

The Herald

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Guilty Of Half Truths

After forty years of protection in Canada there is no one who knows anything whatever about the economic situation but realizes this fact, that agriculture was never in so difficult or precarious a position as today.

What is the purpose of a protective tariff? says Mr. Crerar in his manifesto, and he answers: "To exclude foreign goods in order that the home manufacturer may have an advantage in the home market."

That is only stating half the truth. Manufacturers as a class are few numerically, and consequently of no great importance. Their great advantage to a community lies in the labor their enterprise affords to the community.

Mr. Crerar cannot rid himself of the "spectre" of the manufacturer. If he thought sometimes of the effect of protection on the Canadian workmen he would be on sounder and more logical ground. We cannot all be farmers.

Mr. Crerar says in his manifesto: "The effect of the policy of protection in Canada has been to build up a few large cities through manufactures, much of the raw material of which had to be imported into the country."

Great Britain is the largest importer of raw materials of any country in the world, and seems to profit by it.

If Mr. Crerar includes in the category of raw materials semi-finished products, we would observe that the importations of semi-finished products are necessary in the developing stage of most manufacturing industries, and Canada is yet in the developing stage.

Will Mr. Crerar dispute that Canadian cities provide an excellent market for Canadian farmers?

If, as Mr. Crerar contends, the Meighen Government and all previous Governments, whether Liberal or Conservative, have been fettered by the big interests "who are really the power behind the throne," why is it that these big interests allowed themselves to be taxed to the tune of \$158,640,880.00 for Business profits? We greatly fear that Mr. Crerar, like all unsophisticated crusaders, is prone to exaggeration.

Explanation Of Foreign Trade

In a pamphlet on Foreign Trade published some years ago, the Rt. Hon. Arthur J. Balfour, former prime Minister of the United Kingdom, said: "Now there are three things that it is peculiarly difficult for a manufacturer or combination of manufacturers to do, and at the same time peculiarly desirable. The first is to run their works evenly—that is to say, without undue pressure at one period, without dismissing the workmen and leaving the plant unused at another. The second is to design their work on the scale which shall secure the greatest economy of production, which, in the language of political economy, shall take the utmost advantage of the 'law of increasing returns.' The third is to secure a footing in foreign markets which are already occupied."

Now, in the attainment of these objects any manufacturer or combination of manufacturers who have, with the help of protection, obtained a command of their home markets, are at an immense advantage compared with their rivals in a free-trade country.

The unprotected manufacturer is compelled either to restrict his plant to a point well within what, in ordinary times, he is required to do, or in ordinary times to leave it practically idle. Even a small excess of supply may lower the price of his goods out of all proportion; and if it does, he not only loses heavily in respect to this small margin of overproduction, but in respect of his whole output.

Now, there is no reason to expect that the plant erected to meet an average demand would reach the exact size most conducive to economy of manufacture. Should it prove to do so it could only be by accident. Neither is it practicable to arrange that the plant shall always be kept working full time. If it is, there must evidently be recurring periods, during which overproduction, with the consequent evils just described, must inevitably take place.

Such is the ordinary position of the manufacturer under free trade. Compare it with the position of his protected rival, who controls his home markets. He is not haunted by the fear of over production. If the home demand slackens, compelling him, if he desires to maintain prices, to limit home supply, he is not driven, like his less favoured rival, to attain this result by also limiting output. He is not obliged to close part of his works, or to dismiss some of his hands, or to run his machinery on half time. On the contrary, so long as other countries are good enough to offer him open markets he can dispose of his surplus abroad.

In March, 1909, at the Constitutional Club, London, Mr. Balfour said:

"There are people who tell you that, after all, it does not matter. Exports pay for imports and imports pay for exports, and what does it matter if Germany compels you, instead of finishing the article, to send it to her half-finished and let her finish it? It does matter. It is folly to say that this country does not lose anything by its manufacturers being artificially and arbitrarily turned from one kind of employment to another by the action of forty-three years or more."

foreign tariff. It matters vitally to the higher grades of manufacture which the foreigners are endeavoring by their fiscal arrangements to capture. It is the higher grades of employment which it is vital to us not to allow to leave these shores, and it is no consolation either to the capitalist, the workman, the philanthropist or the statesman to say that exports pay for imports and imports pay for exports, if in the mutations of your trade, forced upon you by foreign tariffs, your workmen are compelled to change their occupation, or to give up their occupation altogether and to join the ranks of the unemployed."

The Premier's Policy Endorsed

Honorable T. D. Pattullo, Minister of Lands and Forests in the Provincial Liberal Administration in British Columbia, in the course of an interview in Toronto, on his way home from Europe, unconsciously, perhaps, endorsed the policy which the Rt. Hon. Arthur Meighen, Prime Minister, is now advocating.

In the course of his interview, and discussing the question of immigration, Mr. Pattullo stated: "Every man on the land means the need of one more man in the factories of the cities."

In other words, Mr. Pattullo believes that agricultural development and industrial expansion should go hand in hand. In fact he could with exactly the same truth, have stated that every additional man in the factories means the need for one more on the land.

Obviously the Provincial Minister is a strong believer in the home market as the best agency for the development of home industry. That is the vital basic principle which the Rt. Hon. Arthur Meighen is now so strongly endeavoring to place before the Canadian public. It is the very antithesis of the policy which both the Farmers' Party and the Liberal Party is advocating. Both are seeking popular favour by advocating a lower tariff leading to free trade. Such a policy, if adopted, would in a very short time result in national disaster. The home market which is the very basis of our prosperity would be completely destroyed, and without the home market, home industry would not exist; the men on the land, and the men in the factory would, therefore, suffer most.

