

A PROTECTIONIST WAR

By J. A. Stevenson

The great majority of the inhabitants of the British Empire are whole heartedly agreed that if ever a war was righteous and just, this terrible conflict now raging in Europe is, and they are prepared to carry on the contest till their last drop of blood is shed and their last dollar spent.

It is a war of progress, of Democracy versus Autoeracy, of modern liberty against medieval despotism. A unanimity of Canadian opinion as to the justice and merits of the present war should not prevent the examination of some of the chief underlying causes, and the progressive minds of Canada should not fail to direct the attention of the Canadian people to the fact that one of the primary causes of this war is the system of High Protection, which has been the mainspring of the German economic system since the year 1879. Prince Bismarck first introduced his Protective system for political purposes; he intended to use the tariff as a means of unifying the German empire. Its development as an economic weapon was a subsequent phase, when there arose in its train the usual crop of protected interests. At first they were infants of the breed we know so well; when they became old and strong they still needed sustenance at the expense of the life blood of the community. It is true that many industries were developed and there was on the surface huge commercial prosperity, but in the main the average standard of the community was not raised. There was acute discontent which the government tried to avert by improvement of housing conditions and the institution of State insurance, but there remained widespread poverty and agitation and the condition of the mass of the German workers was far from enviable. In producing this it must be admitted that the agricultural interest, the landlords and squirearchy played an unhappy part. The Junkers, the aristocratic class, were the chief promoters and supporters of the heavy food taxes which were a constant burden on the German consumer. There was a marked divergence in this respect between their position, and the avowed free trade views of Canadian agriculturists.

Free Trade the Remedy

The consumption of wheat in Germany has long exceeded the production and there is little possibility of an increase in the latter. Wheat had to be imported from Russia and elsewhere, and there arose a widespread demand among the working classes, which was backed up vigorously by the merchants, traders and financiers, that the food taxes should be removed, or at least sternly reduced. Economists and financiers alike declared that Germany has reached the same position as England in the forties when Peel's conversion to Free Trade took place thru force of circumstances, and that further development as a manufacturing and industrial nation was impossible without cheaper supplies of food.

But the German manufacturers, however much they desired cheaper food, had not the courage to take the same bold step as the manufacturers of Lancashire and Yorkshire at a similar stage in England, and to agree to the removal of the duties on their own goods as a set-off to the reduction in food taxes. The Protectionists accordingly made skilful use of this point. They maintained that agricultural and industrial production were inseparable and that they must stand or fall together. With the assistance of cleavages in the ranks of the Progressive party, they won their battle in the Reichstag and the slight modifications were introduced from time to time, the high tariff survived. The economic strain became tremendous. Industrial progress continued superficially, and exports increased, but the cost of living increased still more rapidly. The margin of livelihood for the masses grew less and less and their condition became more and more depressed.

Growth of Socialism

The cost of production, too, rose with the cost of food, and manufacturers found that they were unable to compete

in many foreign markets with British goods made under Free Trade conditions. As a result trade depression ensued in many lines of manufactures and unemployment increased. Ever since the middle of the century there had been in existence in Germany a strong Socialist party, founded by Ferdinand Lassalle and Carl Marx, which had never lacked able and brilliant leaders; August Bebel, who led the party till he died two years ago, was one of the most powerful personalities in European politics. The government had arbitrarily repressed Socialism, which openly declared war on the Protective system, but it steadily showed progress. Towards the beginning of the century, however, the economic condition which high protection had developed brought grist to the Socialist-mills and the tide of recruits swelled with extraordinary rapidity. At each election the Socialist vote grew by leaps and bounds. The unequal franchise system prevented them from securing their full share of representation in parliament, but at the last election for the Reichstag, despite these handicaps, they mustered more than a fourth of the members. The Liberal party in Germany has always pursued a species of mild Whiggism, strongly tinged with Imperialist ideals; if they had supported the Socialists, who were out-and-out Free Traders in their demands, changes in the tariff could have been forced. But the German Liberals were weak-kneed and the Socialists were left to fight the battle unaided.

Internal Strife Imminent

The tariff, therefore, remained in the main intact; depression and unemployment increased and the number of people who were prepared to follow the red flag grew daily larger. The financial position of the German people was radically unsound, and when the emperor came to levy his great special war tax he was only able to obtain two-thirds of the amount which he had calculated upon. The winter of 1913-14 revealed very serious unemployment in the industrial centres of Germany and bitter murmurings and discontent were heard. There was little hope for any improvement in the coming winter. It became obvious that an internal revolution was impending in Germany and that the system of high protection which went hand in hand with autoeratic militarism and bureaucracy was destined to a renewal of a fierce internal attack which it might not survive. The bureaucrats and militarists knew that if the citadel of high protection fell, other reforms could not be long delayed in face of the onslaught of the victorious Socialists.

It would have been the beginning of the end of the existing system of privilege and autoeracy. The triumph of Democracy and Socialism was to the military class a more appalling calamity than death upon the stricken field. They apparently made their calculations and decided that it was better to perish on the field at the hands of external foes than to succumb to the constitutional pressure of their fellow citizens. There is every sign that this war was premeditated and not the result of a sudden decision; it was the last effort of a caste whose power was crumbling beneath their feet. If they prevailed in the war they would re-establish their prestige for a generation; if they failed their power was doomed anyhow and life under a Democratic government would not have been worth living. From time immemorial, foreign war has ever been the device invoked to re-establish its position, by an oligarchy brought to bay and faced with the loss of its power. It may secure a respite, but it cannot permanently avert the day of atonement. In the ultimate the power of the Prussian oligarchy was based upon unjust economic privilege. Economic privilege engendered discontent and sharpened the edge of the forces of democracy. A world-wide war, by which suffering and misery have been brought to literally millions of homes, has been the result.

Warning to Canada

Had there been no false economic privileges, the internal condition of Germany would have been sound and

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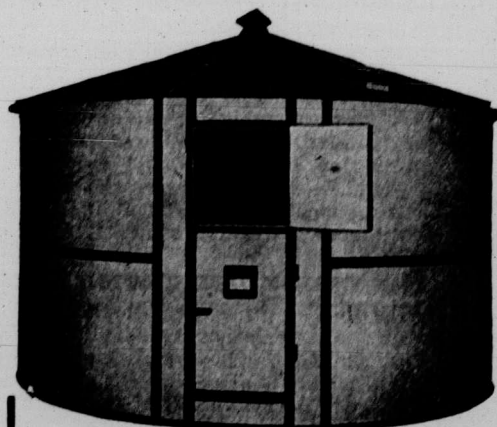
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