

Industrial Protection Essential

We would, however, be altogether insincere and dishonest did we not state in general terms that if there is one thing more certain than another, it is that manufacturers could not possibly exist in this country without the small measure of protection which the tariff affords them. The two stand or fall together. *Speaking broadly, Canada must choose between the tariff with manufacturers on the one hand or free trade without manufacturers on the other; the issue cannot be dodged and should not be clouded.* Living alongside a populous country of highly specialized industries, catering to a home demand of twelve times as many people as we have in Canada, it would be suicidal for us to attempt to compete, or develop our new country on the basis of free trade. It is, perhaps, interesting to note that notwithstanding the enormous population of the United States and the great home markets that are open to them, they have found it necessary, in their own interests, to retain a large measure of protection by means of the tariff. Even under the present Democratic Government, reduced schedules, the average rate of duty paid on imports of dutiable goods coming into the United States for the year ended June 30th, 1916, was 30.67 per cent., while in Canada, for year-ended March 31st, 1917, it was only 23.78 per cent., so that our own tariff is approximately only about seventy-five per cent., as high as the American tariff on dutiable goods. The War Tax of $7\frac{1}{2}$ per cent., although added to the cost of imported goods, free and dutiable, was not proposed or desired by the manufacturers. It would appear, therefore, that those who complain of our high tariff walls have not full knowledge of our comparative position in this matter. It should be remembered that manufacturers pay heavy duties on much of their imported raw material; for instance, a large machinery-manufacturing concern in Toronto have advised me that while the tariff on their finished article would appear to give them a protection of $27\frac{1}{2}$ per cent., yet their figures over a number of years show that the average rate of duty they pay on their raw materials is 25 per cent. *The protection to the manufacturer in this particular case, as in the case of very many other lines is, therefore, reduced by the amount of duty paid on the raw materials, leaving only an extremely moderate margin of actual protection.*

Honourable Chas. A. Dunning, Canadian Director of Production, is quite too good a business man not to see very clearly that even the removal of duties on agricultural implements for the farmer means that much additional burden of taxation to the population as a whole. In making his report covering the proposed removal of duty on agricultural implements, he stated he was "not concerned with questions of