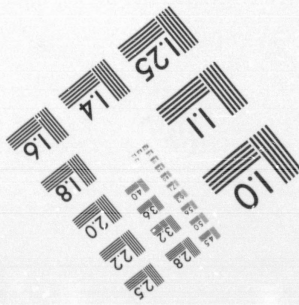
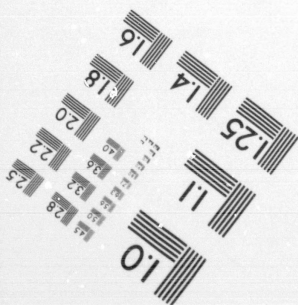
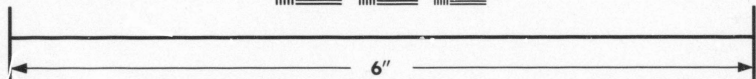
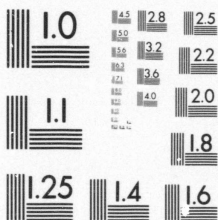


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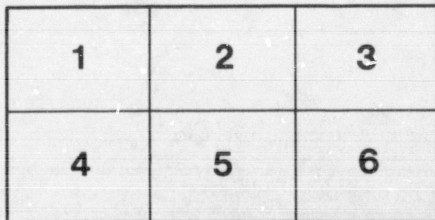
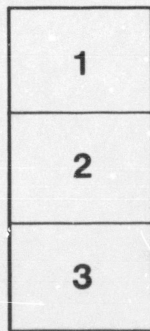
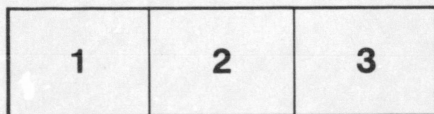
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# SPEECH

DELIVERED IN THE HOUSE OF COMMONS ON MOTION  
TO GO INTO COMMITTEE OF SUPPLY

BY

## JOHN CHARLTON, M. P.

(NORTH NORFOLK)

ON THE

### PROTECTION QUESTION

IN REPLY TO

SIR JOHN A. MACDONALD'S AMENDMENT.

SESSION OF 1878.

OFFICIAL REPORT.

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#### HOUSE OF COMMONS.

*Friday, 8th March, 1878.*

#### SUPPLY—THE BUDGET.

MR. CHARLTON said he must certainly characterize the resolution moved the previous evening by the right hon. member for Kingston as being a most remarkable document. It was a resolution which dealt with vague generalities, which made delusive promises, which took the absurd position that legislative action could be shaped so as to reconcile conflicting interests. When he heard the hon. gentleman read that resolution and his statement that, by a readjustment of the tariff, they could benefit and foster the agricultural, the mining, the manufacturing and other interests of the Dominion, he was reminded of a story which he had once read. A candidate for Congress in the State of Kentucky—whose object was the same as that of the right hon. gentleman,

namely, to get into office—in his address to his constituents promised that, if they would elect him to the position which he sought, he would abolish taxation, he would increase the revenue, he would marry all the widows in that district, become a father to all the orphans, and, if his constituents desired, he would provide a river of brandy, water and sugar. (Laughter). His promises would be as easily redeemed as the promises of the resolution. The right hon. gentleman, in the course of the speech with which he favoured the House, challenged any person present to point out any nation which had risen to greatness through the principles of Free-trade. He was not very familiar with the fiscal policies of the various nations of antiquity or the middle ages, but, if he was correctly informed, Protection, it would be found, was a theory of very recent growth. And, if Rome and Carthage were great commercial states, if Tyre was a great com-

mercial city, if Assyria was a great commercial empire, those cities, those empires, those states, rose to greatness without the benefits of Protection, rose to greatness through the principles of Free-trade. Protection came into existence in the 17th century, and it was passing out of existence in the 19th century. It was not to the credit of Protection that it came into existence so late, and was passing out of existence so soon. It was an anomaly, and a sign of decrepitude. The right hon. gentleman had gone on to say that England once had a tariff which gave her the sole control of her home and colonial markets, and would never have attained her present position but for Protection; that, when her manufacturing interests were secured, she would consent to open her markets to the world, if other nations would open their markets to her.

