

pockets of Americanshipowners and insurance agents, and the Canadian exporter would not get probably more than four per cent. or from \$60,000 to \$70,000. The inference was that if a duty was put upon corn, this trade would be lost, whereas the fact was that the export of corn would go on just as easily in bond through Canada as it did now. Another statement equally wrong was that the Maritime Provinces could not have been induced to enter the Union if a protective policy was to prevail. The facts were entirely to the contrary. Near the time of Confederation the Nova Scotia Legislature imposed a duty of something like 50c. upon American flour. The Hon. Mr. Tilley's main argument was that Confederation would open to New Brunswick the great markets of the Dominion, not that it would give them to the Americans. Another undeniable answer was that if the people of Quebec and Ontario had apprehended that such an idea had ever been in the minds of the promoters of Confederation, the opposition to it would have been as intense as it was in the Province of Nova Scotia. They would never have submitted to Confederation based upon the destruction of the home trade. They found everywhere cropping up in the papers that "put off" of the free traders that in all probability there would be reciprocity with the United States. The time had passed for trifling with such follies as these. Every right-thinking man had come to the conclusion that the Americans were too wise and too far-sighted to give Canada any advantages in markets she did not now possess, especially as they had the benefit of our markets without giving anything in return. It was, however, within the bounds of possibility that if we shut out their products from our markets by a heavy duty they would have an inducement to concede something in order to gain something. His own impression was, that while the Americans gave the free traders every possible opportunity to talk big and make long speeches, they took care when forming their Governments that men holding free trade opinions should have nothing to do with the fiscal policy of the country, and he did not believe that in our time they would see a free trader controlling the fiscal policy of the United States. The main question for discussion by the Convention would be the depression of trade in Canada. Various reasons had been given for the depression, but it simply came to this, that some class or other could not pay their debts and were unable to incur fresh liabilities. Who were these people? The answer was very simple. They heard a great deal said about the fine crops this year, and that they were to put things right. Why, they had had as good

crops for the last ten years, and the farmers were better off than they ever were before. The farmers were less in debt than in any previous year. The farmer certainly was not in a depressed condition, and so far as agricultural produce was concerned, there was no question about it that this country had produce sufficient to make the best times they could desire, if upon that the prosperity of the country depended. Another class of people were the villagers, mechanics, and workingmen dependent upon manufacturers. Here would be found quite a different state of things; their trade or position was depressed financially, and they were suffering. The next thing to do was to discover the reason why the circumstances of this class were in a depressed condition. It was owing to an abnormal and extraordinary competition from the United States in manufactured goods. (Hear, hear.) In 1872 the Americans had begun to come down to hard pan, and when wages and the price of everything had been brought to a low point in 1873, they were producing as low as goods were ever produced in the world. While, therefore, their goods cost no more in depreciated currency than we paid in gold, they were able to send over their manufactures, and with the difference between gold and currency pay 14 per cent. of the duty, leaving only 3½ per cent. difference between their protection and our free trade. The result was shown clearly in the change of trade that took place between this country and the United States and Great Britain. In 1872-73 the imports from Great Britain were \$62,000,000, and in 1876-77 \$40,000,000, showing a decrease of \$22,000,000. The imports from the United States in 1872-73 were \$35,000,000, and in 1876-77 \$46,000,000, and this in the face of depression, and a reduction of \$33,000,000 on general imports. Now this increase of \$11,000,000 practically meant an increase of double the amount, because we had reduced our purchases to the extent of \$33,000,000, showing conclusively that American goods had come in and replaced our own manufactures. In the export trade the reverse was the case. In 1872-73 the exports to Great Britain were \$25,000,000, and in 1876-77 \$40,000,000, an increase of \$15,000,000. In 1872-73 the exports to the United States were \$36,000,000, and in 1876-7, \$29,000,000, a decrease of \$7,000,000, which meant that the American goods had shoved so much of ours out, and that we had been driven out of our own markets and compelled to send our raw material 3,000 miles away. The balance of trade, owing to the extraordinary state of the tariff, was now turned to seventeen millions against us. For fear that somebody might say that the in-

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