

ginning of their fight for protection, and 1878 witnessed its triumph. In that year the Finance Minister put the seal upon his own lack of energy and enterprise, by comparing the Ministry to the officers of a ship, which had to lie to in a storm, while the people decided that a change was necessary, and a more progressive policy essential. With the return of Sir John A. Macdonald to power, a new fiscal era was inaugurated, one which stands out with distinctness upon the canvas of our national history. Opinions have very strongly differed as to its success or failure. Criticism has been severe and censure plentiful, but the facts as exhibited in the trade and navigation returns, and in the various official figures of the country, are the safest guides to inquiry, and the most honest source of information. Without any expression of opinion, I propose to let these tell the tale, merely premising that the National Policy, so-called, should be judged in its entirety, and as including the building of the Canadian Pacific Railway, the development of our canals, the practical creation of the North-West, and the extension of ocean communication, as well as in the promotion of industrial and commercial activity by means of better fiscal regulations. The most immediate change noticeable in 1879, after Sir Leonard Tilley had introduced his Budget and the new policy, was a decided improvement in the general condition of business. Confidence was restored and enterprise revived. The soup-kitchens disappeared and with them seemed to go that spirit of hopelessness or listlessness so injurious to any people, but especially so to a young community such as that of Canada. It was not altogether the tariff, but the mere fact of a strong, vigorous government with a mandate from the people having taken things in hand, which served to help business and trade, before even the schedules of the tariff were guessed at outside the walls of the Finance Minister's private office. Apart from improvement in business, the first pronounced effect of the new regulations was a growth in external trade which has since been maintained, and in late years materially increased. In 1878, our exports were

\$79,323,667; in 1892, they amounted to \$113,663,375; in 1878, our total imports were \$93,089,787; in 1892, they were \$127,406,068. This gives an increase in trade of nearly \$70,000,000. In 1878, our trade with Great Britain was \$83,372,719; last year it rose to \$106,254,984, and is annually increasing. Similarly our trade with the United States rose from \$73,876,437 to \$92,125,599, but is now decreasing yearly. With France, our commerce jumped up a million dollars; with Germany, six millions; with the West Indies, three millions and a quarter; with China and Japan, nearly three millions; and with other countries about four millions. As regards trade, we may therefore divide the fiscal history of Confederation into three distinct periods, which, owing to the causes already noticed, group themselves into the following table, by which the relative progress may be seen at a glance:

Incidental Protection, 1868-72, increase \$63,000,000
 Revenue Tariff, 1873-79, decrease..... 63,000,000
 Moderate Protection, 1880-92, increase... 67,000,000

An expanding trade naturally promoted development in other directions. People began to save money, and while buying more goods abroad deposited much more at interest in the banks of the Dominion. In 1868, such deposits had been small and almost nominal—\$32,000,000. By the 30th June, 1878, they had risen to the total of \$79,197,510, and on Dec. 1st, 1892, the total reached the large sum of \$222,997,404, an increase of \$140,000,000 millions in fourteen years. These figures include, of course, the Post-Office, Dominion and other savings banks, as well as deposits in the chartered institutions. Another result was a redundant revenue, and large surpluses, excepting in the two years 1885-6, when an abnormal war expenditure had to be met. The situation during the three tariff periods may be seen by a glance at these figures:

YEAR.	REVENUE.	EXPENDITURE.
1868	\$13,687,928	\$13,486,092
1872	20,714,813	17,589,468
1879	22,517,382	24,455,381
1891	38,579,311	36,343,568

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To be continued.

