

THE FISCAL HISTORY OF CANADA.



O national subject is of greater importance than the inception and development of a country's fiscal policy and the growth of its commercial politics. Other events maybe were

interesting; the records of its rulers were romantic, or the stirring incidents of warfare were attractive. And in this age of commerce and bustling industry, this period of tariffs and competition, much more may be learned from the plain, unvarnished records of fiscal regulations and changes in past decades than from the ordinary and popular histories of the period. The Canadian Provinces for over a hundred years have been more or less affected by tariffs. At one time it was protectionist duties imposed by Great Britain, which had the double effect of stimulating trade with the Mother Country and by means of the Navigation Laws restricting it with all other countries. Then it was the tariff policy of the United States, which for many years hampered our trade, and still, with the exception of an interval of limited reciprocity, restricts it as far as possible. Now it is our own protective tariff which is claimed to have worked wonders in the development of Canadian industrial and national life, and which has certainly done a great deal in that direction.

Prior to 1760, when Canada was ceded to Great Britain, its exports consisted mainly of furs, seal oil, flour and peas, averaging yearly, perhaps, £100,000 in value. The imports were greater, and it was a standard complaint of the French Governors that English traders were monopolizing business at the expense of the French. This was the age of the fur trade and the evolution of the Hudson's Bay Company, which at one time extended its operations over 4,000,000 square miles of area, held 152 posts or stations, employed 3,000 agents or traders and over a hundred thousand Indian hunters. In 1856 it was able to report assets of \$7,340,000 and liabilities of only \$1,000,000. Then followed, under British rule, the growth of the ship-building and lumber trade. The system of colonial monopoly was still in vogue. The navigation of the St. Lawrence was for-

bidden to foreign vessels, and the lumber of Upper and Lower Canada was shipped upon British vessels, chiefly to the Mother Country. As a recompense, however, for the disabilities which prevented Canadian ships from entering foreign ports, the Provinces were allowed the exclusive privilege of furnishing lumber and provisions to the West India Islands. The trade in these products was, therefore, fairly good, and in 1841 the ship-building branch of the business at Quebec produced no less than sixty-four sea-going vessels, with an aggregate of 23,122 tons burden.

During these years the British American Provinces—which then consisted of Upper and Lower Canada, New Brunswick, Prince Edward Island and Nova Scotia—had the most extensive preferences and privileges in the markets of Great Britain. In 1845, just before the change to free-trade, the Imperial tariff upon provisions was as follows :

| ARTICLE. | From Foreign Countries. | | From British Countries. | |
|----------------------------------|-------------------------|---------|-------------------------|--------|
| | s. | d. | s. | d. |
| Bacon and hams, cwt..... | 14 | 8½ | 3 | 8 |
| Butter, " " " " " " | 21 | 0 | 5 | 3 |
| Cheese, " " " " " " | 11 | 0¼ | 2 | 7½ |
| Beef, salted, " " " " " " | 8 | 4¾ | 2 | 1 |
| Pork, " " " " " " | 8 | 4¾ | 2 | 1 |
| Vegetables, " " " " " " | 0 | 2 | 0 | 1 |
| Eggs, 120 lbs. | 0 | 10 | 0 | 2½ |
| Hay, load " " " " " " | 16 | 9 | 8 | 4½ |
| Oxen and bulls, each " " " " " " | 21 | 0 | 10 | 6 |
| Horses, " " " " " " | 21 | 0 | 10 | 6 |
| Cows, " " " " " " | 15 | 9 | 7 | 10½ |
| Calves, " " " " " " | 10 | 6 | 5 | 3 |
| Sheep, " " " " " " | 3 | 1¾ | 1 | 6¾ |
| Hogs, " " " " " " | 5 | 3 | 2 | 7½ |
| Lambs, " " " " " " | 2 | 1 | 1 | 0½ |
| Wheat, according to price, .. | 18s | to 20s. | 2s. | to 5s. |

As a passing illustration of how trade changes and production varies from time to time, and how impossible it is to frame an unalterable tariff policy, it may be said that a few years before this—October 12, 1842—the Legislature of Canada passed an Act for the significance of Her Majesty's pleasure, which imposed a duty of 3s. a quarter on all wheat imported into Canada, except from the United Kingdom and other Colonies, and stating in the preamble that it was done in the hope of receiving a reciprocal reduction in the duties upon wheat and wheat flour imported into the United Kingdom