Fortunately each day there is increasing evidence that the public of Canada will not now, as they were not in 1911, be led away from the one sure road to national prosperity and commercial independence.

What It Would Mean To Canada

As the campaign progresses the deeper becomes the realization that a tremendously vital issue is at stake. As day succeeds day the thought is steadily penetrating the public mind that not only is the existence of our manufacturing institutions seriously imperilled, but our very nationality is in jeopardy. For a time most urban people were not inclined to view the farmer movement seriously. They tolerated it with more or less complacency, but as election time draws closer they are awakening to the gravity of the menace. Soon we shall see a sharp definite alignment and a strenuous fight to a finish.

The issue is clean-cut and definite. Crerar and Wood, the extreme farmer leaders, advocate a straight free trade policy as their goal, with immediate changes which would nullify and destroy the principles of protection. The Liberal platform, by which Mr. King is solemnly bound, is almost identical with that of the Farmers'. It varies in two or three particulars but in its main principles it is a duplicate of the Farmers' platform. On the other hand, the Prime Minister stands for moderate and reasonable protection, under which the country has developed and prospered for forty-three years or more.

The policy of Crerar and Wood would leave us naked and defenseless against the onslaughts of our powerful, big neighbor. Therein lies the great danger and menace to the Canadian people as a whole. There is no gaining by denying the fact that with low tariff or free trade Canada would hand over its trade on a silver platter to the manufacturer of the United States. The workmen of that country would manufacture our commodities in the United States instead of the workmen of Canada in Canada. It is inconceivable that the Canadian people will be such fools as to stand for that sort of silly nonsense. For nearly five decades they have maintained their trade independence and it is not at all likely they will reverse their attitude at this late date. Once the facts are thoroughly understood, once the full import of the free trade movement is properly grasped, there will be no question whatever as to the voice of the people. Time and again similar tests have been applied to them. In 1878, 1891 and 1911—and always the overwhelming answer was in favor of developing ourselves in our own way without entanglements which might pre-empt our economic independence. So it will be on December 6th.

There is nothing in the history of our trade relations with the United States to destroy confidence in the wisdom of our national policy of moderate protection and self dependence. Against our wishes the United States abrogated the Reciprocity Treaty—in force between 1855 and 1865—and with its abrogation Canada suffered extreme hardship, loss of markets, loss of employment and much consequent loss of wealth and population. From then onwards efforts were made by us from time to time to bring about better trade relations, but every application of ours was promptly rejected by the United States. Sir Wilfred Laurier, in 1897, did his utmost to effect a reciprocity arrangement, but the United States were not prepared to make the slightest concession, and as a result Sir Wilfred made his historic announcement that there would be no more looking to Washington. Thereafter we went on our way and brought about quite wonderful development under a policy of moderate, sensible and reasonable protection without enlargements with any other country, with complete fiscal independence. Then came the famous reciprocity offer of 1911, an offer wholly unexpected and almost thrust upon us by the Government of the United States. In many respects it was a tempting offer. It was the consummation of the oft-expressed desires of many leading Canadian public men, but the same common sense of the Canadian people would have none of it. Laurier went into the fight with a majority of fifty and came out in a minority of fifty. The Canadian people feared the Greeks when they came bearing gifts.

They intuitively sensed that the agreement would bind Canada to the United States and strike a blow at the consolidation of the British Empire. They also realized that it would be a case of a partnership with one partner so undeniably predominant that the weaker partner would have little, if any, show. The fact that it was not a treaty but a pact which could be cancelled on short notice at any time weighed strongly with our people.

In April 1917 the two countries reciprocally placed wheat, wheat flour and potatoes on the free list, and in May last, when it suited their own purpose, the United States Government cancelled the free admission of these articles and imposed stiff duties on those and other articles under what is known as the Emergency Tariff, which undoubtedly struck a severe blow to exports of our farm products to that country.

Now, in the year of grace, 1921, just as the world is emerging from a devastating war, with trade and commerce disturbed and chaotic as never before, with our resources depleted and depreciated, with credit exceedingly difficult, with all nations staggering under mountains of debt, at a time like this, when all conditions point to the necessity of proceeding with the utmost caution and care, the

Political Meetings in King's County

Table listing political meetings in King's County with dates and locations: Wednesday, November 16... Murray Harbor South... 2 pm; Thursday, November 17... High Bank... 2 pm; Friday, November 18... Cambridge... 7 pm; Tuesday, November 22... Georgetown... 7 pm; Wednesday, November 23... Morell... 7 pm; Thursday, November 24... St. Peter's... 7 pm; Friday, November 25... Bear River... 7 pm; Tuesday, November 29... Lower Montague... 2 pm; Tuesday, November 29... Sturgeon... 7 pm

James McIsaac, J. J. Hughes.

October 26, 1921—td

Advertisement for the Charlottetown Herald. Large vertical text: "ADVERTISE IN THE Charlottetown Herald".

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Rail & Steamship Service To The Mainland

Commencing October 31st, S.S. Prince Edward Island will make one round trip daily (except Sunday) between Borden and Tormentine. Connecting Train leaves Charlottetown at 6.45 a.m. CONNECTIONS AT SACKVILLE WITH OCEAN LIMITED For Quebec and Montreal connections at Montreal with "Continental Limited" for Ottawa, North Bay, Cochrane, Winnipeg, Edmonton, Saskatoon and Vancouver. Connection for ST. JOHN AND BOSTON by No. 13 Train leaving Moncton at 2.30 p.m. W. K. ROGERS, City Ticket Agent. W. T. HUGGAN, District Passenger Agent. W. M. FLYNN, Station Ticket Agent. October 26th, 1921—2i

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