

# The Grain Growers' Guide

Winnipeg, Wednesday, July 31st, 1912

## CHALLENGE TO PROTECTION

The Toronto News, the leading protectionist journal of Canada regards the elections in Saskatchewan in which the people of that province declared overwhelmingly for reciprocity as very significant. In its issue of July 15 the editor gives prominence on the front page to an editorial article three columns in length, in which he combats to the best of his ability the demand for lower taxation and wider markets, with special reference to reciprocity with the United States. The News declared that such a policy would mean

"the ruin of a multitude of industries in older Canada. It would throw tens of thousands of workmen out of employment. It would force a great and continuous outflow of Canadians to the United States."

This is a statement that the Western farmers do not believe and no evidence is advanced by The News in support of it. The Western farmers know that the manufacturers themselves in the past few years by means of their combines have closed down plants and forced many others out of business, throwing thousands of workmen out of employment, merely to kill off competition and allow them to charge higher prices to the consumers and thus pay dividends on watered stock. This statement is borne out by census statistics and is common knowledge to many who are familiar with the conditions in Ontario for the past twenty years. The Grain Growers have no desire to ruin any legitimate Canadian industry. They believe that by giving the manufacturers free raw material and workmen a lower cost of living, through reducing the tariff on the necessities of life, that even under complete free trade, secured gradually, every legitimate industry in Canada will continue to thrive, though some of them may not produce so many millionaires as at present. This talk of "ruined industries" is entirely without foundation. The fact that the cream separator and binder twine industries thrive in Canada under free trade is one proof that there will be no "ruin" under free trade. Many of the largest industries are dishonestly capitalized (the cement industry for example) and by means of the tariff the people of Canada are compelled to pay dividends on this "water." This cannot continue. The News is also much concerned for the West itself and declares that this most absurd policy of tariff reduction would doom Western Canada for ever and ever to a purely agricultural development, of which the following description is given:—

"There would be no labor for skilled workmen. There would be no streets full of the comfortable homes of prosperous mechanics. There would be no expanding mercantile houses thriving upon an increasing local custom. There would be no local markets for farmers and, therefore, prices would be fixed permanently upon an export basis. There would be a continuous exodus to the United States of two out of every three people born on the soil."

That this argument will not hold water is proven by the growth of manufacturing in the Western states in the face of unrestricted competition from the huge industrial organizations in the Eastern states. This is proof positive that manufacturing centres can and have developed under absolute free trade. Western Canada is bound to have manufacturing industries and they will come as fast under free trade as under protection. To show just how seriously The News regards the elections in Saskatchewan and the prevalent feeling throughout the West, we quote further from this interesting article:—

"But we deny that the voice of Saskatchewan is the voice of Canada. We deny that it is even the voice of the West. The industrial workers of Ontario, however, have as much right to declare their own opinions and adhere to their own convictions as have the Grain Growers of Saskatchewan. Neither here nor there, however, will intimidation or coercion prevail. This is a free country with equal rights for citizens in older and in newer Canada and by the decision of the majority all will abide."

The News denies that the voice of the West is for lower tariff, which the popular vote proves to the contrary, and yet declares that the decision of the majority must prevail. The News is plainly trying to rouse the people of the East against the people of the West. We all agree that the majority under our constitution must decide national issues. The Eastern farmers and workmen have much to gain by tariff reduction. The people of the East have not had the facts placed before them correctly. Let the Eastern people get the true facts and they too will see how they are being plundered. Let us state right here that the Western demand for reciprocity and tariff reduction is not a party movement. Farmers who in the past have supported the political parties are today with one accord in revolt against the protective system. They know that the protected manufacturers under the shelter of the tariff are robbing them and their wives and families of the returns of their labor. They have studied the tariff question and see the fallacies of protection. They know that no tariff can be devised that will benefit the common people of Canada. Thus they are demanding relief and it is immaterial from what source it comes. It is not party label that they are concerned about, but the tariff policy of Canada.

