Causes of Depression

Remarkable Undertaking by Trade Quack Doctors.

They Undertook a Cure, But Failed Signally.

Humors of the Balance of Trade Fallacy.

Sir Leonard Tilley's Wondrous Prophecies and What Came of Them.

(Hon. David Mills at Delaware.)

Let us consider for a moment the causes of the depression which reached us from 1875 to 1880. We had, at that time, an insolvency act upon the statute book. There were official assignees in every country. We knew not only who failed, the amount for which he failed, the value of his assets, but the calling in which he engaged; and we found that those failures were mostly of the trading classes. Let me mention some of them:

	Failed in 1875 for
Fourteen coal dealers	$317,935
Sixteen commission merchants	487,613
One hundred and twenty-five dry-goods merchants	4,880,106
Thirty-two hardware merchants	3,064,159
Three hundred and twenty-seven general merchants	2,239,942
Forty merchant tailors	536,515
Twenty-eight jewelers	439.917
One hundred and twenty-two grocers	1,541,587
Four leather merchants	489,073
Two paper merchants	180,515
One sugar importer	128,109
One general importer	160,213
One crockery merchant	86,372
Twenty druggists	80,548
Twelve fancy drygoods merchants	167,773

Here, then, are 745 failures for $14,737,-487, which any increased taxation would necessarily have had the effect of hurting, and not helping, whatever might be its effect upon others. When you come to the manufacturers you find a very different state of things. There were

	Who failed for
Eleven iron founders	$324,235
Sixty-five boot and shoe makers	847,000
One safe maker	110,000
Three woolen manufacturers	30,687
Thirty carriage makers	210,400

Making in all 110 failures, for about $1,400,000, as compared with the mercantile classes, about one-seventh of the number, and one-fourteenth of the amount, so that you will see from what I have said that "Our State physicians, the 'protectionist' agents, who claimed at that time to possess such extraordinary skill, proposed a remedy not for the sick but for the well. They proposed to help those who had no need of aid, but those who were being overwhelmed by adverse fortune were to have the last chance of survival taken from them by having additional burdens put upon them. These State quacks admitted our great natural resources, they admitted that immense areas of country having a fertile soil and a fair climate were still unoccupied. They said what was not the fact that the country was in very deep distress, and they proposed to

DOUBLE THE TAXATION

that the people might be kept at home, and be enabled to prosper on account of these additional burdens." Let me point you to some of the things at which our opponents professed to aim, and you will the better understand how unfit they were to be entrusted, how ill they were qualified to be placed in charge of the supreme direction of public affairs. Sir, it is fortunate for us, and for the country, that ye have the yearly record of the declared objects and aims, the hopes and expectations of our political opponents in respect to the tariff. We may with propriety say: "Oh, that mine adversary had written a book, I would carry it upon my shoulder, I would bind it unto me as a crown." They can repeat: "I have made the land cry out against me and its furrows to weep together; I have eaten its fruit without payment, and have brought calamity upon its owners. Let thistle grow for me instead of wheat, and cockle instead of barley." Never has a party more explicitly testified against itself than our political opponents have in the House of Commons.

SIR LEONARD TILLEY,

in submitting to the House his first protective tariff in 1879, said:

"By the last return I have, which covers the year 1877, the balance of trade against England is shown to be $700,000,000 a year * * * But last calendar year showed the balance in favor of the United States had reached $300,000,000 a year. I think, then, without entering into a discussion here of free trade and protection, so far as it affects England and the United States, we may fairly conclude that the prosperity of the one country at this moment is caused by the large surplus in its favor, and the depression in the other by the large deficiency. Under these circumstances it appears to me we should turn our attention to the best means of reducing the volume of our imports from all parts of the world."

Could anything show better than this extract how totally unacquainted with the first rudiments of political economy and of foreign commerce the Finance Minister of Canada was? * * * I don't know that I can give you a better illustration of this fallacy than that presented by Webster nearly 70 years ago in the Senate of the United States. He said:

"Some years ago, in better times than the present, a ship left one of the towns of New England with $70,000 in specie. She proceeded to Mocha, on the Red Sea, and there laid out these dollars in coffee, drugs, spices, and other articles procured in that market. With this new cargo she proceeded to Europe; two-thirds of it were sold in Holland for $130,000, which the ship brought back and placed in the same bank from the vaults of which she had taken her original outfit. The other third was sent to the ports of the Mediterranean, and produced a return of $25,000, in specie and $15,000 in Italian merchandise. These sums taken together make $170,000 imported, which was $100,000 more than was exported, and is, therefore, proof of an unfavorable balance of trade to that amount in this adventure."

If the ship had foundered at sea the exports would have been $70,000 and the imports would have been nothing at all, and yet, according to Sir Leonard Tilley's view, the second transaction would evidence prosperity, while the results of the other points in the opposite direction. And the following year we find the Minister of Finance congratulating the House on the fact that our exports have at last become equal in value to our imports.

