

and intellectual facilities of the masses, creating a home market for a large part of our surplus agricultural produce, and realizing to a great extent the great saying of Lyman Beecher, "That national industry is national wealth, and that policy which creates the greatest diversity of labor is the best adapted for the interests of the country."

Go back 30 years in the history of Canada, when we had a more nominal tariff, what was the result? A system of baffle and exchange, excessive importations, no manufactures, a most limited circulation of money, the purchasing power of the masses reduced to the lowest point, the products of the farmer selling at merely nominal prices, money only obtainable at most exorbitant rates, comparative misery and want throughout the land! But, as it were, to come down to hard pay, suppose Canada and the United States were to abolish all duties on cotton and woollen goods, what would be the effect? To reduce the price of these goods to the consumer? No. The demand would stimulate the price abroad, and being at the mercy of the foreign manufacturer, he would advance his prices, the demand for production would cause an increased advance in foreign labor. And whilst we would be stabilizing our cotton industries at home, letting out the life blood of the nation, we would at the same time be paying more money for inferior goods. The United States, in 1877, exported no less than 47,000,000 yards of cotton goods to Great Britain, and at the same time was paying more for labor, more for capital, than England. Where we can substitute machinery for manual labor, the cost of the latter does not enter so much into the cost of production as might appear at first sight. The remarkable utterance of Mr. GALT during the last session of Parliament, "That never in the history of Canada did the masses get as good value for their money as they now do in domestic cloths, cottons, and other home manufactured goods, is a truism, orthodox in all particulars. And the masses of this country, instead of getting for consumption dark, adulterated, starched, unbleachable grey cottons, now get a durable, white, pure material, which equals any foreign production, the manufacture of which gives employment to thousands of operatives, retains in the Dominion the thousands and hundreds of thousands we sent abroad to sustain foreign labor and build up foreign capital, creates a large circulating medium in all branches of industry, and helps, as we said before, to create a home as well as foreign market for our surplus agricultural products.

Above we partly explain how the National Policy produced a readjustment of the tariff which, whilst protecting and fostering the agricultural, commercial, manufacturing and other industries of the country, at the same time did not impose any unnecessary burdens on the people. In addition to the reasons which we advanced in support of our proposition, we wish also to impress on our readers the fact that the consumer in this country does not by any means pay on imported manufactured goods the full extent of the increased duty! Let us illustrate: Some years ago the great Onondaga Salt Works, at Syracuse, N.Y., was the chief source whence Canada to a great extent drew her supplies of this article. When we commenced to bore for salt at Godorich, with a view of crushing out competition and our incipient industry the Onondaga shippers consigned salt to Canada for \$1 per barrel, whilst at the same time their standard price was \$2 per barrel in New York. Our salt producers got some protection, but not enough, and what is the result? To-day we are producing the best salt at the lowest rates of any part of America. From Kincaidine we are shipping the best salt in the world to Chicago at \$3 per ton in bulk, paying the American duty of \$1.60 per ton and 75c freight, and actually underselling the Americans in the article of salt in the great porkopolis of the Republic. We had occasion to ask the proprietor of the salt works at Kincaidine, what he thought was necessary to stimulate the production of salt in Canada, where along the shore of Lake Huron we have such inexhaustible supplies? He answered, "The imposition of a duty on all foreign salt such as the Americans impose on ours." We inquired if that would not have the effect of increasing the cost of the article to the consumer, and he replied that its tendency would be to lower rather than increase the price, giving as a reason that 1,000 tons of salt could be produced at a lower rate per ton than one hundred, that so much salt was brought in ballast from the Old Country and sold at any price, that it disorganised our local market and he was dependent principally on the American market for his sales. Salt at \$3 per ton is not much more than 50c. per barrel. Lord BACON, in 1815, said in the House of Commons that English merchants could well afford and should be willing to loose a few millions in exporting cheap manufactured goods to the United States in order to crush out their rival industries in their cradle, and it was and is on this principle that the Americans tried and are trying to act towards us. Take again the article of corn starch. When Mr. BISSON commenced to manufacture this article in the county of Grenville, the foreign manufacturer endeavored to crush out this industry by consigning this class of goods at very low rates to Canada. What was the result? He lost a fortune in the competition. At last he got some protection, and to-day he is selling a better starch for 10c. per lb. than the Glenfield at 20c.—and he will tell you that had he the control of the Canadian market by additional protection, he would give you a still better starch at 8c. per lb. How is this? He can make 100,000 lbs. of starch 30 per cent. cheaper than he can 1,000 lbs. And in connection

