

# WESTERN CLARION

A Journal of  
CURRENT  
EVENTS

Official Organ of  
THE SOCIALIST PARTY OF CANADA

HISTORY  
ECONOMICS  
PHILOSOPHY

No. 352

Twice a Month

VANCOUVER, B. C., OCTOBER 1, 1921

FIVE CENTS

## The Tariff Issue

It appears we are threatened with an election. It would appear further that the main issue is the tariff. A good issue. For it will be next to impossible for labor misleaders and their capitalist allies to fail to confuse the issue. And it presents a splendid opportunity for our industrial overlords to divide the forces of labor, and to set the horny handed country against the agitating town.

The object of a tariff is to shut out foreign competition from the home market, thereby allowing native exploitation a free hand, and thus providing local capital with a stepping stone to competitive quality in the world market. It is a device intended to give advantage to particular interests invested in the potential wealth of a nation. To certain interests, at certain times, it is a weapon of great merit in the internecine struggle for profit. But not to all industries, nor continuously to any.

At present, in Canada, the cry is that without a tariff Canadian industries must perish; that the tariff is necessary to curtail imports and foster the growth of export trade; that without it, Canada will not only not maintain her position, but must retrograde. Canada thus comes into line with Imperialist progress, and as capital is industrial in character, Canadian business and manufacturing interests, represented and voiced by Premier Meighen—seek (and must obtain) wider influence in wider spheres of trade. The agrarians, on the other hand, desire free trade—or reciprocity—because, as producers of raw material, they require free access to agricultural tools and implements, mechanical goods and manufactures, to enable them to hold their own with their co-producers the world over. So the country workers see their interest (apparently) in cheap production and abundant exchange, while the townsmen—traders, small-producers and their working forces, together with a goodly portion of the industrial proletariat, vision their welfare in the exclusion of foreign competition, and the (as they think) consequent operation of local industries. But, while undoubtedly the interest is there in both cases—the direction in which they see it is a mirage.

Since 1900, Canada has become an industrial country. Her exports have grown by over one billion dollars. She has acquired a favorable trade balance and a little voice in the scope of commerce. Wages have multiplied by two since then, but cost of living has risen by three, and although the counters of purchasing power have increased in number, they have greatly declined in actual value. Population has increased, but its working numbers have fallen, in ratio, and its security is ever more uncertain. Wealth has assumed a mighty magnitude, but it is centred in vastly fewer hands, and although the standard of living has been potentially augmented, to the vast mass it is lower than it has ever been. During this period there have been changes in tariff policy, but in no case did they alter the condition of the proletariat. And they cannot. Because all fiscal policies are traders' interests, formulated by economic condition and colored with economic necessity; they have no fundamental connection with social well-being. In reality, the need for the tariff is rooted in far deeper considerations.

The economic destitution of war-worried Europe has spread its shadow over the whole world. None can escape its effects; none turn them to advantage. The capitalist system has developed so far that victory or defeat are of identical effect on the common life of the world. It has ripened so thoroughly that

supremacy or otherwise has lost its ancient significance, and its vaunted "freedom and prosperity" have become but archaic symbols of a vanished epoch. The organization of its wonted life has been quite shattered by war. The old conditions have passed away, and the new conditions—vague, formative, and unadapted—are not yet established. Nor can they be until the transient groping of the progressive social forces, struggling (unconsciously) to meet the new requirements, shall clearly vision the need, and specifically determine their stability.

This common life of the world is the support of the business of the world. To flourish and prosper, business must serve the need of the world. If it does not do so business cannot survive. If the mead of service can no longer be rendered, the function of business—as originally derived—is obsolete, and if the special needs of modern business cannot be harmonized with the common needs of society, society, through its manifold forces, through whatever phases of turbulence and chaos, will assert itself and shatter the whole fabric of existing form. For society is paramount and will not be denied. If, and when, business ruins society, society, in reaction, must ruin business.

