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FACTS FOR THE PEOPLE.

TWO TIMES OF DEPRESSION.

The Old Tariff Period and the New Tariff Period.

HOW THE N. P. OPERATED.

Canada does Better in a Time of Depression than any other Countries.

AND IT WAS THE N. P. THAT SAVED HER

Sad experience burned deep into the hearts of men the facts of the severe depression in trade felt during 1875, 1876, 1877, and 1878. Those facts need not be recounted. They are still fresh in the minds of the people of Canada. The world at large felt the depression of that period. But the depression of the period 1883-85 was much worse, more wide-spread, cutting deeper into the roots of national prosperity, than the previous depression. Let us prove this. We quote from pamphlets published by established authorities on trade matters.

WHAT THE AUTHORITIES SAY.

Paul Leroy Beaulieu, the eminent Belgian authority, a few months ago published an elaborate investigation into "the causes of the present commercial crisis." He says: "The whole world has been suffering for two years under an intense commercial crisis. Hardly any country has escaped the stringency . . . All kinds of commercial activity bear witness to a universal languor. The railways show diminished receipts over all the European continent and in the British Isles. The foreign commerce of France has declined for five years during which time the valuation of imports has diminished by 18 per cent, and that of exports by ten and a half per cent. England also is struggling against difficulties of a similar character. Italy, where the financial management in later years has been excellent, has had to pay a tribute, though in smaller proportionate amount, to the general depression. Germany has not a check in the speedy race to wealth which it proudly thought it was making. In the United States, the exports have fallen two hundred million dollars since 1880. The Argentine Republic also is obliged to struggle against grave financial and commercial embarrassment. We may consider then that all nations are afflicted with commercial depression."

ENDORSED BY LEONE LEVI.

A. M. Goadley in his prize essay (1885) awarded 100 guineas, by Leone Levi, says: "The depression is widespread. It is as keenly felt in America as it is in Europe. One hundred and twenty-one banks failed there last year and business failures amounted to £50,000,000. Agriculture is suffering in the United States quite as much as it is in Germany, France, Austria and Russia, if not quite so keenly as it is in England. The American iron trade is no better than our own English trade. The French silk trade is not more prosperous than the English cotton trade and the same may be said of a large number of other industries. If we look at the large towns as indexes of miscellaneous industries or as representing the centres that attract unemployed labor, the same sad tale has to be told. New York is as badly off as London, Paris and Lyons are; as full of discontent as Berlin and Vienna. The almost universal

fall of prices is a revelation to us that general causes are at work operating over large areas."

William Watt, also one of the winners of the 100 guinea prize for the best essay on the present depression of trade, says: "A period of depression reached its lowest point in 1867 or possibly in the early part of 1868, and from the low water mark of that time a continuous rise took place till 1873 when the culmination took place and recession again began. The backward movement then continued for five or six years. In 1879 the tide once more turned and there was a rapid advance in 1880; then a pause, followed by a further great expansion and too soon came the reaction of which it is to be feared we have no yet (1885) seen the end."

Montgredien, Medley and a dozen of other authorities agree that the latter depression has been worse than its predecessors. Professor Fawcett considered that the industrial depression began in the closing months of 1874 and has continued. Wallace in "Bad Times" says: "During every succeeding year it has continued to be felt with more or less severity."

WHAT WE HAVE ESTABLISHED.

We establish this point that the general opinion is that the depression of the period 1883-85 was the worst ever known, far exceeding that of the period 1875-79.

How did the N. P. act in Canada during that period of deepest depression in all the great industrial nations of the world? We appeal confidently to facts, which show that the people of Canada hardly felt more than a pause in the business activity of the country. There was more or less of languor in business. But while other nations entered the black cloud of depression, Canada barely touched the fringe. While in the period of slight depression throughout the world under the old tariff things went generally to the bad altogether, in the severer and more general depression period of 1883-85 the worst that could be said was that money was not made as rapidly as in the brighter period of 1880-81. Let us compare 1878 with 1886 where practicable and with 1885 when the statistics of 1886 are not to be obtained.