with this industry he has built up Cardinal from a mere hamlet to be one of the most flourishing villages in Ontario. A few days ago we met the agent of the largest bolt and screw factory in America. He was selling his goods in Canada. We asked him to explain how he could do so under the tariff. He replied we make concessions of about 25 per cent. to Canadian purchasers under American rates, and on further inquiring if his company could do so profitably, he replied yes, we can go as high as 40 per cent. we must work them off, we must, in a word, meet the competition against which we have to contend. The same holds good for all classes of imported manufactured goods from the United States, in the manufacture of which we ourselves are engaged. The discrimination is made in our favor in order to effect sale. So our readers will see that whilst on the one hand we derive a healthy revenue from the high tariff, the consumer of imported goods does not to any great extent have to pay the amount of the extra duties imposed, and the tariff, as it were, cuts with a double edged sword in our favor. But here we will give our readers a piece of important and interesting information. We state it authoritatively, as it must attract great attention. After the close of the Civil war there met in New York a number of distinguished American statesmen and merchants to discuss the question of the tariff and revenue. One Hon. gentleman made a statement the truth, force and necessity of which was at once recognized and approved of. He said substantially "1st. We must produce in this country all goods which can be produced under favorable circumstances here. 2nd. We want a large revenue to meet our enormous liabilities, and 3rd. We will derive it in a great measure from Great Britain, France and those countries which added and abated directly or indirectly the rebellion and imposed such burdens on us! How was this latter proposition to be achieved? By the imposition of a very high tariff on foreign goods which would compel the foreign manufacturer to reduce the price of labor to his operatives, reduce his profits, lower the price of foreign raw material. What was the result of that tariff? The British artisan was not paid in 1877 55c.—where in 1855 he was paid \$1 for his labor. Factories on all sides fell in Great Britain, having no sufficient market for their goods. An unprecedented crisis everywhere smote the country. The Americans derived their revenue from the sweat, the blood of British workmen, and they astounded the world by entering the European market, competing with the pauper labor of the East in some of the finest productions of steel, cotton, iron and other goods, and whilst they paid the enormous sum of \$872,000,000 in 1878 to their own artisans, they turned a balance of trade of \$163,000,000 against them in 1867 into one of \$305,000,000 in their favor in 1879, and paid off over \$700,000,000 of their national debt from 1867 to 1879—whilst at the same time they reduced taxation, principally internal, to the extent of \$160,000,000 per annum. Well might Bismarck remark, "I have tried Free Trade and find it a failure. I will now try Protection and see if it will be a success." Well, did Sir Charles Tupper say in his famous speech, "we must have either a reciprocity of trade or reciprocity of tariffs. Free Trade if you will, but not free imports on one side and a prohibitory tariff on the other." In England in 1717 the duty on iron was 7s 6d per ton; in 1828 it was £28 10s. Yet the price of domestic iron was only £10 per ton, and whilst the duty on foreign printed cotton was 9c per yard in the United States in 1843, the cloth sold for 7c per yard, or 3c less than the duty.

Having endeavored to remove from the minds of many certain misconceptions relative to the supposed onerous effects of the imposition of a protective tariff, and having tried to prove to our readers that it had a tendency to create a diversity of labor, stimulate home manufacturing industries, create a large circulating medium among all classes of the community, develop the moral and intellectual facilities of the people, and especially increase the purchasing power of the artisan in all branches of industry, we will now take up the effects of Protection on national prosperity in general. When deputation after deputation poured in on the ex-Finance Minister, laying before him a flood of facts, argument and reason, in support of a policy of Protection to domestic industries, to arrest the financial and commercial ruin which was everywhere overshadowing the land, the handsome gentleman with the waxed moustache invariably replied, "We are but flies on the wheel." We take issue with Sir BISSON as to the duty, powers and ability of a government to avert and arrest financial depression or disaster. Let us study the history of the crisis of 1837, 1847, 1857 and 1877, and we will find that it was importing too much, exporting too little, the overwhelming balance of trade on the wrong side of the ledger, which was the cause of our financial and commercial disasters. How was this the cause? There being large surplus stocks of foreign manufactured goods in the British and foreign markets, they were offered at very low prices. The customs duties were at times nominal and very low. Our merchants were persuaded by these inducements to make large purchases of foreign goods, much—greatly in fact beyond the requirements and consumption of the country. They were consequently tempted to give most improvident credits, and force them on an unwilling, overglutted market at ruinous rates, and the consequent result was that all over the country the mercantile community were unable to dispose profitably of their stocks, collect their debts and meet their financial engagements. Whereas had there been a protective

