

FACTS FOR THE PEOPLE.

The State of the Country in 1876—Deep Depression Everywhere.

THE BIRTH OF THE NATIONAL POLICY.

Strenuous and Continued Opposition of the Liberals to its Principles—No Compromise Allowed.

In 1876, the Mackenzie Government being in power, the Governor-General, in the speech opening Parliament, was instructed by his Ministry to say that "the great depression which has prevailed throughout the neighboring countries for several years, and which has more recently been felt in the old world, causing general stagnation of business, has extended to Canada, and has seriously affected our trade." The attention of Parliament thus called to the condition of the country, was, within a week after the opening of the session, directed to an investigation of the causes. Mr. Mills, a supporter of that Government, moved the appointment of a committee to "enquire into the causes of the present financial depression." After lengthy debate the motion carried, the words "manufacturing and commercial" being substituted for "financial." The debate brought out the fact that

THE DEPRESSION OF TRADE

was very great. Quoting only from supporters of the then Government who would not be at all desirous of exaggerating the distress, we give some evidence on the extent of the depression that then existed. Mr. Taschereau said: "A commercial depression such as has seldom been felt has visited the new world as well as the old, and has not spared Canada, having seriously affected her commerce." Mr. Mills said: "When we notice in the newspapers from day to day the failure of men engaged in manufacturing or commercial pursuits in various parts of the country, when we observe statements that a very large number of men formerly engaged in the lumber trade and in other pursuits are out of employment, I think it is unnecessary to bring before the house any array of facts for the purpose of establishing a proposition which, I suppose, will meet with general assent. . . . We observe that those who have failed are of the commercial class as well as of the manufacturing class; that it is not only those engaged in producing various articles of industry within the country who have suffered, but that merchants engaged in the importation of goods have suffered quite as much, as far as we can gather from general reports."

MR. WOSKMAN SAID:

I have just come to this house from the counting house, from the bankers, the merchants and the manufacturers—therefore, I know how very great the depression is in those three most important branches of the industry of the Dominion. For the last eighteen months there has been a gradual shrinking of values and curtailment of trade, until now we have arrived at a condition which in forty years' commercial experience I have never seen equalled. . . . I know this that the manufactures of the country are in the most depressed state; that this depression has been gradually going on and increasing until at present nearly one-half of the manufacturing establishments in and around Montreal are closed up and the other half are working on half, or perhaps two-thirds time. Any number of hands have been discharged and are idle to-day, while those who are employed are only earning wages of from 70 to 80 per cent. of what they earned before. . . . I can tell hon. gentlemen that the manufacturing interests, if not soon protected, with the other industries of the country, will suffer very much. The mercantile interests are also very important, and they depend for success upon the success of the mechanic and the manufacturer." The Government, however, would

not listen to the complaints, and refused to consider the

CRISIS OF DESPAIR

which rose up from every city, town, village and hamlet—which found support and strength from all the rural portions of Canada. They deliberately resolved that the causes producing the depression were such that legislative action could not remedy. Though it was pointed out that Canada was ground to dust between the upper and nether millstones—between the sore pressed United States manufacturer and the sore pressed English manufacturer, both in their anxiety to realize money to save themselves from ruin, seeking in Canada a slaughter market to the detriment of the Canadian manufacturer—though it was clearly shown that disaster hung like a black cloud over the whole country, the Mackenzie Ministry refused to do anything at all.

Sir John came to the rescue of the country, and moved his famous resolution "that this house regrets His Excellency has not been advised to recommend to Parliament a measure for the readjustment of the tariff, which would not only aid in alleviating the stagnation of business deplored by the Government, but would also afford fitting encouragement and protection to the struggling manufactures and industries, as well as to the agricultural products of Canada." That resolution was voted down, 118 against and 70 for. Among those voting against Sir John's motion were Messrs. Bain, Blake, Bourassa, Jones, Laurier, Langlois, Mackenzie, Cartwright, Casgrain, Fiset, Paterson, Mills, Vail and others, from whom a new ministry would have to be selected in the event of the overthrow of the present Government. We have in this rapid resume brought out two or three.