WHAT THE FAILURE RECORD SHOWS.

Failures in business are bad for the general community. They cause loss to the creditor, injury to solvent traders in the same line of business, and suffering to all who lose or are kept out of their money.

During the comparatively slight depression of 1875-79 the failures were 9,187, with total liabilities amounting to over 133 million dollars. During the period 1882-1886, when the whole world was in a deeply depressed state, the failures in Canada were 5,971, with total liabilities of 62½ million dollars; that is, with 30 per cent. more traders than there were doing business in the 1875-79 period, the number of failures under the N. P. during the deeper depression was 64 per cent. less, the amount of liabilities was 56 per cent. less and the average per trader was 34 per cent. less.

This fact speaks, in trumpet tones, in favour of the N. P. as a sure and safe guide in the storms of depression and disaster.

TAKE BANK STOCKS.

Investors are interested in these. Many families derive their income wholly from investment in banks. Thus the tradesman, the butcher, the baker, the farmer, the clothier and all who make their living by supplying families are deeply interested in having these families retain their incomes to the full.

Highest quotations of bank and other stocks in the years 1878 and 1886.

	1878	1886
	Old Tariff Period.	New Tariff Period.
Montreal bank.....	178	241
Ontario bank.....	97	123½
Merchants bank.....	99	135½
Molson's bank.....	101	145
Toronto bank.....	140	218
Commerce.....	118	184½
Eastern (now Bank) bank.....	107	132
Union bank.....	82	95
Hamilton bank.....	101	138
Dominion bank.....	121	223
Jacques Cartier bank.....	55	71
Federal bank.....	105	131
Imperial bank.....	102	133

TAKE MISCELLANEOUS STOCKS.

There were not a great many of these in 1878 compared with now, a rapid has been the development of the country under the present system. We find the following in a Montreal stock list which can be compared:

	1878.	1886.
Montreal Telegraph.....	124	132
Dominion.....	85	84½
Montreal Gas company.....	158	234
City Passenger railway.....	84½	250
Richelleu & Ontario Navigation company.....	88½	88½
Royal Canadian Insurance company.....	83½	100

BANK NOTE CIRCULATION.

When business is brisk notes (bank and Dominion) circulate freely; when business is slack these get back to the banks as fast as they can. In times of depression they hurry back "at the double" as military men would say. They are the very best indicator of the state of business at any given time.

At the end of October, 1874, the circulation required for the daily actual business of Canada was 32½ million dollars. At the same date 1878 it was 25,200,000 dollars. It began at once to run up under the N. P. and in October 1882, it was 43½ millions. When the depression in outside counties was at its worst in 1884 Canada felt the effects and the circulation went down to \$39,400,000. It recovered the next year and was \$40,100,000. Last December it was \$43,600,000.

It will be seen that during the slighter depression under the old tariff the circulation went more than ten million dollars below 1874, while at the worst period of the deeper and more general depression outside of Canada the circulation only went four millions below the best year of the new tariff, and was at the lowest point in the latter period fourteen millions higher than at its lowest point in the earlier period; it was ten millions higher in the worst year of the new tariff period than it was in the best year of the Cartwright period, and nearly seven million dollars higher than during the "booming" year of 1874.

THE DISCOUNTS

In 1874, before the depression period, the loans and discounts for September and October averaged \$145,000,000. They went steadily down till in 1878 they were only \$131,000,000. They sprang up under the new tariff in 1881 to \$148,980,000 and in 1882 reached \$174,560,000. Under the influence of the deepest depression the general world has ever known they dropped in 1885 to \$58,870,000, but sprang up again in 1886 to \$167,380,000. Again it is to be noted that the lowest amount in the deepest period of the last depression is over thirty million dollars more than the lowest in the slighter general depression and twenty millions more than the highest of the Cartwright depression period, and fourteen million dollars more than in the booming year of 1874. The N. P. stood a firm and trusty friend to us and prevented other countries from destroying our home trade and manufacturing industries.