

This list could be supplemented by many industries which receive high protection but whose raw material is the finished product of the large industries and are compelled to pay to the producers of this raw material the larger portion of the protection they receive. Many of them can show that the additional cost of doing business due to protection, nearly offsets any advantages they receive through custom duties. They pay tribute to the manufacturing concerns that supply them raw material, and they collect the amount of that tribute, and some more, from the consumers of their product.

Relation to Public Revenue

Manufacturers state in their memorandum that last year the tariff provided for "61 per cent. of the total revenue of Canada and over 75 per cent. of the total secured by all forms of federal taxation." The United States in the same period, similarly to Canada engaged in the war, collected around five per cent. of their total revenue from custom duties. Britain collected about 11 per cent. of their total revenue from custom duties during the period, levying the major portion of the tax on non-competitive goods, a method exactly opposed to the protective theory for which the Manufacturers' Association stands. United States last year collected 75 per cent. of their revenue from income tax and excessive profit tax and are expected to collect 85 per cent. for 1919 from the same source. Britain and the United States collected the larger portion of their revenue for war purposes and the conduct of government from men of money and wealth. Canada levies the main part of her revenue on consumption.

It is pertinent to ask who pays the revenue received by government from custom duties. Manufacturers do not. The larger manufacturers get their raw product free, excepting war tax. The smaller manufacturers buy their raw material from home industries. Members of the Manufacturers' Association and financiers will no doubt live up to their "slogan" and buy for their personal needs "Canada made goods." Only users of dutiable imported goods contribute to the revenue secured from **Custom Tariff**.

Manufacturers in their statement boast of their contribution to the winning of the war, and insinuate that the war might have lasted for many days longer but for the part played in winning it by Canadian factory production. No one wants to detract from the manufacturers whatever credit they are entitled to for their part in winning the war, and they have done their part. The man who gives the best that is in him for love of his country does not usually boast of his achievement or look for a quid pro quo. In view of the many scandals and charges of profiteering levelled against our large manufacturers at the beginning of their operation in supplying war material, and in view of the scores of men who undertook the manufacturing of munitions and other war equipment, that were never known to be associated with manufacturing industry, we cannot close our eyes to the fact that many of these men were actuated by other motives than helping to win the war, and they would be just as ready to enter into the enterprise of manufacturing hair pins as they were to manufacture war equipment, did it offer to be as profitable an undertaking.

