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 J. B. Macdonald

# THE DOMINION WATCHMAN.

"NOT PARTY BUT NATIONAL INTERESTS."

Agriculture and Manufactures are the true sources of National Prosperity.

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## THE WEAKNESS OF SIR JOHN A. MACDONALD'S POLICY.

### THE STRENGTH OF THE TRUE NATIONAL POLICY.

The late election was a decision of the people of Canada whether they would have a protection or a free trade policy, whether they would have national or anti-national rulers. The *Chicago Journal of Commerce* describes the action of the people as "the first grand stride of the Dominion toward commercial independence."

Sir A. T. Galt's tariff of 1858 was a step in that direction, but it was not instituted for that purpose. The revenue did not begin to cover the expenditure. The deficiency in that year, as stated by Mr. Galt, was \$2,000,000, and that while there was "a large and influential party who advocate a protection policy, that it had not been adopted by either the government or the legislature."

The September election was the spirited uprising of an overwhelming proportion of the voters who, regardless of party affinities, have clearly made manifest their determination that Canada shall be for Canadians, that charity begins at home, that they will secure work for themselves in place of for foreigners, that Canadian manufacturers shall have employment, and the farmers a reliable home market for their products.

That was the great national question before the country; the spirit of right has prevailed. In the first conflict the Nationals have utterly routed the Anti-Nationals, but it is only the first step in the right direction. While we must unflinchingly hold what we have acquired, we must with the prestige gained push on to greater victories until we have demolished all the strongholds of our oppressors, those who devour by high rates of interest, and those who rob by fraudulent importations.

Then, by cheaper government upon truer principles and cheaper money upon a true national basis, an end being made of the importer who robs and of the manufacturer who cheats, Canadians will be delivered from the curses that are devouring all their substance.

The vital importance of pushing on to complete victory can be more fully perceived in the light of the information we further on give, which shows the weakness and inefficiency of Sir John's policy, which, good in so far as the tariff may be properly adjusted, will come as utterly short of restoring the country to true permanent prosperity as the high tariff of the United States has failed, because it has not been able to countervail the ruin in that country resulting from the enormous cost of government and the inefficient, contradictory and fraudulent system of currency. And no tariff arrangement in Canada will overcome the ruin accruing upon the country through a cost of government and load of

interest, which is devouring the wealth of the people nearly as fast as it is being consumed in the United States. To make this clear and to invite every Canadian patriot to be up and doing for the complete deliverance of his country, we will give a condensed exhibit of the financial position in the United States and Canada.

#### United States Finances.

Ample exhibits of the financial position in the United States has been furnished in previous numbers of the *WATCHMAN* that unmistakably prove that the cost of all their various governments has, for the thirteen and a half years from the close of the war, in April, 1865, to this time, been on an average about \$300,000,000 more annually than all the people earned after feeding and clothing themselves, which, for the thirteen and a half years is over \$4,000,000,000 more for the cost of all their various governments than the surplus earnings of the people.

Of the vast amount thus raised by loans, mortgages and other securities, more than \$1,500,000,000 was borrowed from Europe in 1871 alone. They claim to have paid over \$400,000,000 of their Federal debt in the period above given, but it is clear that for every \$100,000,000 thus paid off that they in other ways run in debt \$1,000,000,000, or ten dollars for every dollar paid off.

As examples of the way it was done, the *New York Tribune* furnishes a list of 127 cities which, in the first ten years of that period increased their municipal indebtedness over \$423,000,000, or about the amount of the Federal debt paid off in that time. It is easy to perceive that the increase of debt in all the municipalities, States and Territories of the Union would easily aggregate ten times the amount of increase in those 127 municipalities reported by the *Tribune*, or more than \$4,000,000,000. It is reported that the State of Illinois is in debt to the extent of \$20 per acre for all the land in it; and it was ascertained about a year ago, that in the county of Calhoun, in the State of Michigan, there had been \$5,450,000 of mortgages put upon the estates of that one county in four years. That is a type of the whole country, and as we have shown in Vol. 2, No. 2 of the *WATCHMAN*, the aggregate debts of the whole country is \$10,000,000,000. The *New York Shipping Gazette* some months ago gave the amount as \$9,952,870,027. The Hon. David Wells, in an exhibit furnished the Cobden Club, puts the losses of the war at \$9,000,000,000. The assessable wealth of the United States in 1860 was \$12,084,560,005. From that must be deducted the slaves, which assessed at \$300, the average Virginia prices, amounted to \$1,200,000,000, and \$218,813,942 acres of unimproved land at \$5 per acre, which should not be included as assessable wealth any more than the unsold lands or than the fish in the sea. The amount therefor would be about \$1,000,000,000 which proves that the net assessable wealth in the United States in 1860 was not quite \$10,000,000,000; therefore, it is clear that that

country is in debt to the full extent of its assessable wealth, for there was no increase during the war, and there could have been none since, with a cost of government \$300,000,000 more annually than the surplus earnings of the people, after feeding and clothing themselves. Therefore, any increase of wealth in the country since 1860 is not an increase of their national wealth, but of the wealth of other nations invested in their country, for the greater portion of which the people of the United States are in one way or other under dividend tribute to foreign people.

#### President Hayes and the Tax Payers.

President Hayes, in lately traveling over the States of the Union, has in his receptions repeatedly stated that the country was fast paying off its indebtedness, and at a rate which no other country has ever done. There is just enough truth in his statement to make it appear true, but it is certainly misleading, just as the monthly and yearly statements of their Ministers of Finance have been in that country ever since the war, that they were rapidly reducing their national debt; whereas, while through high tariff and excise they secured revenues to pay off \$100 of Federal debt, for every \$100 thus paid they run the people \$1000 in debt.

We offset the President's statements by a taxpayer's exhibit by the following official data, lately furnished by an American paper, as to the way they are getting out of debt:

Appleton's Encyclopedia gives the bonded debt for October, 1865, and John Sherman, Secretary of the Treasury, gives the figures for 1878, as follows:

Bonded debt in 1865.....	\$1,163,769,580
Bonded debt in 1878.....	1,863,633,850
Increase.....	\$699,864,270

It will be seen that the bonded debt has increased over one-half since 1865. While this debt has been increasing one-half your property has depreciated in just about the same ratio, and this makes the debt doubly oppressive.

Now look at the total debt. Mr. S. D. Horton gives the figures for 1876, and John Sherman gives the figures for 1878, as follows:

Total debt, Sept., 1876.....	\$2,203,903,616
Total debt, Jan. 1, 1878.....	2,233,902,682
Increase.....	\$29,999,066

An increase of nearly thirty millions in sixteen months. And the Davis Senate Committee report the increase for twelve months at \$24,000,000, which confirms the above figures.

The data above given amply confirms the exhibit of their position that we wrote in October, 1873, with the statements then made that there would be no return to permanent national prosperity until there was a reduction of at least \$300,000,000 annually in the cost of all their governments. Their scribes, and rulers, and financiers have every month since been predicting the immediate advent of better times, that they had got to the bottom and secured a sound foundation, but property has depreciated every day since; farmers, manufacturers, merchants and bankers, insurance companies, railroads and shipping, and every other true national interest has been continually sinking deeper in the bottomless financial abyss in which we showed the country to be immersed in 1873, and in which it will sink deeper and deeper until the cost of their governments is reduced fully one-half.