

CANADIAN LABOR PRESS

A National, Sane Labor Paper

True Confidence and Understanding Between Employer and Employee Absolutely Necessary to Industrial Peace.

VOL. VII. \$1.00 Per Year. National and Rational OTTAWA, ONT., TUESDAY, SEPT. 15th, 1925. Live News and Views Single Copies 5c. No. 61.

THE ECONOMIC ASPECT OF TARIFF PROTECTION

In these days when the word economics is so glibly bandied about, it is of value to the worker to spend some time upon reflection as to the economics of tariff protection.

Economics is the science of wealth production and treats of the production, distribution and consumption of goods and services.

To take an example, let us suppose a small community with a population of five hundred, two hundred of whom are engaged in the production of commodities necessary for the community's existence. There we have the factors of production spread over two hundred people, distribution and consumption spread over the whole community. It is obvious that an increase of production will enable that community to live on a better scale, because more will be distributed, and consequently more consumed.

Let us suppose now that the community which has been self-supporting and producing, consuming and selling in its own market is induced by promises of cheaper goods to buy from another community commodities which are capable of being produced by its own citizens.

This will probably appeal to the majority of the population, because all are consumers, in the hope that the larger community will in return purchase from them and help to keep the wheels of industry turning.

A short experience proves however, that the larger community can sell for less because of a variety of advantages that the home community has not got, such as greater aggregations of capital, greater mass production, dumping surplus goods at a price lower than cost in order to capture the home community's market, etc.

As a result of the influx of outside goods into the home community, demand and consequently production falls off, leaving fifty producers unemployed, and one hundred and twenty-five consumers unable to satisfy needs and wants.

This contraction of the home community market results in still greater cost of production, because the same overhead cost is spread over a smaller number of people.

The number unemployed is still increasing and seeing the success of the outside community forcing their goods on the home community, they decide to migrate there, leaving a permanently less population.

This picture is a simple and brief statement of the result of Canada's present tariff policy. We are admitting all classes of goods which can be produced here because of a fallacious belief that cheaper goods means greater wealth, without looking at the effect on Canadian production, distribution and consumption, and the result is less production, less distribution, less consumption and less population, with greater overhead cost on Canadian products.

If in the picture drawn our home community had protected itself against outside goods, more production would have resulted, and as a consequence, greater distribution, greater consumption, more population, which would have meant a greater market, and eventually a surplus to use as a weapon to secure a footing in the markets of other places. The Canadian worker must get this fact clearly in mind, that adequate tariff protection means the saving of his job and the placing of his country on a prosperous industrial basis.

IS CANADA FOLLOWING THE RIGHT POLICY ON THE TARIFF QUESTION?

Is Our Country Being Developed Along the Right Lines?

A MESSAGE TO CANADIAN LABOR AND CANADIAN INDUSTRY

By J. H. Fortier

(Dominion President Canadian Manufacturers' Association)

Foreword:

The article which appears below was requested by "The Canadian Labor Press" from Mr. J. H. Fortier, president of the Canadian Manufacturers' Association because it was felt that due to his position and influence, he had an opportunity of seeing many angles of the tariff question that very few were in a position to view.

The article is in accord with our policy of placing all points of view before our readers and we feel that even though Mr. Fortier is the president of the Canadian Manufacturers' Association and hence not in direct contact with the Trade Union movement, nevertheless Trade Unionists will find a great deal of constructive thought and care for Canada's well-being in Mr. Fortier's message.—Editor.



J. H. FORTIER

Labor represents the second largest human factor in Canadian life. If our factories were operating at full capacity, they would employ at least 700,000 people. It is fair to estimate that, on the average, each of these would be supporting two or three in addition to themselves. Consequently, our factories can support 2,500,000 people. Many other people get at least part of their living, and in some cases all of their living, indirectly from manufacturing. People who work in the shops sell goods to those who work in the factories. People who work on trains, street cars and boats carry to and fro those who work in factories. Many other examples could be given. Considering employment in its broad sense, it is fair to say that nearly half the people of Canada are dependent for all, or at least part, of their living on the factories.

Official statistics show us that only about 20 per cent of Canadian soil is suitable for cultivation. On the other hand, the industrial possibilities of Canada, taking into consideration her forests, mines, fisheries, water power and transportation systems, can scarcely be estimated. Even now, when the fields of industry are far below their normal capacity, the total production of the fac-

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REDS ATTACK BRITISH EMPIRE

State That Delegates From Overseas Attended Meeting—Did Canadian Delegates Approve of Programme?

The report of a recent meeting of the minority or left wing of the British Trade Union Movement has been received by "The Canadian Labor Press" and raises some interesting questions for Canadians. The report is given below and contains a statement of proceedings and a manifesto addressed to the workers of the Empire asking them to assist in overthrowing the British Empire.

