions for Canadian enterprise and Canadian workers.

The main contention of this argument, however, is that production for export will be the most serious industrial problem soon to face Canada. Such a problem requires the attention of people and governments in order to render sure adequate preparedness; and as a consequence our industrial policy, especially as it is related to the tariff, and our need for trade, agricultural and technical training, call for, and should receive at once, greater consideration from those whose interests are directly and seriously involved.

### **The Tariff and Employment.**

For several years prior to 1914 when the industrial depression set in, capital flowed into Canada at the rate of between \$700,000 and \$800,000 each working day. The