

easily traced. You have only to consult the Trade and Navigation Returns to see that in those three years our exports grew in an enormous proportion as compared with the exports of the three preceding years. Taking the years 1877, 1878 and 1879 and comparing them with the three following years there was no less than \$65,000,000 worth of the natural products of this country sold in the three latter years as compared with the three former years. That is one of the elements of the prosperity that marked the three latter years. Had the National policy anything to do with the increased value of our lumber? Did it enable the people of the United States to buy our sawn lumber, or the people of Europe to purchase our square timber? I think no one will be rash enough to say that it did. Was it the cause of our selling more grain or selling it at a higher price? I think not. Taking the three items which are so important in our trade, the three "F's," farms, forests and fisheries, it will be found that eight-ninths of the money that came into this country in excess during the three latter years as compared with the three former years were due entirely to the sale of our natural products, and no man will venture to claim that the fiscal policy of the Government had anything whatever to do with these results. As was observed by the seconder of the resolution, when the tight times came it was natural to presume that there would be in the pockets of the people of this country, who had made those handsome sales, a sufficient margin at least to keep them from depression for a couple of years. When the depression came in 1874 we did not feel it much until 1876-77 and more in 1877-78. It is quite clear that under a normal state of things it is too soon for the pinching process to begin if our trade is in anyway crippled from causes that are outside of Canada. I maintain, and I say it is an incontrovertible statement, that Canada's prosperity is largely influenced by the policy of other countries, those who purchase her products. The demand in Great Britain and the United States governs our prosperity. We were told in 1879 that that condition of things had continued long enough; that we were going to rely on Canada for the Canadians; that we were not going to buy any more manufactures abroad; that

we were to provide home markets for the farmer, and the farmer was to buy the manufactures of the country. What has been the result? Has any such sequence followed as was predicted by the Government, and which was the aim of their fiscal policy? Not at all; we have been importing more largely during those years of prosperity when we were able to sell to foreign countries, and I have no doubt when the returns of last year come in, it will be found that while we were closing our cotton factories, shortening the hours of labor and reducing the pay of working-men, we were increasing the purchase abroad of the very goods that those men were engaged to produce, showing how utterly fallacious it is for Governments to rely on fiscal policies to change the true current of trade. It is said that there has been a partial falling off in the harvest. Is there any such falling off as to cause the tight times which we have experienced during the last few months? Is there anything in the reduced yield of the comparatively small quantity of wheat grown in Canada this year as compared with former years to account for the bad times? I think not. The agricultural products have been fair, with the exception of wheat. One hon. gentleman shakes his head; the section of country from which he comes has usually a pretty large hay crop to dispose of, and this year that crop has been considerably in excess of former years. I know it has been so in Eastern Ontario, and the crop of oats, etc., has been fairly up to the average. There has been no reduction of the quantity, at all events, to explain the shrinkage in the stocks of the country, or failures amongst business men. On the contrary, the solution of the question is to be found elsewhere. It is not difficult to see where it comes in, and I only quote it now to show how utterly fallacious is the presumption that the fiscal policy of the Government had anything to do with the creation of good times in 1881 and 1882. If they could give a market to us then, they ought to give us a market now. It is quite evident that there has been a very considerable amount of overtrading. I have before me the figures from a reliable source, the Commercial Agency, giving the number of persons in business in Canada who have failed during the last year, and compared