As the report states that the meeting was attended by overseas delegates to the British Commonwealth Labor Conference, "The Canadian Labor Press" believes that in justice to Canadian citizens and the Canadian Labor movement, the delegates to the British Commonwealth Labor Conference, whose expenses were paid by Canadian Labor, ought to inform the public whether they attended the Minority Conference and if they approve of the programme there laid down.

It would seem reasonable to believe that they do, judging by the wild statements regarding conditions in Canada given to the British press.

The Canadian worker however, has a say in this matter and "The Canadian Labor Press" can assure its Labor contemporaries in Great Britain that instead of wishing to see the British Empire abolished, the Canadian worker is anxious to see it solidified.

Labor in Canada has no sympathy with the sentiments expressed at this conference of world-labor leaders, whether they come from Great Britain, Australia or Canada, and if British or Canadian Reds attempt to force such a platform on the workers of the Dominion, it will be decisively and emphatically repudiated.

General Report

Following upon the British Commonwealth Labor Conference, the National Minority Movement decided to invite the Commonwealth delegates to attend the Minority Commonwealth Congress. This, we considered essential in view of the fact that the official Commonwealth Conference had neglected completely to deal with any of the important matters affecting the working class in this and other parts of the Empire. In the invitation circular which we sent out, we explained that it was necessary to have an exchange of views upon such subjects as the following:

- (1) The cruel operation of the Dawes Plan to the workers of Europe and its inevitable, disastrous consequences to the British workers.
- (2) To arrive at some definite understanding as to the real character of all the so-called "Pacts" and "Protocols," with a view to shaping a real working class policy for the workers in the various parts of the Empire.
- (3) To consider the possibilities of united action in Britain, the Dominion and Colonies for the nationalization of all food producing lands, coal fields, railways, shipping, without which the idea of the Government buying food from private owners and then distributing same must remain a farce.
- (4) To have a clear understanding of, and to express in a clear statement the cardinal principles of the world working class movement which includes as a first essential the right of all peoples to self-determination including separation and complete independence.
- (5) To discuss where the policy of the recent Labor Government in this country towards colonial and dependent peoples really expressed working class policy, and to consider ways and means of assuring the millions of subject workers within the Empire that a Labor Policy towards them is not and must not be Imperialist in any shape or form.

In response to the invitation the Conference was duly held in the House of Commons, London, on Tuesday, August 4th, at 4 p.m., Tom Mann presiding.

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THE MENACE OF THE CHAIN STORE

In these days of amalgamation of businesses, by which undoubted economies can be effected, it is well to note that a pseudo-amalgamation is taking place in the realm of retail distribution of grocery goods.

We have in a number of towns in Ontario, various stores characterized by a certain name, leaving the impression upon the public that these stores are part of a general producing organization that would be able to give all the benefits of amalgamation and co-ordination. In reality they are part of a chain store system who have formed a central selling organization and consequently added another middleman's profits upon the goods retailed by them to the consumer.

As long as groceries are needed there will always be single stores owned by individuals serving a district or locality and any attempt to crush them by the pressure of the chain store system is unfair to the general buying public.

Amalgamation is a good feature in business and results in economies that mean a saving to the purchaser but amalgamation is only practical in the wholesale end of the grocery business and practically impossible in the retail. Amalgamation in the wholesale line means that economies can be effected, that the various middlemen in between can be eliminated and that prices can be reduced to the individual retailer,—consequently to the consumer.

It is evident that the individual retailer of to-day is beginning to realize these facts and is making an effort to co-operate with those in the wholesale grocery business who have the vision to see that amalgamation and co-ordination on a wholesale basis is the proper policy.

We trust that the workers will not be deceived by the pseudo amalgamation being carried on in the cities and towns of Ontario nor be hoaxed into the belief that this unreal amalgamation means lower prices to them, but instead will clearly realize that lower prices of grocery commodities will be determined by the real economies effected by the national wholesalers' co-ordination and co-operation.

New Push to Fill Up Canada

Ottawa, Ont.—Immigration to Canada from the British Isles, particularly, was the subject of a conference in the Prime Minister's office recently between the Premier and Messrs. Robb, Graham and Stewart, Sir Henry Thornton and President E. W. Beatty.

The railway executives are urging strongly a more intensive campaign for the promotion of immigration, and this is the second conference held recently on the subject. Arrangements are being made with the Government for the co-ordination of activities abroad for the promotion of immigration, particularly those classes designed to go to farms. An active campaign is forecast as a result of the successive conferences. It is probable that to a greater extent the Empire Settlement Plan will be availed of.

Labor Urges B.N.A. Changes

Ottawa, Ont.—Amendments to the British North America Act were advocated in the adoption of the report of the executive of the Trades and Labor Congress of Canada in convention here recently.

