

TESTIMONY OF A LIBERAL.

Upon this point we have the testimony of a prominent Liberal, long associated with the leaders of the party in the promulgation of the doctrine of unrestricted reciprocity. We refer to Mr. E. W. Thompson, for several years chief editorial writer on the *Toronto Globe*. Mr. John Charlton, M.P., having, in the course of an address at Toronto last January, sought to make it appear that ample revenue can be had under unrestricted reciprocity, without recourse to direct taxation, Mr. Thompson addressed a letter to the press, in which he said:—

“May not the reverses of the Federal Opposition be due to the apparent indisposition of Sir Richard and Mr. Charlton to nail Direct Taxation on a Great Scale to the masthead, when it flutters visibly enough? Up to the moment of reading Mr. Charlton's demonstration, I had supposed it safe to accept an estimate often editorially made by the *Globe* itself that the loss of revenue by unrestricted reciprocity would amount to fully \$14,000,000. Perhaps you will be kind enough to state whether the *Globe's* calculation now agrees with Mr. Charlton's. He admits that over \$7,000,000 annually collected on American importations would disappear. But he seems to ignore a consideration that the *Globe* used to say could not be honestly ignored, *i.e.*, the displacement of British and other old world goods by American goods. If American goods, which now compete advantageously here with European goods, could enter free of customs taxes, while British and other European goods could not enter without paying 30 or 40 per cent., would not American goods displace all others to so great an extent, that other \$7,000,000, or say \$14,000,000 in all, would be lost to the Federal treasury! I cannot think the *Globe* was wrong in that reckoning; yet Mr. Charlton did not seem to agree with it in the fine figuring he did before the Young Liberals. It may be true that the private gains of Canadians from unrestricted reciprocity would amount to vastly more than the loss of public revenue, but if \$14,000,000, or, to split the difference between the *Globe's* and Mr. Charlton's estimates, even \$10,000,000 would disappear from custom's income, what sense, to say nothing of honesty, could there be in asserting that Direct Taxation on a Great Scale would not be a necessary incident of unrestricted reciprocity.”

The truth is direct taxation is as certain to follow immediately upon the adoption of unrestricted reciprocity as night is to follow day.