

We find that the United States adopted protection as early as 1789. At that time the protection was about eight per cent. In 1816 it was raised to about 25 per cent. In 1828 their protection averaged about 41 per cent. Then they adopted a lower tariff and the country suffered from depression, but in 1861 the principle of protection was reasserted, and the protection was increased again in 1864. In 1890 the McKinley tariff brought the average protection up to 48 per cent. In the late Fordney tariff we find a new assertion of the idea of the protective tariff. If hon. members study economic development of Canada and the United States they will find that protection, prosperity and good wages always march together, and that low tariff, depression and low wages have likewise gone together. That is an historical, economic fact.

In Canada we have pursued a different course. The protective system was not adopted in any real way until 1858, and it is interesting to note that between 1874 and 1878, when the tariff was considerably lower, the country suffered as we all know, one of the worst depressions. In 1862 the Hon. Alexander T. Galt, Minister of Finance, made his speech introducing the budget, and reading that speech one would think he was listening to the words of the present Acting Minister of Finance (Mr. Robb) when delivering his speech the other day. Contrary again to the view of the Secretary of State, as expressed in his speech this afternoon I say we must look at the historical development and the progress which was made in the past, and see how it has worked out. The protective principle in Canada was established as such in 1858, for the first time. In 1862 the duties were being reduced somewhat, and Mr. Galt made certain predictions which I think are interesting. He, as the then Minister of Finance, in making his budget speech said:

We now have an opportunity of reinvigorating our trade by reducing the duty on foreign goods. I propose making a reduction of the 20 per cent list to 15 per cent, and of the 10 per cent list to 7½ per cent. (Hear, hear). . . . I think the time has come when it will be found advantageous to our revenue to aim directly at one object in the alterations we propose—we must seek to get the utmost we can, coupled with unrestrained and unembarrassed trade. If on the one hand we get increased trade by a low tariff of customs, it is equally clear on the other that every article made in the country will be decreased in value to the consumer by the reduced amount of duty imposed upon that particular article at the custom-house.

We cannot avoid seeing that one of the causes which will operate against the United States,—

And I commend this prediction to hon. gentlemen.

—both in retaining their present inhabitants and in attracting additional population, is found in the very

[Mr. Ladner.]

high duties they have been compelled to impose. If our duties are less than theirs, we may reasonably hope that a large amount of immigration may be attracted to our shores. I think, also, it will be found that a very considerable increase in our trade will be the result of the mode I propose to adopt in the imposition of duties.

The fact is that, contrary to the prediction of Sir Alexander Galt, far from high duties causing the people of the United States to leave that country and come to Canada, and injuriously affecting American prosperity, the protective policy has done the very reverse; for the American people did not come into Canada as was anticipated by the then Minister of Finance.

I have received a return from the Dominion Bureau of Statistics data giving the ad valorem rates of customs duty on dutiable goods imported into Canada and the United States respectively for the fiscal years 1870, 1880, 1890, 1901, 1911, 1923 and 1924. The figures are as follows:

Customs duties on dutiable imports—	Canada	United States
	Per cent	Per cent
1870.. . . . .	20.9	47.08
1880.. . . . .	26.1	43.48
1890.. . . . .	31	41.41
1901.. . . . .	27.5	49.64
1911.. . . . .	25.9	41.22
1923.. . . . .	24.9	36.07
1924.. . . . .	22.7	about the same

In other words, the duties of the United States during the last 55 years have been from 50 per cent to 235 per cent higher than those in Canada; and I submit that this is what has produced a higher standard of living and higher wages in the United States as compared with Canada, this is what has attracted immigrants from foreign countries to build up that country to its present status. These are arguments based on historical experience which it is hard to contradict. But perhaps some hon. gentleman might say: it is true that the duties have on an average been higher in the United States than in Canada, but what about the cost of living? Well, I have had a return made by the Bureau of Statistics regarding this point also, and I find, according to the schedules which I have here, that since the year 1890 the cost of living in the United States has been as low as it has been in Canada, or lower; it has never been higher. If you take both wholesale and retail prices and compare the two countries you will find that the cost of living has been lower in the United States. As regards population, the figures which I have secured are instructive. I shall give them in round numbers. In 1870 the United States had a population of 38,557,371 as compared with Canada's 3,689,257; in 1880 the popula-