

No. 24. PROSPERITY! PROSPERITY!

Earl Derby's Tests Applied to Canada.

THE TEA AND SUGAR TESTS.

"We (Liberals) have a firm belief that the tariff that is now in existence, or any protective tariff must necessarily be ultimately a serious mischief to the country. Protection as a system is a relic of barbarism."—*Hon. A. Mackenzie.*

Lord Derby, speaking in Liverpool, Eng., not long ago, undertook to show that though in England trade had been bad and profits small and that many people had lost money and not many had made money, yet the community had not suffered so greatly as many persons supposed during the terrible depression of 1883-86 (which Canada, thanks to the National Policy, scarcely felt at all.) He said: "We are not left to mere guess work in this matter. We are able, by means of the published statistical returns, to keep our fingers, as it were, on the national pulse." The statistical returns to which he referred as the finger with which to feel the national pulse were those relating to the consumption of tea and sugar and the returns of savings banks deposits. His proposition was:—"The people of England, suffering acutely though they are from the terrible depression, are not as bad off as they might be. The reserves of accumulation have not been drawn on. They have not begun yet to pinch the tea and to scrimp the sugar. Nor have the deposits in the savings banks begun to diminish."

THE OLD TEST.

The test is a fair one. Let us apply it to Canada. In 1878 the imports of tea for home consumption were 14,557,851 pounds. In 1879 they were 11,019,231 pounds. In two years, during that doleful period when Sir Richard Cartwright was doggedly maintaining that a protective tariff would plunge Canada into a bottomless abyss of ruin, the home consumption of tea fell more than 3,500,000 pounds. That is, there was over three-quarters of a pound of tea less used per inhabitant in 1879 than in 1878. The inference statisticians would draw from this fact is that the people had got so poor that they had even to curtail their expenditures in the great popular luxury.

How does it stand in the years of the National Policy? Under the slight depression of 1876-9 we have seen the effect. If the National Policy, as Sir Richard Cartwright and all the rest of them contended, were worse than useless, a drag upon the people instead of a help, a curse instead of a blessing, then its evil effects would have been felt most keenly in the depression of 1883-6, which (outside of Canada) was the severest the world has ever known. The importation of tea would have gone down below the year 1878. What would Lord Derby find the state of the

NATIONAL PULSE

to be by investigating the tea returns of this period? In 1893 the imports of tea for home consumption were 17,917,509 pounds and in 1895 (when like 1878 they should have gone down tremendously if the National Policy was no good) they were 18,463,250 pounds.

In 1878 the people were only able to buy and use two pounds and three quarters of a pound often, per head. They had to pinch in the tea caddy as well as everywhere else. The penury of the period invaded the tea chest.

In 1885 and in 1886 the people were so

well off that they were able to buy and use yearly nearly four pounds of tea per inhabitant, coming close to the English standard and considerably above that of the United States. Our people have not had to scrimp the teapot and sternly repress every desire to make the tea a little stronger and carefully consider how much more water the tea leaves would bear without losing the flavor of Japan or Souchong. This, though, is what they had to do in 1878.

Yet Sir Richard and Mr. Blake, doubtless thinking that drinking the "cup which cheers but not inebriates" is a bad habit, want the people to return to the old tariff short allowance of tea, which would deprive every woman, child and man in the country of the extra one and a quarter pounds they have been able to buy and use of recent years owing to the improved condition of the country under the National policy.

THE SUGAR TEST.

Now take sugar. In 1878 the import for home consumption in Canada was 109,500,000 pounds. In 1879 it had dropped to 105,223,280 pounds. In 1885 it had increased to 180,810,425 pounds. In 1878 the consumption of sugar of all kinds was 28 pounds per head of the population. In 1878 it was 25 pounds per inhabitant, and in 1885 it was 39 pounds. Lord Derby and other statisticians would see in these figures the sure fact that in 1878 the people of Canada were too poor to pay for the amount they had used in 1878. They would at once enquire, "What blight came over the land?" We who have experienced it would say: "The Cartwright tariff blight." In 1885 and in 1886, though trade depression was a severe epidemic in other countries, Canada, protected by her tariff, was a veritable land of Goshen, whose people were able to pay for the popular luxury without having to stint themselves or weigh every ounce and save every spoonful as they did in 1878. Mulhall says, "as a general rule, the consumption of sugar per inhabitant is regarded as an indication of the public wealth." The rule holds good in Canada, and instead of the experience being that of rapidly decreasing wealth and shrinking income as under the old tariff, the experience under the protective system is that there has been an increase of wealth and income equal to nearly 60 per cent. in 1885 as compared with the condition of the country in 1878. No wonder the people cling to the National Policy, and praise and support the party which introduced it and have been its friends when its assailants were strong-kneed and vehement in attack.

