

The Brain Browsers' Guide

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POINTS FOR BORDEN AND WHITE

It is the plain duty of the organized farmers to enlighten Sir Robert Borden and Finance Minister White as to the disastrous effect of the Protective Tariff on the agricultural industry in Western Canada. These two gentlemen will be coming out here to make strong speeches in support of their own political party and will be boasting of the great work they have done while in power. With the increased representation from the Prairie Provinces in the next Parliament both these gentlemen will be less inclined than in the past to ignore the western farmers, and equally less inclined to hand them over to the tender mercies of the protected interests. It would be well for the farmers to point out to both Premier Borden and Mr. White in clear and unmistakable terms that they are being robbed every day by the Protective Tariff. Both these gentlemen will endeavor to prove by specious pleading that the Protective Tariff is a good thing for the farmers. They will first endeavor to prove that the tariff does not enhance the price of goods, and then they will declare that the home market is very valuable for the consumption of farm produce. They will also, no doubt, bring out the patriotic argument and declare fervently in favor of a "well rounded Dominion." It would be advisable for the organized farmers to knock the bottom out of these arguments in the beginning. In the first place it might be well to quote the following extract from the budget speech of Hon. George E. Foster, delivered in the House of Commons March 27, 1894, when he was Minister of Finance. In speaking of the Protective Tariff he said:

"It will have the effect of enhancing the price of goods, and at the first the price of goods will be very closely up to the measure of the protection which was given. If it does not have that effect why should it ever be adopted at all and what is the good of it?"

We fancy that neither Premier Borden nor Mr. White would attempt to reply to Mr. Foster's clear cut statement. In the light of Mr. Foster's statement (which everybody knows to be absolutely correct) it will be necessary for these gentlemen to admit that the western farmer is taxed to the full limit of the Protective Tariff on everything that he buys. As far as the home market is concerned the only necessary answer to such twaddle is the fact that our chief wheat market is today Liverpool, and the Liverpool price regulates the Winnipeg price. The patriotic argument is pure and unadulterated buncombe. It would be quite safe for the farmers to issue a direct challenge both to Premier Borden and Mr. White to show where the western farmers get one single, solitary cent of compensation for the robbery which they sustain because of the protective tariff. Both gentlemen will find it absolutely impossible to answer. As a matter of fact the only reason why either one of the political parties have supported the Protective Tariff is because they have been clubbed into it by the organized manufacturers, who in return have contributed the greater part of the campaign funds which enable the politicians to carry on their election campaigns.

PROTECTION FAILS AGAIN

One of the favorite arguments advanced by protectionists is Mills' exception to the universal applicability of Free Trade principles, that import duties for protective purposes might be permissible in new countries in order to begin industries naturally suitable, the alleged object being to give variety to the economic system of such countries

and promote the increase of a town population.

It is interesting to examine how much variety can be given to the industries of a new country. It is not a sufficient reason to employ protection to set up a new industry in a country, if the industry is believed to be suitable to it. Proof is also required that after paying the expense of the operation, people would be better off in any way than they otherwise would have been.

The most interesting subject for Western Canadians is whether manufactures that are popularly described as such can be set up to any extent in a new country in the way referred to. We have been continually inundated with statistics showing the vast growth of manufacturing establishments in Canada and one and all are ascribed to the beneficent influence of the Protective Tariff. But there is a grave suspicion that as far as manufactures are concerned, possible varieties in economic conditions in a new country, created by means of so-called protected duties to set up manufactures, must be quite insignificant. Even if a new country could get all the manufactures conceivably possible, the maximum that is capable of being affected by protected duties is so small that the country would remain as before, without the desired variety and without any sensible addition to its population and resources; in the process it might even suffer diminution of the latter.

It is commonly stated that a country which is purely agricultural must labor under great national disadvantages, but the supposition that a population of such a country is wholly devoted to agricultural pursuits is quite erroneous. In examining the distribution of population thru the world in general, it would be found that in most countries which are classed as agricultural 60 per cent. of the population actually devote themselves to agriculture and the remaining 40 per cent. to other pursuits, including building, tailoring and millinery, transportation, distribution and the professions. The truth is that in agricultural countries little more than half the population is agricultural, and if manufactures are to be set up in order to diminish the importation of manufactured articles the problem will be to divert so much of this half as is already producing for export wherewith to buy the manufactures into manufacturing for home consumption. But this, in itself, is a very small proportion. In every country the exports are very largely not for the purpose of buying manufactures but for the purchase of articles which cannot be produced at home. This is conspicuously the case in Australia and Canada. In any community, too, the predominant industry only occupies about half of the people, and there is, by the very nature of things, a natural variety of occupations everywhere.

Furthermore, there are many manufactures in every country which are either necessarily local or are not factory manufactures. Among these can be included the work of blacksmiths, wheelwrights and saddlers, even if a certain proportion of the goods produced by them can be imported from abroad. There are also many natural manufactures which an agricultural country cannot be without, such as the industries connected with newspaper printing, with the making and planing of windows, floors and other articles in connection with building and furnishing; with the manufacture of liquor and mineral waters which are costly to transport; with saw mills in a district with natural lumber. In fact the only manufactures which can be set up by protected duties are manufactures

of a certain kind which, owing to the great production and other causes, need not be local in their character and in any case can only constitute a small fraction of the industry of any country when they are for the home market alone. It is calculated that in England less than 20 per cent. of the population are occupied in manufactures which are suitable for exportation and which new countries would seek to establish by means of protected duties and it is obvious that this fifth would sink to a lower proportion if the English manufacturers had only the home market. For it has been proved that if a tariff secures for the manufacturer the home market it also generally has the effect of debarring him from the foreign.

If the import statistics of a new country are examined and the importation of manufactures compared with their population and resources, it will be found that this class of factory manufactures so much desired, if all carried on at home, would not employ more than 5 per cent. or 10 per cent. additional population and many of them can never be carried on at home.

The best illustration of the effect of protective tariffs in promoting industries can be supplied from a comparison of New South Wales and Victoria, two of the Australian states. In the pre-Confederation days Victoria was strictly protectionist, but her neighbor kept to a low tariff basis which practically amounted to Free Trade. It was found that the proportion of goods which might have been manufactured at home under the shelter of a tariff, but were imported to New South Wales was no greater, in relation to the total production of the country, than the proportion shown by the Victorian statistics. Neither New South Wales nor Victoria had imported manufactures to any great extent. In 1895 the number of hands employed in factories and workshops in Victoria was about 40,000 or 10 per cent. of the occupied population. But in the industries classified there was an absence of a majority of the great staple trades and by far the greater part of the 40,000 were employed in manufactures which were obviously local in their nature. The population of New South Wales did not at that time exceed that of Victoria but yet the number of people employed in manufactures was 42,000, a slight increase on the number in Victoria and, likewise, the greater proportion of these were employed in industries which were purely local. These statistics clearly prove that the Free Trade country, being in like economic conditions, has the same amount of factory manufactures as the Protected country, and in neither case are there many manufactures of a description other than those naturally indigenous to a new country, which are quite independent of a Protective Tariff.

The truth is that in new countries you cannot promote new manufactures by means of protective duties, just as in old manufacturing countries you cannot, for such countries, if they are to make any progress at all, must manufacture for export. It may be argued that Canada is an intermediate stage between old and new but it is practically certain that if she had complete Free Trade tomorrow the volume of her manufacturing industries would be in no way decreased.

ELECTION FALSEHOODS

Those who have watched the progress of the election campaign in Manitoba for the past two months must have been disgusted with the charges and countercharges of graft and corruption of the worst possible char-