

to this country to get the market furnished by a population of only four millions, even if we could assuredly give them this trumpery little market—trumpery in a manufacturing point of view. Even if we could by these artificial means make wages as high as in the United States, still we could only invite these people to a market of 4,000,000 against one of 40,000,000. Everybody could see from the reports of the British consuls how the cost of living influenced emigrants as to the country they would settle in. If, on the other hand, Canada made the cost of living cheap, it would induce those who wanted land, or to engage in the other great natural industries, to come to this country. They would come to get our fish, grain, minerals and lumber, because they could get them nowhere else so readily and so cheap; but these advantages would be greatly diminished, if their tools, clothing, and other goods were enhanced in price. It was true, the world grew wise very slowly, but he believed as it grew wiser the nearer it would approximate to free trade. The last tariff of France, for instance, was the lowest she had ever had before, and Germany had practically done away with a large mass of duties on manufactures, by the absorption of particular states with separate tariffs in a united empire. He did not think Canada should make a retrograde movement. A good deal had been said about the balance of trade, but he looked upon that as one of those conundrums which could not be elucidated, because they could never get at all the elements of it by the simple figures upon which the balance of trade is predicated. People were very apprehensive of the gold going out of the country; but the great Burke once puzzled a protectionist British House of Commons debating some such question as the present, by asking "Are not a hundred pounds worth of herrings worth a hundred pounds?" When we sent gold away we received its equivalent. Gold is only valuable as a means of getting other things which we want. When we have too much we send it away to get what we want still more. When we have too little we send other things to get it.

Hon. M. READ—The London *Times* says that is an evidence of debt.

Hon. Mr. PENNY said the remarks of the London *Times* were very proper as applied to loans, for the country that borrowed, and used up what it borrowed from one year to another, must, of course, become poorer, just as individuals become poorer, who expend more than they make. Unless loans were expended on productive

works, they would, of course, soon run themselves out. The House had been told that, during the late Administration, Canada had had a period of great prosperity, but during that time he found that we had the balance of trade against us. Now, Canada had a time of depression, and the balance of trade was a little in her favor. He would like to call the attention of the honorable member from Kingston to that fact. During the time of the great prosperity in the United States again, which was coincident to our own, the balance of trade was against that country, but now, during a time of great depression, the balance of trade was in their favor. So far as he was personally concerned in this matter, all his interests throughout his life had been in cities. But he did not believe in encouraging manufacturers at the expense of other classes of the community, and thereby, "killing the goose that laid the golden egg." Wherever there was a prosperous country there would be prosperous cities, but cities do not and can not make a prosperous country.

Hon. Mr. READ said the honorable gentleman must have been mistaken when he said the balance of trade was in favor of Canada since the depression commenced. In 1874 the exports were \$73,000,000, and the imports were \$74,000,000; in 1875 the exports were \$73,000,000, and the imports were \$117,000,000; in 1876 the exports were \$75,000,000, and the imports were \$85,000,000.

Hon. Mr. PENNY admitted he was mistaken about that, but, at all events, during the time of prosperity there were very large balances against us. It was, at all events, true that during the time of the great recent prosperity in the United States the balances of trade had been largely against them, whereas now the President had boasted in his late message that the balance of trade was in their favor. Yet, this was a time of deep depression. The balance of trade was always against Great Britain, and yet that country was always becoming richer. He considered that in all these questions they should come down to first principles. Now, he did not think any man had a right to dictate to him how he was to spend the money he earned with his own hands, or by his own talents. Any attempt to do so, or to turn the Government or the State into a universal providence, was nothing more than a piece of socialism; for though that was a word which would perhaps sound disagreeably in this Senate, he could see no difference between the principles of socialism and those of protection.

At six p.m., the House adjourned till eight p.m.