The News sums up the dismal and terrible results which will follow lower tariff and reciprocity with the United States, to

"mean only the ruin of the industrial communities of the East, the enthronement and incarnation of American influences in the political life of Canada, gradual separation from the Empire and ultimate absorption in the American Republic."

That reciprocity will mean annexation is a bogey that has lost its force. If such were true then all that the United States need do to annex Canada most completely and peaceably is to voluntarily abolish their tariff on Canadian goods. According to the argument of The News nothing could then prevent annexation. This fact has only to be considered for a moment to show the senselessness of such an argument. But if such an argument had any force the Western people have offset it by asking to have British goods admitted into Canada free of duty. This would show our good will towards the Motherland and strengthen the bond of imperial sympathy more than all the talk and flag waving of ten years. But no; the protectionists will not agree to any such move. Our patriotic manufacturers have succeeded in having higher tariffs placed upon imports from Britain than from United States and then have the audacity to talk of loyalty to the Mother Country. They hide behind a demand for "Free trade within the Empire," which is merely a cloak for protectionist designs, and if granted would be fought to a finish by our Canadian Manufacturers' association. They have no more love for British goods than for American.

The entire article in The News consists of general statements, without a tittle of evidence to support it. If such an argument were advanced elsewhere The News would characterize it as nonsense. Surely The News can give us something better than these in-

coherent ravings. We doubt if the readers of The News will swallow such a dose without questioning its reliability.

Again consider that our freight rates in the West are from 25 to 175 per cent. higher than in the East, telegraph rates are from 50 to 200 per cent. higher and express rates 66 2-3 per cent. higher. Bank charges are 8 to 12 per cent. and mortgage rates from 7 to 10 per cent. in the West. True we have cheap and fertile land, but even absolutely free land could not compensate for such a burden as the Western people are carrying, and the root of the whole injustice lies in the protective system.

Is it any wonder that the West is in revolt? Would people worthy the name of men rest content under such conditions? The Toronto News is the leading exponent of the high tariff doctrine. We will give The News an opportunity to educate the Grain Growers to the benefits of protection. We challenge The News to reproduce this entire article in its columns and to answer five questions we will ask. We will publish the reply of The News in The Guide. Here are the questions:—

1. State definitely any two considerable industries that would be ruined by gradual tariff reduction resulting in absolute free trade in five years. Give some facts to substantiate your answer, as general statements prove nothing.

2. Do you admit that the protective tariff allows the manufacturers to charge higher prices than they could get under free trade?

3. If your contention be true that free trade would prevent the development of manufacturing industries in Western Canada how do you account for the growth of manufacturing in the Western States in the face of unrestricted competition from the great industrial organizations of the Eastern States?

4. If reciprocity with the United States would lead to annexation, as you claim, would not the same result follow if the Americans voluntarily abolished their own tariff on Canadian goods? If this be so how do you account for the fact that these Americans, whom you claim are anxious to gobble up Canada, have not seized upon such an easy and peaceable method?

5. Where is the ever-growing surplus of Western wheat to find a market? Canada cannot consume it and the British market is already taking all it can absorb. Why should we search the world for a market when it lies right at our door? We do not consider "mixed farming" or Imperial Preference are practical answers to this question, as Great Britain is not prepared for preference and the Western farmers cannot be driven into "mixed farming" in time to effect the immediate problem.

An obvious reply to the demand for tariff reduction is the need of revenue. The Western farmers have declared in favor of direct taxation and are particularly favorable to that form known as the taxation of land values. We will not elaborate on this here but simply show that all sides of the question have been considered. The revenue question can well be left aside in the discussion to the subjects dealt with by The News. We have not discussed the loyalty as we regard accusations of disloyalty as undeserved insults to the Western people. If The News cannot answer these questions we throw it open to any of the organs of protection.

The Australian Commonwealth Government has decided to establish State Woollen Mills at Geelong. This is a new departure in state socialism and will be watched with interest throughout the world.