Now, let me say here, that when Sir Leonard Tilley spoke of the United States being prosperous and the trade of the United Kingdom depressed, his statement was at variance with the facts. The depression in the United States was much greater than in England, and it was to this fact that we must attribute the far greater shrinkage in values in the manufactures of the United States than in England at this period. Sir Leonard Tilley has spoken of the period of his retirement from office in 1873 as one of unusual prosperity, and that of 1878 of his return to office as one of very great depression. In effect he said in his budget speech of 1879: "We, gentlemen, made the country prosperous, Sir Richard Cartwright made it the very reverse. We are back in power to make you prosperous again. The country is ill; it needs skillful physicians; the task we have before us is a formidable one, but it is not one beyond our ability to accomplish." What, let me ask you, had Sir Leonard Tilley done as a Finance Minister before November, 1873, to make the country prosperous? What did Sir Richard Cartwright do subsequently to make it otherwise? The truth is that the extension of commerce, the activity of our trade, the stimulus which foreign demands gave to industrial pursuits here, were as independent of anything that Sir Leonard Tilley or those associated with him, did, as the coming of the day is of cock-crowing. When the communities with which we traded were engaged actively in commercial pursuits, we were in the current with them, and moved on satisfactorily; when they were depressed, and their industrial establishments were closed, and they no longer required what we had to sell, we partook with them in part in the industrial depression. Sir Leonard Tilley assumes that prices both at home and abroad are under the control of the Government and are regulated by fiscal legislation; that the country is in debt to the amount that its imports exceed in value its exports, and that it is the duty of the Government, and it is one of the things which he proposes to accomplish, to reduce the value of imports from all parts of the world, and in this way keep the country from commercial bankruptcy. Now, let me say to you, that ever since the provinces of British North America have become politically united, there has been a balance of trade against them, with the exception of one year. Our imports have nominally exceeded in value our exports by nearly $600,000,000, or about $22,000,000 a year. Where are our creditors for this large sum? Who are they who have had the folly to trust the importers of Canada for large sums which have never been paid? This, if true, might be very dishonest; but would it not rather militate against the prosperity of those who trusted us, and who have never been paid, than against the prosperity of those who buy and pay not? Does not everybody see, apart from the conclusive illustration which I have given you, that this cannot be so? England has, Sir Leonard Tilley admits, run behind, acording to his notions of political economy, $700,000,000 a year. At the end of ten years this means $7,000,000,000. If this were a correct view, instead of growing more wealthy she would become yearly poorer. Instead of lending money to other countries, she would be in debt to every country in the world. The decennial census which are taken contradict this theory. Her fixed capital annually increases. The income of her population becomes annually greater. Every return made contradicts the theory which our political opponents have attempted to act upon. The English nation are the great carriers of the world. Her increased imports represent not merely the value of her exports, but what she earns in the carrying trade, the profits upon her foreign commerce, and the interest upon her foreign investments. And when the United States returns showed that her imports fell short $300,000,000 of the value of her exports, it was not an evidence that she had received for her exports $300,000,-000 in cash. Her returns show that the export of gold and silver was, at the same time, equal to her imports of these metals. The United States have railways built with foreign capital; she has her commerce carried in foreign bottoms; a considerable portion of her public debt is held abroad, and when her exports exceeded, in value, her imports, it only proved that that excess was used to pay the interest on public and private obligations held abroad Permit me to again revert to the statement of Sir Leonard Tilley that under his first regime the country enjoyed an unusual degree of prosperity. At that time the value of our exports was less than the value of our imports by a sum varying from $22,-000,000 to $45,000,000. It was in the year 1880 that the trade of Canada reached the nadir of depression, and it was in that year that our exports exceeded in value our imports by $1,400,000. Since then the value of our imports has exceeded the value of our exports by $330,000,000; so I am quite sure that we shall never again hear another Tory Finance Minister gravely proposing to direct his energies to the correction of the balance of trade. Whatever else this is a subject which he is likely to shun, he may propose, and upon which he is sure to remain discreetly silent.

SHE IS DESERTED.

A Famous Woman Now Penniless and Dying in a Chicago Hospital.

CHICAGO, March 8.—Deserted by her husband, penniless and friendless, Mrs. G. W. Lee, whose marvelous rifle shooting won the plaudits of World's Fair visitors at Buffalo Bill's show last summer, now lies at the point of death in the county hospital, dependent upon charity. Only 23 years old, Mrs. Lee has seen more sides of life than falls to the lot of most of her sex. Until last summer Mrs. Lee was Miss Fannie Desmond. Her brother is Wm. Desmond, the chief of the St. Louis detective bureau. Chief Desmond's fame has spread beyond the borders of his native city through his successful fight in breaking up a dangerous gang of Chinese highbinders, whose desperate deeds terrorized for a time the entire city. His sister Fannie was his greatest aid in his struggle with these highbinders. She it was upon whom the chief relied more than upon his oldest and best tried detectives.

CASTOR OIL FOR HICCOUGHS.

Then an Emetic, and Both Seemed to Save the Man's Life.

NEW YORK, March 8.—The physicians of the Chambers Street Hospital on Tuesday for the first time in their experience tested a case of hiccoughs whereof the patient was in danger of dying. Morris Vitestone, 23 years old, of No. 22 Chatham Square, was taken sick several days ago with stomach trouble, and suffered great pain until early Tuesday morning. Then for a while he felt much better. At 8 a.m. he was taken with a fit of hiccoughs, which increased in violence as the day wore on. At 1 p.m. the man was nearly dead from suffocation. An ambulance took him to the hospital. An operation was thought necessary to save the man's life, but it was abandoned when it was found that a strong dose of castor oil gave relief. An emetic was given later, and at night it was said he would probably recover.

One of the doctors said that had the patient arrived an hour later at the hospital his life could not have been saved.