

to the Dominion of Canada : nor was it in any sense or way consequent on the adoption by the Liberal party of any new fiscal policy. The Liberal party, when they came into power in 1873, merely lopped off, not the mouldering branches, but the growing branches of extravagance, which had grown to an enormous extent in the previous fiscal years, and continued the same fiscal policy, superadding to it a policy of economy and prudence in the public expenditure. That depression under which this country laboured from 1873 to 1878, was a depression world-wide in extent : and I wish to draw the attention of the House to a statement in regard to it made in a book lately published in England, entitled : "England's Foreign Trade in the Nineteenth Century," which received the Cambridge prize, written by a gentleman of the name of Bowley. On page 79, he says :

The most marked features of the diagram of imports and exports since 1870 are the two great falls in value : the first, the most noticeable, in exports, beginning in 1873, and reaching its lowest point in 1878, after which the values increased again till 1882 ; the second beginning, both in imports and exports, in 1883, while the recovery commences in 1886. \* \* \* These changes may be due either to diminution of the actual amount of goods exported and imported, or to a reduction of prices of these goods, or to both causes. We shall see subsequently that, on the whole, the amount rapidly increased, and, therefore, the depression is mainly due to a fall of prices.

Here we have the statement made in this book, which received such commendation as to win the prize at the great University of Cambridge, that the depression began with the year 1873, and culminated in the year 1878, when it reached its lowest point, and that it was caused largely by the fall in prices. The author quotes from the "Statist" the following paragraph in regard to the cause of the depression :—

Having its origin in the excessive lock up of capital in the construction of railways, especially in America and Germany, many of which when built had neither population to use them nor traffic to carry ; in the wild speculation that followed the German assertion of supremacy on the continent ; in the exaggerated armaments, which withdrew an inordinate amount of labour from productive industry and overweighted the taxpayers of the great European nations, and in over-production in the principal trades in all commercial countries ; it was aggravated by a succession of bad harvests in both hemispheres ; by famines in the East and in South America ; by repudiations by governments and other public debtors ; and by the political anxieties which the reopening of the eastern question gave birth to.

And on page 101, he further says :

The effects of the depression which began in 1873 must not be exaggerated. In the figures of total imports and exports, as published, it is very striking ; but, when we allow for the general and continuous fall in prices, which took place concurrently with the decreased value of imports, we find that the amount (measured in goods, not in money) of foreign trade transacted has continually increased. The depression affected capitalists and their profits, shook credit, checked

for many years the outflow of capital abroad, and made employment uncertain for the small proportion of employees and workmen who are dependent on those trades which fluctuate in sympathy with foreign disturbance.

We have here, Sir, a description of facts as occurring in England almost similar to those which occurred in Canada during that great depression—almost similar to those which occurred in Germany, France and the United States. It did not matter what the fiscal policy of any country was, it seemed doomed to share in the extraordinary and general depression of the period. But, Sir, if hon. gentlemen point to the depression which existed from 1873 to 1878, as a warning against our reverting to the revenue tariff policy of the day, does not the same warning apply to countries which had a protective system and in which that depression was intensified ? What would have been the condition of things in those years, when the ordinary depression was intensified by a succession of three or four bad harvests, if my hon. friend at my left (Sir Richard Cartwright), instead of lightening or keeping light the taxation of the people, had chosen to double that taxation upon them ? Did the giving to them of cheap goods harm them ? Did it intensify the depression, or did it relieve it ? The question has only to be stated to be answered ; it answers itself. Is it possible to conceive that if the price of every article which entered into the consumption of every family in Canada had been increased 30 per cent, that would have benefited the people ? The thing is absurd. If while our products brought a low price we had to pay a high price for everything we purchased, bad as the condition of the country was, it would have been intensified tenfold ; and I say that to the firmness with which my hon. friend stood by his guns and refused time and again to increase the taxes of the people, notwithstanding the pressure that was brought upon him—to that firmness the people of Canada owe a great deal more this day than they are prepared to give him credit for.

Now, Sir, I listened the other day to the able speech delivered by my hon. friend from North Norfolk (Mr. Charlton), wherein he gave examples of the progress made by Canada, even in manufacturing industries, between 1873 and 1878. I listened also to the statements made by the hon. member for North Wentworth (Mr. Bain), who followed in the same line, in a remarkably able speech which was listened to by a thin House, but which I hope hon. gentlemen who had not the pleasure of hearing it will do themselves the pleasure of reading. I say those gentlemen proved beyond a doubt that in this period of universal depression the manufactures of this country steadily and healthfully increased. The increase was one which all fair men who are disposed to do justice to the question could congratulate the country upon, and