tariff on foreign goods, our importers having to pay the high customs duties they would have been careful to purchase only such quantities of goods as they could almost with certainty dispose of and at the same time the tariff would have stimulated domestic manufactures, thereby inviting capital, labor and immigration, creating a home as well as a foreign market for our surplus agricultural products, retaining in the country vast sums of money sent abroad to build up foreign labor, and the financial ruin which everywhere smote the land would have been averted. The dissenters from these opinions may point to the United States, and ask us what was the cause of the financial disasters in that country? The only great financial crisis in the United States, under a period of Protection, was from 1873 to 1875. The main cause of the financial disasters in that country was the depreciation in value by the approximation to a gold standard the uncertainty of the financial and mercantile community relative to the policy of the Government and the action of Congress, and the tremendous financial disasters which swept over the land, consequent on the results of that ever to be remembered "Black Friday," which spread ruin over the Republic and so immensely curtailed the purchasing power of the people even for domestic goods, and rendered the masses absolutely conservative in the matter of investments by the suspicious and uncertain which the calamities of that day engendered and involved. But what does Henry Clay, the greatest statesman that America ever produced say of the effects of Protection on the national prosperity of the Republic? Addressing the House of Representatives in 1824, "He declared that never in the history of the American Republic has there ever been such universal misery, want, financial and commercial ruin and disaster as from 1817 to 1824, under seven years of Free Trade, and addressing the Senate in 1832, he said that never in the history of the American Republic has there been years of such universal prosperity, aggrandizement and happiness as from 1824 to 1831 under a high protective tariff, and he added that whilst the opponents of Protection declared that it would be the ruin of the provincial, commercial and agricultural interests of the country, what did he find on looking at the official statistics? "That whilst the assessed value of real estate in New York was \$53,000,000 in 1817, it fell to \$52,000,000 in 1824 under seven years of Free Trade, whereas it rose under seven years of Protection from \$52,000,000 in 1824 to the enormous sum of \$98,000,000 in 1831." Daniel Webster, who made, as Gately said, the greatest speech ever uttered by mortal man in favor of Free Trade maxims, became a convert to protection in 1828, and never abjured his newly espoused doctrine. We had the honor of an interview with a very learned Catholic Bishop, who at one time, we believe, was a Protestant clergyman. On this occasion his lordship was asked how he accounted for the comparative want of material prosperity, the social degradation, the lack of national, mechanical, commercial prosperity, and other elements which enter into a nation's material and moral greatness and advancement in Catholic as compared with Protestant countries—instancing Mexico, South America, Spain, etc., etc. The reply given by one present on that occasion was as follows.—"You seem to in-quire, sir, by your question, that the comparative retrogression of these countries is a consequence of their religious faith. Allow me to impress on you the facts:—1st. That material prosperity is not the criterion of the divinity of any religion. This you will see illustrated in the history of the Jews, the chosen people of God, as compared with the Greeks, Romans, Assyrians or Persians. And 2nd, if you will study the history of Mexico, South America, France, Spain, England, Persia, United States, Germany, Turkey, etc., you will find among them a melancholy contrast. Melancholy in truth it is, but full of hope and full of instruction for it demonstrates with unmistakable clearness that whilst non-manufacturing countries which import rather than produce their own requirements are held down in relative barbarism and slavery, that it is to the creation of a diversity of labor, to the fostering of manufacturing industries, to climatic influences, to the development of man's moral and intellectual faculties, and not to his religious professions, that is due his material prosperity and pre-eminence. France is Catholic and protective in her fiscal policy, yet in all the elements of a nation's greatness she is the peer of any country in the world. Belgium has the same faith and the same conditions. Spain, South America and Mexico are Catholic, but their fiscal policy gives no guarantee to manufacturing industries, their wealth and influence is correspondingly diminished. Ireland, with her own Parliament from 1782 to 1800, under a fostering policy of home manufactures presented an era of unparalleled prosperity. Her population rose in these 18 years from 3,000,000 to 6,000,000, she subsidized manufactures to the extent of £200,000 in a single year. Yet the creed of her children did not arrest her progress during this epoch of prosperity, whilst Germany, under the guidance of even mighty Bismarck, has been a comparative pauper among the great powers. But the man of blood and iron soon discovered the cause of her poverty. Russia under a protective tariff is making wonderful strides in the march of progress, and, thank God, so is Canada under a wise Government.

Having expatiated on the effects of manufacturing industries, of a diversity of labor on the general prosperity of nations we venture to give our readers another illustration on this score. We will ask them to look at India, and inquire what was the result of the suppression of the cotton industries of that country?