During—and for the prosecution of—the war, Europe was compelled to forego all but war industry, and fight for "place in the sun." That is, fight for the right of way to the world market. The war market, therefore, took the first place. It was imperative, and would brook no economic considerations and was insatiate in its demands. In normal times, exports always pay for imports. But for the reason given, there were no exports, and the imports could bring no return. But they had to be paid for somehow, and the accommodation was effected by exporting collateral and by funded debt. The result of the former is reflected in the shattered European exchanges, of the latter in European liquidation, in its woeful destitution, out of which may come a protracted struggle for a new social balance, or which may lead to proletarian revolution, but which, in no wise can return to pre-war capitalist production and "prosperity."

Came "victory" and indemnity. The former left America first creditor nation, the latter called forth Imperialist protection. But, "creditor" nation implies an enormous volume of commerce, and a superior control of the market. Because its credit and interest are returned in commodities, which must be re-exported or sold directly in competition with home production. European imports are largely raw materials. They are worked up into finished manufactures and exported to the ends of the earth. America does not want such products. She is a maker and exporter of finished goods herself, and as such requires an ever-growing market for their sale. Consequently, to save exploitation for her own industries, to prevent the entrance of commodities akin to home products, to cut loose from bankrupt finance, and to keep clear of European diplomacy—which it cannot cope with—and entanglements, America stiffens her tariff, in hopes of averting disaster and competition.

Canada is in precisely the same condition. Being "one of the hard faced ones who did well out of the war," she has greatly expanded her commerce and industries, changed her balance of trade, and has definitely become a world competitor. Like America, it is a country of raw material. Large capital is in-

vested in its potentialities; its growth demands wider markets; it seeks to supply, to the greatest extent, its own domestic needs, and at the same time,—and also to the greatest extent, to accommodate the demand of the foreign market. To preserve her industrial advance and trade balance, to stimulate exports, to cut off European low cost manufactures, and to obtain a less precarious customer than bankrupt Europe; these are the main causes and objects of protective tariffs.

But creditors must take what debtors have to offer. If they don't, they stand to get nothing at all. Europe is highly industrial. It lives by supplying manufactures to the world. And it is efficiently organized for that purpose. Canada is not—yet. Canada is one of the supply bases of raw material. As such, it was (pre-war) a borrowing country, i.e., capital was invested in its resources for industrial supplies. Or in other words, Canada received manufactured goods for the development of its natural wealth, and paid for them out of its raw production. The war has created a new condition. Canadian resource, being capitalized, Canada has inevitably become industrial, and like its own Niagara—by the momentum of its own progress is relentlessly whirled deeper into the maelstrom of the greater industry. So it comes, that if Canada must take manufactures in trade, it will strive to offset their price reactions by tariff imposts. It will strive to increase its volume of raw supplies in repayment, and for the residue, and its own increasing surplus, it will, therefore, be enabled to meet world competition on an equitable terms, and by its own growth, hold the scales of exchange credit even. So our capitalists figure it out, correctly enough in its own sphere.

But the capitalist economic is a most contradictory affair. Capital can suffer no limits to its expansion. It can brook no barriers to its progress. Yet, out of its own waste of the productive forces, it gathers restrictions to itself. Out of its own necessitous limitations, it inexorably limits its own necessity. The national indebtedness can only be paid to the nations themselves, and paid only in commodities. But the volume of that debt,—even its compounded interest—is far beyond the feeble capacity of the limited social powers in actual production. The desperate need of nations compels them to export in ever greater volume, yet the constantly falling ratio of the actual productive forces renders increasing imports prohibitory. The economic checks to imports, which now exist in Europe are exaggerated by political contrivances for Imperialist aggression. European nations are in liquidation and under dictation to creditors. Nevertheless, those broken nations take their owners in tow. That dictation spells ruin to capitalist Imperialism. In reaction, that bankruptcy involved the creditors in chronic stagnation. Low cost production threatens the market supremacy of power, and compels the most rigorous trade repressions in the interest of unlimited trade.

The reduction of those irreconcilables is our masters' business, not ours. We have nothing to do with tariffs. Our issue, in this or any election, is the abolition of capital and its wage slavery. In any political society, the working class is a slave class, producing all wealth, which the master class appropriates, because they own and control the machinery of social production. And simply because of that ownership, the producing class must toil

(Continued on page 3)