PROTECTION IN VARIOUS COUNTRIES. PROTECTION IN CANADA AND AUSTRALASIA

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Protection in Various Countries. Protection in Canada and Australasia by C. H. Chomley & William Harbutt Dawson

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EDITED BY WILLIAM HARBUTT DAWSON

CANADA AND AUSTRALASIA

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INTRODUCTION.

WHILE it would be impossible to find two countries in some respects more unlike one another than Canada and Australia, these two great federations of the British Empire have nevertheless some striking points of similarity.

Both rule continental areas with provincial populations, Canada with its 3,311,000 square miles having barely 6,000,000 people and Australia with its 2,973,000 square miles less than 4,000,000. Canada's climate varies from the temperate to the arctic, Australia's from the temperate to the tropical, both countries thus having a great range in temperature and a corresponding variety of resources, and in both the products of the mine, the farm, and the forest immensely outweigh all others in importance. The development of these natural resources has not been furthered by the tariff, and yet Australia and Canada are alike in clinging

more or less tenaciously to a protective system, which burdens the millions engaged in primary production for the supposed benefit of the thousands pursuing other branches of industry.

In both countries there are causes quite outside economics which have contributed to making Protection a "National Policy," and which help to explain the blindness of some producers and the submission of others to a taxing system attended by such fatal consequences.

It is also interesting to notice that the Canadian Dominion consists of seven continental provinces and a small island, Prince Edward's Isle. In the Australian Commonwealth are five continental States and the small island of Tasmania. Outside the federation Australia has to the eastward the large island colony of New Zealand; to the eastward of her borders, Canada has the large island colony of Newfoundland. Canada's most western province, British Columbia, is pre-eminently a land of gold and timber, and it entered the Dominion only on the condition that it should be connected by rail with the eastern provinces. Western Australia, the most western State of the Commonwealth, is also a great producer of gold and timber, and she also joined the federation on the faith of a promise that a trans-continental railway would link her to her sister States of the east. There were long delays in the building of the Canadian line across the continent; the Australian line is not yet begun.

In forming a judgment as to the effect of fiscal policy upon a nation's welfare there are always great difficulties to contend with -difficulties almost insurmountable in the case of new countries to which virgin soil, splendid forests, and profusely scattered gold must attract emigrants from the old world, whatever laws and Government may do to help or to cripple their industry. "Canada and Australia," says the protectionist, "have increased in wealth and population under Protection, therefore Protection has been a wise policy for them to pursue." To this the free trader answers that while men desire land and gold and grain and timber, there is no conceivable policy under which countries rich in these things would not grow wealthier and more populous. That they have done so under a protectionist policy proves nothing at all.

In older countries many of the factors are fairly constant and there is a chance of giving something like its due weight to a change of fiscal policy in estimating its effect on progress, as, for instance, in the repeal of the British Corn Laws. It is true that cheap food and untaxed raw material were not the only causes of the marvellous expansion of British industry and well-being which followed on Free Trade, but nevertheless without Free Trade it would have been impossible. With cheap food wages went further; with untaxed raw material manufactures increased by leaps and bounds and wages increased with manufactures. Higher wages were at once a cause and an effect of the improved machinery which followed on invention, for better paid workmen had energy and intelligence to control the new machines, and when wages are high there is strong inducement to seek machinery which will do men's work and save wages. Then, again, as men were forced to spend less of their daily earnings upon food they had more to spend upon the products of every industry, and thus the home demand for manufactures increased pari passu with increased facilities for making them cheaply to sell abroad.