India formerly supplied Great Britain, Europe and even America with manufactured cotton goods. When machinery was substituted for manual labor, when India began to import rather than produce her own requirements in this great domestic, what was the result? Thousands, yea hundreds of thousands were thrown out of employment, the industry was crushed, the labor market was overburdened, the myriads of artisans engaged in the working of the great staple, having no craft to earn a livelihood became the victims of misery, want and comparative slavery. Who reads the Eastern Empire the total of her own destinies as we have in Canada but she imposed a heavy customs duty on foreign manufactured cotton, she would have invited capital and machinery, that great branch of industry would have been sustained, her material prosperity would have been greatly enhanced, employment would have been furnished for hundreds of thousands of skilled operatives, periodical famines would have been unknown, and she would have become one of the greatest manufacturing centers in the whole civilized world. Let any one look to the Southern States of the American Republic, where agriculture is almost the only industry of the people, and compare their material prosperity, their social condition, their moral and intellectual status, with that of the Northern States, where there is such a diversity of labor, where many manufacturing industries everywhere cover the land. To the Northern States there is the largest emigration ever known in the history of the world; whereas with her illimitable fertile acres, fine climate, abundant resources, the South with her sole industry of agriculture, attracts comparatively few emigrants from Great Britain or Europe, and the same rule applies almost every country where like distinctions exist. Well did the great Calhoun observe that these things are essential to a nation's material prosperity, via commerce, agriculture and manufactures. Some financial statistics bearing on this great question will interest our readers. In the financial year from 1873 to 1879, the balance of trade in favor of the United States, under protection, was \$305,000,000. The balance against Great Britain under a free trade policy was £149,000,000 or nearly \$700,000,000. The balance of trade under the MacKenzie regime against Canada was over \$175,000,000. The amount on deposit to the savings banks of Massachusetts in 1878 was \$210,000,000—in Canada, less than \$14,000,000. The United States paid her operatives \$372,000,000 in 1878, and it is estimated she paid out over \$1,000,000,000 in 1890. A 6 per cent. loan of \$18,000,000 under a low tariff in the Buchanan Administration was six months on the market. To-day a \$500,000,000 4 per cent. loan is snapped up in a day. And whilst under the tariff of 1861 our six per cent. sold down to 96, to-day we can find a four per cent. loan at 99. The era of deficits is passing away under the aegis of Protection to domestic industries, and for the first time in a long period of our history we had a balance of trade in our favour of \$7,000,000 in the financial year ending 1st June, 1890! Everywhere the hum of industry, prosperity and wealth resounds through the land, all our resources of land and water transport are strained to carry our interchange, export and import of goods, products and merchandise. Occurrences of every kind have appreciated at an unprecedented rate, the purchasing power of the masses was never greater, the vision of the beggar and the tramp has vanished from our highways, and insolvency dwindled to a mere shadow! We are constantly reminded by the *Globe* of the misery the National Policy is producing in Canada by expatriating vast numbers of our population to the American Republic! Whilst we leave to the census to determine authoritatively an increase or decrease in our population we will take the *Globe* on its argumentum ad Amicum, and ask it whether our fiscal policy is exiling our fellow subjects to a free trade or protective country? And in connection with this great question we will give our readers a few emigration statistics.—In the first forty years of the history of the American Republic, which was essentially the free trade era, 375,000 emigrants landed in the United States from foreign shores. In the next forty years, which was comparatively, and in some respects essentially, the protective era, over 4,000,000 arrived in the American Republic. In 1856, 425,000 emigrants, or 59,000 more than in the first forty years of the American Republic, came to the United States. In a period of forty years 3,000,000 emigrants came to the United States from Great Britain. Of these 2,300,000 came from poor agricultural Ireland, and only 800,000 from England and Scotland, where there is so vast a diversity of labor. Of 1,500,000 emigrants who came from Germany and other parts of Europe three-quarters of them came from agricultural districts, showing that it was not from the manufacturing districts of Europe, but the agricultural districts that America derived her emigration, and as to the purchasing power of the masses under free trade and protective countries we have merely to note that one hundred emigrate from Europe and Great Britain to the United States to the one which emigrates from her shores.

We will now review and answer some of the most common objections to the effect of the present tariff on manufactured goods entering into the general consumption of the industrial classes of our community. Let us take up, in the first place, for example, cotton and sugar. Are these articles dearer now than under the MacKenzie regime, and is the present tariff the cause of such increase in price? We are free to admit manufactures of this kind cost more in Canada in '80 and '81 than '77 and '78. But they likewise cost more in the United States, Great Britain and Europe