

was reached under a revenue tariff with duties of only 15 per cent. for the greater part of the time. It has been most conclusively shown that during the period of commercial depression our manufactures were more fully employed and were paying better dividends than were corresponding establishments in the United States, where an extreme protective policy prevailed, and it is demonstrable that the increase in business and the starting of new industries has not in the aggregate been greater since

THE REVIVAL IN BUSINESS

can be than would have been the case had a revenue tariff been in force, with raw material admitted free. It is possible, indeed, that high duties may have given a great development to the cotton and sugar refining interests, but this has been secured at heavy loss to the consumer, and has been fully counterbalanced by its depressing effect upon founders, machinists and agricultural implement manufacturers, through the increased cost of living, and the duties upon iron, coal and other materials.

CAUSE OF BAD TIMES.

The Tory press and leaders never tire of making the false and absurd charge that the depression existing between 1874 and 1878 was due to the policy of the Mackenzie Government. Had the depression been confined to Canada there would have been some color for the charge. But it originated in the United States, and spread over the whole commercial world. No change in the policy of Canada that could injuriously affect our interests was made. The Government was economical, the expenditure for 1878, its last year, being only \$186,842 greater than the expenditure for 1874, its first year,

EXPENDITURE UNDER THE MACKENZIE GOVERNMENT.

Year ending June 30, 1874..	\$23,316,316
" " " 1875..	23,718,071
" " " 1876..	24,488,372
" " " 1877..	23,519,301
" " " 1878..	23,503,158

The rapid increase of expenditure since Mr. Mackenzie ceased to exercise his honest and prudent leadership is shown by the following table of

EXPENDITURE UNDER THE MACDONALD GOVERNMENT.

Year ending June 30, 1879..	\$24,455,381
" " " 1880..	24,850,634
" " " 1881..	25,502,554
" " " 1882..	27,672,223
" " " 1883..	27,999,485

This shows an increase over the last year of the Mackenzie Administration as follows:

For year ending June 30 1879..	\$952,223
" " " 1880..	1,347,476
" " " 1881..	1,999,396
" " " 1882..	4,169,065
" " " 1883..	4,496,327

The supplemental estimates to May 5th, 1882, are included, but further estimates of large amount for 1883 will be brought down next session.

The only change made by the McKenzie Government, in the tariff under which Canada had prospered was an increase of $2\frac{1}{2}$ per cent. and other minor changes which all gave additional protection.

THE PANIC IN THE UNITED STATES

was chiefly due to the unproductive investments in railways and to the creation of manufacturing establishments greatly in excess of the requirements of the country—the latter due to extreme protection. It was aggravated and prolonged by an irredeemable currency unstable and fluctuating in value. So severe was the depression that 2,000,000 men were said to have been thrown out of employment. As the United States was the market for our barley and the chief market for our lumber, the depression and fall in prices there could not fail seriously to affect us. So serious was the decline in the prices of lumber that

OUR LUMBERMEN LOST MONEY

steadily for years. Many of them became bankrupt, and great numbers were driven to the verge of bankruptcy. The American troubles also brought on