#### England's Growth under Free Trade.

In 1820, the exports of England amounted to £36,000,000; in 1842, at the end of her protective period, her total exports were £47,000,000; but to-day, her exports exceeded \$1,000,000,000. England's rapid advance to the position of a great commercial nation, dated from the period when she abandoned the principles of Protection, and adopted the principles of Free-trade. Since she abandoned Protection, during the brief thirty odd years that she had been a Free-trade nation, her imports and exports had so increased that she had risen to the rank of the greatest commercial power that now existed or that ever had existed, and she owed that proud position to the benefits and blessings of a just and proper trade policy. (Hear, hear). They had been told by the right hon. member for Kingston (Sir John A. Macdonald), that a cry was now raised in England against the admission of American goods. Did any well informed commercial gentleman in this House suppose that the importation of American goods into the English market had been able to attract more than a passing notice from English manufacturers? He (Mr. Charlton) would venture to say that the importation of American goods into English

markets would scarcely supply the stock-in-trade of half-a-dozen good-sized wholesale houses. Were the English trembling for fear of being supplanted in their own market in consequence of that small proportion of the total exportation of but little more than \$1,000,000 worth of iron, or of but little more than \$300,000 worth of woollen goods, which went from the United States, abroad, yearly. The export trade of the United States to England was a mere bagatelle, and he ventured the assertion that the invoices of goods which had been sent to England had been sent there—in regard to cotton, woollen, and iron goods—by American exporters at a loss, for the purpose of producing political effect in the United States. The right hon. gentleman (Sir John A. Macdonald) had indulged in a prediction. He (Mr. Charlton) had no doubt that, if the hon. gentleman had lived in days gone by, he would have been found, like Saul, among the prophets, although he doubted whether he would have made a very creditable figure among the Old Testament worthies. (Laughter). However, he had indulged in the prediction that the Protection cry would carry in England; that many of them, now living, would survive to see the day when England would again adopt principles of Protection. He had made another asseveration, that no nation had risen to greatness with one industry alone. He (Mr. Charlton) was inclined to agree with the right hon. gentleman. It would be a very singular nation that had but one industry. He had never heard of such a nation; but, if such a nation existed, it was not likely to rise rapidly in the scale of national greatness. The right hon. gentleman had told them that Russia, a power enjoying the advantage of Protection, was underselling English goods in neutral markets where they met on equal terms. He was sorry that the right hon. gentleman in this case, as in the case of his resolution, was a little indefinite. It would have pleased him (Mr. Charlton) very much if the right hon. gentleman had designated the markets and the countries where Russian and English goods met on equal terms and the Russian goods were underselling the

English goods. It was true that, in the markets of interior Asia, in the countries bordering on the Caspian Sea, where the peoples could only be reached through Russian territory, Russian goods sold simply because all other goods were excluded from those markets; and it was probably to those markets that the hon. gentleman alluded. But he (Mr. Charlton) denied that Russia met England in any neutral market and undersold English goods; and he challenged the right hon. gentleman, or any other member of this House, to show where Russian goods had undersold English goods, or crowded them from markets where they met upon equal terms. (Hear, hear).

#### Slaughter Sales.

The hon. gentleman had promised that the readjustment which he proposed should not increase the volume of taxation. He (Mr. Charlton) presumed that any readjustment made upon a Protectionist basis could not increase the revenue—in fact it was certain to diminish it—and that was the great objection to the Protectionist policy, that it dried up the revenue, while it increased the burdens of the people; that it wrung extra taxes from them, not to defray the expenditure of the Government, but to increase the hoards and gains of monopolists. The hon. gentleman said that not only was this country made a sacrifice market for the sweepings of the American market, but also at times for the sweepings of the English market. It was always very easy to make a general and sweeping charge, but when they descended to particulars they sometimes found it difficult to establish those charges. With reference to this matter of making Canada a slaughter market, let them look for a moment at the productive capacity and production of our various manufacturing industries, and the importation in those various lines, and compare the volume of the one with the volume of the other. Let them take, for instance, production of cabinet furniture. The right hon. gentleman had drawn a very affecting picture of the distress

