

they would have done wisely—to make some more direct reference to the state of trade. At the same time I am not one of those who look to the Government to remove all the evils that arise from depression of trade, or that the Government is always to blame for the existence of such a state of affairs. The fact is, the depression of trade we have now in Canada has not arisen from what has occurred in the Dominion alone, but it is the flow of the tide that has spread throughout the whole commercial world. It would be folly to suppose we could escape, as we are largely engaged in commerce with other countries. I know a great deal is said in regard to the advantages that would arise to this country if a higher duty were placed on manufactured goods. Many do not confine themselves to that, but say a duty should also be placed on the raw products of our neighbors, and the reason they urge is that the Americans impose a high duty upon our agricultural products. What we have to do is that which will tend most to our own interest. The Americans will arrange their tariff as they please, not to please us. We may be satisfied in some respects they do themselves harm. Perhaps they do; perhaps they do not. We cannot control their policy. So long as we must have a revenue tariff, I believe duties should be so levied as incidentally to protect the manufactures of this country—nothing beyond that. I do not believe, though, that if the tariff on manufactured goods had been raised to 20 per cent, or even 25, it would have prevented the Americans from selling, in our markets, articles that had grown out of fashion at home—such as stoves, household furniture, &c. You might put on 30 or 40 per cent without preventing that kind of trade. So long as our own manufacturers produce a great deal more than we consume ourselves, and so long as we do not produce it cheap enough to sell in foreign markets to advantage, we must expect to suffer some from the general depression of trade, and no duty that could be imposed would prevent it. If we increased our tariff 2½ or even 7 per cent, this session it would not help us in the slightest. Protection stimulates production to an undue extent and the effect of it on the other side might be produced to a considerable extent in Canada. The great civil war gave rise to it there. They had to build a large number of railways and could not get iron from England fast enough. Furnaces and iron manufactures were established to such an extent that if they were all in operation during one month of the year, they would supply all that the

American market can buy for the present. This extraordinary state of affairs has been brought about by extraordinary events which may not occur again in our lifetime. There were 40,000,000 people engaged in the great civil war. The North produced material very rapidly; the South procured a certain portion from foreign countries and produced some themselves. England and Canada were engaged to some extent in running the blockade, and we sent our agricultural products largely to the Northern States. These they consumed, and also a very large proportion of their own agricultural products. These things went on, and the natural consequence was, it produced such a state of things that it acted upon all the commercial and manufacturing countries of the world. Immediately after the American war, the Franco-German war took place, and the consequence of all this was a great deal of money was put in circulation, speculation ran high, and, as might be expected sooner or later, the crash must come. And it has come. We feel it in this country; it is felt worse in the United States. They have a protective tariff there, but it does not prevent them suffering this commercial depression. We have not a high tariff, but we feel it, too. The only way to get over it is by individual effort. The Government should simply go on discharging their duty faithfully, effectually, economically and ably, and give the people every opportunity to work energetically, prudently and with economy, and I am satisfied this Dominion will rise out of its difficulties just as soon as any other country has done or can do. The resources of Canada are greater now than they were ten or fifteen years ago. The machinery we have for productive wealth is great. Our means of acquiring wealth are large. We are simply suffering that depression which is brought upon us by an extraordinary state of things, which may not occur again; something like the Russian war and the building of the Grand Trunk Railroad, which produced an unnatural inflation, over-production and over-importation. But these things must regulate themselves. So long as we have a credit system, and carry on great commercial enterprises, we must be subject to the fluctuations of commerce. All we have to do is to govern ourselves wisely, and manage with as great care as possible. With reference to our trade with the United States, my honorable friend (Mr. Wilmot) said it was a matter of regret that our importations from that country were double as much as our exports to it. But our imports were of such articles as our