

## McINNES BROS. & CO., HAMILTON,

Will open on

Wednesday, the 8th of March.

Attention is directed to their

### CIRCULAR,

NOW OUT, FOR PARTICULARS OF

### DRIVES AND SPECIAL CHEAP LOTS,

Which will now be offered.

## McInnes Bros. & Co.

### THE MONETARY TIMES, AND TRADE REVIEW.

TORONTO, CAN., FRIDAY MAR. 3, 1876

#### THE FINANCE MINISTER'S EXHIBIT.

Whatever may be thought of the manner in which the Ministry have dealt with the vexed question of protection, it cannot be denied that they have taken a sensible and business-like method of dealing with the deficit which has arisen this year. It is not often that Ministers can bring themselves to cut down expenditure. The process is a most unpleasant one for private individuals, but it is ten times more so to those who administer the affairs of the nation. Diminution of expenditure means diminution of popularity, curtailment of patronage, and the raising up of enemies—all of which are excessively distasteful to men in public life. Naturally repugnant, as are the occupants of the Government benches, to encounter such unpleasant contingencies, they generally meet a deficit either by additional taxes or by borrowing. It is much to the credit of the present Government that they have adopted the safer, though the less pleasant alternative. That they are right will be evident when it is considered that such a diminution on the part of all classes of the people is the only way to recovery from the prevailing depression. We have all been living too fast. As we showed some weeks ago, we have been running deeper and deeper into debt for some years back. While we have produced less, we have spent more. We have

laid out an extravagant amount of money in non-productive works and buildings, and were in the way, if a sharp check had not come last year, to involve ourselves in such loads of obligation that people would have fled the country to escape the taxes. The remedy for all this, on the part of private individuals, is undoubtedly curtailment and economy. Every sensible man sees this, and all prudent people are adopting it. But what is good for the people is good for the Government. Without stopping any of those important public works which give promise of reproductiveness, Ministers are applying the pruning-knife in one direction and another until a sufficient amount is saved to meet the present exigency.

The Government find that they cannot avoid increasing expenditure in some directions. There is an additional sum of \$513,000 for interest on the public debt; that most seductive and ever-increasing item, than which nothing needs more constant firmness and watchfulness. It is the burden of interest that crushes nine out of ten of insolvent traders, and hampers governments unceasingly. The expenses connected with the Supreme Court are an additional item this year. Treaties with Indians of the North-West necessitate an additional \$63,000, and the balance of increase is made up of small items.

The items of decrease are as follow:—

Civil Government.....	\$ 27,000 00
Police and Penitentiary expenses	35,000 00
Agriculture and Art Statistics....	156,000 00
Immigration and Quarantine....	190,000 00
Militia .....	395,000 00
Works and buildings chargeable to income.....	1,701,000 00
Ocean and River Service.....	170,000 00
Lighthouse and Coast Service....	140,000 00
Boundary Surveys.....	100,000 00
Dominion Lands .....	170,000 00

These items amount to more than \$3,000,000, and when fully carried out the reductions will compensate for the reduced income. Exception may be taken to some of them, no doubt. Militia, agriculture, immigration, lighthouses, and coast service, are not desirable things to reduce in. And so far as the efficient carrying on of these departments of service is concerned there ought not to be reduction. But we all know by experience that the money-cost of a certain branch of expenditure may be largely curtailed without any diminution of its efficiency. It is here where true economy finds its work. Any body can cut down expenditure by reducing hands, stopping work, and cutting down salaries, but it requires the wise and practised economist to reduce expenditure by lopping off useless branches, making wise arrangements for work, and to re-organizing

a department that it shall be just as serviceable, while costing far less money. Men of business who have the control of large bodies of men know very well that this can be done. And it is a question whether many of the complaints that come from manufacturers should not be met in this way, i.e., by a better organization of the forces at their command, whether of machinery or men. We have yet to see whether the present Government is capable of this higher kind of economy or not.

There is then to be no increase of the tariff. The taxes are to be left as they are. And the reasons given for this course are certainly very weighty. The question of the tariff has a political and geographical aspect as well as a financial. And this is the source of all the difficulties which arise out of it. A national policy is one which is for the interest of all parts of the Dominion. But it does seem as if a policy especially suited to one portion of the country would not be suitable to another. Certainly some of the measures proposed by persons living in some localities would be very much opposed by those living in others. The Maritime Provinces are strongly opposed to any increase of the tariff, for the very good reason that it would increase the cost of the prime articles of their production. On the other hand, many branches of manufacture that have been established in Quebec and Ontario, and are barely profitable with the present tariff, give hope of increase and profit if the duty were raised to something like reciprocal proportions with the States. Then there is the old conflict between the interests of the agriculturalist and the manufacturer. This has raged at times with such severity in the States as to influence the whole course of politics. The farmers of the West have cried out against the grasping monopolists of the East for a couple of generations back, and we cannot forget that the question had largely to do with the tremendous conflict between the North and the South. The South is a producing region almost wholly, and has always been for free trade. They chafed under the protective duties imposed to build up the manufacturing interests of New England and Pennsylvania, for the same reason that the people of our own Maritime Provinces object to an increase of our own tariff, viz: that they directly increased the cost of producing their main staples. Every one that can remember the political conflicts that preceded the war will recall the bitter feeling generated by high tariffs. The desire to be able to impose such duties as were suitable for their own circumstances had almost as much to do with