THE THIRD TEST.

Now take Lord Derby's third test—the savings on deposit in the savings banks. In 1878, as compared with 1876, the deposits in such savings banks as the Caisse d'Economie and the Montreal City and District Savings banks showed a very considerable decrease. There can be no doubt that these savings banks are solely for the savings of the poor. It cannot be urged against them that the rich use them, as has been urged against the Governmental and postal savings banks. The decrease in these two—the Caisse d'Economie and the Montreal City and District Savings banks—in 1878 compared with 1876—was \$1,422,000. In 1885 the increase in these same two banks over 1878 was nearly \$2,500,000.

Now take the Government savings banks. In 1878, the increase in the deposits over 1873 was equal to 20 cents per head. In 1880, the increase over 1878 was equal to 52 cents per head. In 1885, it was equal to \$4.42 per head over that of 1880, or nearly \$5 per head over 1878. If you want to con-

trast the two periods you have the material; 20 cents per head of an increase in the old tariff years; \$5 per head in the protective period; and this, notwithstanding that in the Government savings banks the limit allowed to depositors had been reduced more than two-thirds of what it was in 1878.

Taking all deposits representing savings in all the various banks—including chartered banks and building and loan investment companies—the savings which had been nearly stationary during the old tariff period, have during the protective period risen from \$54,000,000 in 1878 to \$123,000,000 in 1887. Since June, 1885, they have increased more than the increase in the whole of the old tariff period. That is, the country is doing so much better that, though outside countries were suffering more severely than ever before through general depression, the savings banks' accumulations have been greater in the last twelve months than they were in the whole five years of the Cartwright tariff. In effect we did five times better in a dull year like 1886 than we did in the whole five years of the old tariff.

Employing the statistical returns by means of which Earl Derby sought to show the mechanics of Liverpool that the resources of England have not yet been vitally touched by the deep depression of recent years—putting these

STATISTICAL FINGERS

on the pulse of Canada we find that the low state of health called poverty prevailed under the old tariff, when everything went to rack and ruin; that the tonics of the new tariff restored the health of the people and gave increased and rapidly increasing wealth and prosperity.

Yet the opponents of the National Policy ask the people not to think about these matters—these minor details of bread and butter science; not to bother about looking to see which side the bread is buttered on; not to bother about such subjects as tea and sugar and savings put away for a rainy day; not to distract their attention by thinking about the "paltry" considerations of plenty to eat and plenty of money wherewith to buy the popular luxuries of tea and sugar; not to recall their sad experiences of the old tariff times; not to call to mind the fact that wages are higher and groceries, clothing, fuel lower than they were in 1878; but to give their undivided attention to a variety of other questions, which do not in the least degree concern the pocket. The Opposition ask the people not to discuss the tariff which has wrought such a marvellous change in the condition of the people, but to put out the tried friends of that tariff and put them in, because some Indian bands straggling across the frontier were on one occasion half starved for a week; because some M.P.'s have had to push forward railway enterprises by contributing their own money and securing governmental aid; because there was a readjustment of some Ontario constituencies that did not please a chronic fault-finder like Sir Richard; because there has been an increase in the public debt, for needed and useful railway development, though not in the burden imposed in the shape of interest. It is a sort of out-of-your-nose-to-ape-your-face idea that the Opposition in the Federal Parliament are propounding. Any change from the long tried trusty friends of the National Policy to unconstructed old tariff men, to half hearted, late converted, much promising friends (?) who have had to perform a juggler's volte-face on the question of Protection—any such change would be detrimental to the National Policy. Such a mistake, if made, cannot be remedied for five years. Remember that.