FACTS OF GREAT IMPORTANCE TO THE ELECTORS at the present time:

1. That the distress was very great.
2. That it was attributed by the Government to the adverse influence of the depression in other countries operating upon Canadian manufacturers.
3. That manufacturers, importers and the general business of the country were all afflicted by the depression, were all injured greatly by it, in fact rowed in the same boat, twirling in troubled waters that threatened to engulf them all together.
4. That the then governing party placed itself on record as opposed to any legislative action in alleviation of the general misery. The Government, they said, were but flies on the wheel, and could neither prevent disaster nor stimulate prosperity.

WE PROCEEDED ANOTHER STEP.

The Government in 1877 and 1878, as in 1876, turned a deaf ear to the cries of distress. The gloaming of suffering, which prompted the enquiry into the causes of the depression, became deep midnight darkness in 1878. Stocks went down by the run. The importations fell off, the exports declined. The savings bank deposits fell to the lowest figure they have ever reached. The bank and Dominion note circulation fell ten million dollars below what it was in 1874. Farming and city properly alike felt the blight. Then came the return to power of the party whose famous resolution of 1876 creating the National Policy had been received with great favor by the people of Canada at the general elections. The party adopted the principle of readjustment of the tariff in order to aid the depressed industries. The same bitter opposition from the opponents of readjustment was continued. Attacks were made all along the line upon the National Policy in 1879 and the following years. From March 10, 1876, when they voted down Sir John's resolution to the present hour, they have persistently maintained the same dogged opposi-

tion. They have never recanted their original belief. They are as strong opponents of the National Policy as ever. No session has been, since 1876, allowed to pass without Sir Richard Cartwright, as the exponent of the financial and trade policy of the Opposition, rising in his place and pouring scorn and derision upon the readjusted tariff. The same element which forced the Mackenzie administration to take the course it did in 1876 remains with the party. The free trade element in the Eastern provinces which had the mastery over the Mackenzie Government in 1876 is still

AS BITTER AS EVER

in its opposition to any tariff which will give assistance to manufactures. It is even stronger, if the leaders and spokesmen of the Liberal party are to be believed, for in Nova Scotia it has succeeded in raising the secession cry, hoping thereby to strengthen itself, to seize any opportunity that may offer in the future, to break down any and all protection to native industries. That free trade and secession party is closely allied to the free trade party of Ontario and Quebec, and day after day proclaims its determination to break down the present tariff. Its strength, as seen in the provincial elections in Nova Scotia in 1886, has placed the National Policy in a great jeopardy at the forthcoming Dominion elections as it was in the Dominion elections of 1882. With no recantation of the error of 1876 by Messrs. Blake, Laurier and Co.; with increased vehemence of opposition on the part of the eastern wing of the Liberal party; with the party organs day after day attacking the present tariff, it would be utterly folly on the part of the supporters of the present tariff to fancy that there would be no changes in the tariff in the event of the National Policy party being defeated.

A GUIDE FOR US.

We have the experience of the United States to guide us. Thompson, in his work on political economy, says: "Nineteen times in one hundred years the American people have changed their financial policy, sometimes carried from protection to free trade by the influence of specious theories, but as often driven back to the policy of protection by hard experience. The two periods of longest continuance in any policy is the Protectionist period which followed the establishment of the Government (1789-1801) and the Protectionist period in which we are now living. Four times the scaffolding of the tariff has been torn down from the uncompleted edifice of our industrial development and as often the work has been begun again, if not from the foundation yet from a point much less advanced than had been reached under the previous protective tariff. This time it seems to be the nation's purpose that the scaffolding shall be kept up until this roof is on." Yet in spite of this evident determination to hold fast to the present system, the antagonists of protection do not give up. At a recent meeting of the Cobden club it was stated that nearly 1,000,000 free trade pamphlets had been sent to the United States within a few years. All these influences we have to fear in Canada. There would be much more powerful for injury, with a government in power, not only not heartily sympathizing with the National Policy, but opposed to it. Further, the Nationalist tariff is by no means a perfect instrument. Every year changes are made in it to assist some new industry or to give greater strength to some old industry struggling against the "dead set" made upon it by outside antagonists. Hence the necessity for the continuance in power of the friends of the industrial class. The artisan needs constant sympathy in the laborious effort to build up manufactures in Canada, opposed as that effort is by the manufacturers of the five great industrial nations of the world.