The following was the report of the committee as passed: "The time has arrived when amendments to the British North America Act should be secured which would give greater authority to the Dominion Parliament and bring about more centralization of our laws which vitally affect the conditions of wage earners in this country, and that it is only by such a step that any essential social reform can be brought about and made equally applicable to all citizens of Canada."

The congress went on record favoring the complete prohibition of the sale and manufacture of narcotic drugs except for medicinal purposes.

Urg 8-Hour Day on Public Works

Ottawa.—The Trades and Labor Congress convention passed resolutions instructing its executive to press for legislation for the eight-hour day on all public works, for the passing of legislation making the issuance of injunctions in connection with industrial disputes illegal, and for the prohibition of the use of troops in industrial disputes.

The resolution respecting injunctions states that the primary object in securing injunctions in industrial disputes is to "prevent the workers involved from exercising their right to picket and freely communicate information of vital importance to those workers engaged in the dispute."

The rapid passage of several resolutions was interrupted by one advocating legislation compelling employers of ten or more persons to give all employees two weeks' holidays each year. The committee on resolutions in presenting this to the convention recommended the non-concurrence of the Congress.

The reasons given by the chairman of the committee for its recommendation was that it was not a question for legislation, but a matter for negotiation between employer and employee. It was agreed that the matter be referred back to the committee.

Extend Sympathy During Strike

Ottawa, Ont.—The executive of the Trades and Labor Congress of Canada were instructed by the National convention here recently to send a telegram to John L. Lewis, president of the United Mine Workers of America, extending the sympathy and moral support of the Trades and Labor Congress to the striking anthracite miners in the United States.

STEWARDS ALSO STRIKE

Southampton, Eng.—Upon the arrival here of the British liner Ohio from Hamburg bound for New York, 140 seamen and firemen and 60 stewards went on strike and left the ship. Hitherto stewards have not participated in the seamen's strike against a wage reduction.

THE RAILWAY DEFICIT IN CANADA--THE DOLE IN ENGLAND--THEIR SOLUTION

By Dr. C. V. Corless

The writer spent part of June in Great Britain. In three weeks of his stay more than one hundred thousand were added to the unemployed. It was uncertain whether this increase was due chiefly to seasonal fluctuation, or largely to more permanent industrial depression. At time of his departure the unemployed numbered, in round figures, 1,300,000. This condition gave rise to the following reflections:

If we assume the dole to average a pound a week, we have an outlay for unemployment at the rate of well over \$325,000,000 per year. The dole averages probably more than a pound a week, but the total figure given will suffice to help us realize the gravity of the financial problem resulting from unemployment in Britain. It will soon be seven years since the war ended and in that interval this condition appears to have grown worse rather than better. Statesmen appear to be nearly helpless in the face of this apparently insoluble problem. Financiers are baffled. Business men are appalled at the figures.

These unemployed with their families and dependents, probably number at least five millions, must continue to be fed, clothed and sheltered in this way. The dole is not more than sufficient to provide mere subsistence. On the average, these unfortunate men, women and children are as able and willing as any of us to earn, not mere subsistence, but a good living, if only they can be given a chance to do so. These workless people, if they had the opportunity, so far from being a burden on the more fortunate, would produce more wealth than they consume and would thus add their quota to the capital surplus of Britain, or of some other part of the Empire, in place of lessening it.

Next, let us recall very briefly the well-known conditions in Canada. Here, we have great empty, or partly filled, spaces, already provided with the means of railway transportation. Here, chiefly from the same cause as lies at the root of the acute problem of unemployment in Britain, we have, in proportion to our population, an equally acute financial problem, because of extensive railways which must be operated with insufficient traffic. To this Canadian problem there can be only one satisfactory solution. Canada must obtain and settle, as quickly as possible, the people for which the railways were built. Most of the five million people, the minimum number needed to put our railways on their financial feet, are in dire distress because they cannot finance themselves during the change of location and re-establishment of their homes. And so we continue, almost helplessly, to lay out close to \$400,000,000 annually, here and in England, without effecting any improvement in the conditions causing the loss.

A Real Solution

If, as seems very probable, these conditions should continue for another seven years, the two countries will in that time have paid out in these ways not much short of three thousand millions of dollars, in addition to the total loss already sustained from the same cause, without seriously advancing toward a real solution of their joint problem. But this sum, if it could be used in moving and settling the families during that period, would give each family a start of not far from \$2,500 and at the end of the time would have brought relief to both countries. Is not the potential productivity of these five million people a sufficient asset to stand behind a joint Government credit, gradually increasing, if necessary, even to the huge figure mentioned? Or, will it be wiser to fail to visualize the proportions of the problem and to continue bringing people to Canada at the present wholly inadequate rate, which may, at the end of the next seven year period, see both countries in a more hopeless position in respect to solving their common problem, than they are at present?

We all know what the real solution is. It is so gigantic, so heroic, in its proportions that we in Canada shrink from it. Either

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