

commercial trouble in England, and that reacted on us. To add to the trouble we had one short harvest, that of 1876, when we failed to raise our own bread; two others, those of 1874 and 1877, were below the average.

These causes sufficiently account for the hard times, and it was entirely beyond the power of the Canadian Government to avert the depression, because it resulted from causes within Canada and outside of it that were entirely beyond human control.

THE CAUSES OF REVIVAL AND GOOD TIMES

While the depression was due to causes entirely beyond the control of the Government, the return of prosperity was also due to causes entirely independent of the Government policy, as will be briefly shown. On the 1st of January, 1879, the United States returned to specie payment. The period of depression had continued with great severity for over five years, but immediately upon this step being taken a reaction commenced and a period of great prosperity set in which has continued till the present moment. The result was, higher prices for barley, lumber, and all of our productions that found a market in the United States. The advance in the price of lumber, especially, was very great, and for two years past the price in Canada has been at least one-half higher than the price from 1874 to 1878. Since 1878 two bad harvests in England have created an unusual demand for our breadstuffs, and in conjunction with the extraordinary demand arising from this cause Canada happened to have more than average harvests. The result was an increase in the export of the products of the farm so large that the improvement in this respect alone was sufficient to produce great improvement in business.

GRAIN EXPORTS OF TWO PERIODS.

If we compare the exports of breadstuffs during Mr. Mackenzie's administration with the period since then we shall find a remarkable contrast. To arrive at the actual net export of the country the total import is deducted

from the total export, the balance being the actual net export. For the two periods the total net export of grain, flour and meal of all kinds is as follows in round numbers:

FOR THE FIVE YEARS OF MACKENZIE'S ADMINISTRATION.

Fiscal year ending June 30th:

1874	\$11,914,000
1875	8,967,000
1876	13,853,000
1877	2,597,000
1878	12,261,000
	\$49,592,000

THREE AND A HALF YEARS OF MACDONALD'S ADMINISTRATION.

1879	\$14,877,000
1880	17,021,000
1881	13,748,000
July 1st to Dec. 31st—	
1881	14,700,000
	\$60,346,000

Thus it will be seen that the net export of grain, flour and meal during the five years of the Mackenzie administration was \$10,754,000 less than during the three and a half years of the Macdonald administration ending 31st December last. If we take the

EXPORT OF AGRICULTURAL PRODUCTS

and of animals and their produce, the produce of Canada, for the two periods, as given in the Trade and Navigation Returns, we shall find the following results:

EXPORTS OF ANIMALS AND THEIR PRODUCE FOR THE FIRST PERIOD.

Year ending June 30—

1874	\$14,679,169
1875	12,700,507
1876	13,517,654
1877	14,220,617
1878	14,019,851
	\$69,137,804