which existed last summer at the establishment of Hay & Co., of Toronto. He (Mr. Charlton) found, that, in 1870-1, the production of cabinet furniture in the Dominion of Canada was \$3,580,978. He presumed the amount had largely increased since. He presumed he would be safe in venturing the assertion that the production of cabinet furniture in Canada last year exceeded \$4,000,000. The importation last year from the United States was \$276,383. The production per head, in round numbers, was \$1.15; the importation, 7½c. He did not think that an industry so firmly established as this, with a production at least fifteen times as great as the importation, was liable to be swamped by slaughter sales to such a limited extent. Then, if they took carriages. In 1870-1 we manufactured \$4,849,230 worth of carriages, and in 1876-7 we imported \$91,770 worth. There was not much danger of that industry being swamped by slaughter sales. Then, if they took clothing, in 1870-1, we manufactured \$9,345,875 worth of clothing. Undoubtedly, last year, the production must have been from \$10,000,000 to \$12,000,000 worth. We imported last year \$162,958 worth of clothing. We manufactured clothing at the rate of \$2.68 per head. We imported at the rate of 3¾c. per head. Was there any danger of that great industry being swamped by importations? Of spikes, nails and tacks, we produced in 1870-1, \$1,147,380 worth, and the importation last year was \$172,707 worth. Our boot and shoe manufactures last year amounted, in round numbers, to \$20,600,000, while the importation was \$265,458. We manufactured at the rate of \$5 per head and imported at the rate of 5½c. per head. In fact, we imported nothing in the boot and shoe line that could be manufactured here, the importations consisting simply of some fine work for which there was very little demand. Of saddles and harness, we manufactured in 1870-1 \$2,469,321 worth, and imported the large amount of \$33,384 worth. We manufactured at the rate of 70c. per head, and imported at the rate of 1½c. per head. Of leather goods, in 1870-1 we manufactured to the value of

\$9,134,932, and imported last year to the value of \$249,998. We manufactured at the rate of \$2.64 per head, and imported at the rate of 5½c. per head. The production of woollen goods in 1870-1 was \$5,507,540, and the importation last year amounted to \$323,062, that was, the production amounted to \$1.58 per head, and the importation to 7½c. per head. In regard to machinery, the production in 1870-1 amounted to \$7,325,000, and the importation last year was valued at \$262,235. Of agricultural implements, the production in 1870-1 was \$2,685,393, and the importation last year \$198,825. Talk about slaughter sales, talk about swamping our manufactures by the importation of one-dollar's worth of goods where we manufactured and sold \$20 worth. (Cheers). He had in his hand a statement in regard to eighteen principal industries of Canada, the total production of which in 1870-1 reached the amount of \$73,259,154, and of those industries the importations last year from the United States only amounted to \$3,623,376. The figures required no comment. The cry about slaughtered goods was raised for a purpose; the grievance had no existence in reality. (Hear, hear).

#### Reciprocity of Tariffs.

They had been told by the right hon. member for Kingston (Sir John A. Macdonald) that reciprocity of trade or of tariffs was a cry which was more popular than any other which could be adopted by any political party. Just there the garment which concealed a purpose was sufficiently drawn aside to disclose the cloven foot. There was a revelation of the purposes which induced these gentlemen to adopt this cry—because, forsooth, it was the most popular cry with which they could go to the country. The right hon. gentleman had told them that he had been up and down Canada last summer, that he had been addressing picnic meetings, that he had felt the pulse of the people and knew how they felt on this matter. He (Mr. Charlton) had come in contact with the people to a more limited extent. He had come in contact with his own constituency, which, he believed, was a fair reflection of the people of

Upper Canada. He had held twenty meetings in that constituency during the month of January last, and he had felt the pulse of that people pretty carefully, and he could tell the House that, if any of his friends had ever held any opinion as to the feasibility of this specious plan which the right hon. gentleman was urging, they were cured of that idea; and he could assure the right hon. gentleman that, in his belief, when this matter came to be tried before the people, the people would lay its dexter finger upon the right side of its nose and would say to the right hon. gentleman "too thin." (Loud laughter). The right hon. gentleman had told them last night a great many things that were new to him (Mr. Charlton); among others, that very little corn was used by the farmers of Canada, and, therefore, their interests would not be affected by a duty on corn. Well, he (Mr. Charlton) lived in a corn-producing county, and even in that county he had known very large quantities of American corn to be imported and sold to farmers for consumption. This had been done on occasions when, in consequence of poor crops and of having sold too closely in the fall and winter, they found themselves short in the spring; and then large quantities were used for the purposes of feed and human food. He doubted whether those farmers, when compelled to buy corn, would have felt it a great boon if the Government had compelled them to pay higher for it by imposing duties. He declared that the assertion made by the right hon. gentleman that corn was not used to a considerable extent by farmers in Canada was incorrect; that the right hon. gentleman was not rightly informed; and that corn was used to a considerable extent. Why should it not be? Farmers were usually able with 1½lb of barley to buy 1½lb or 2lb of corn. A farmer availed himself of the advantage of selling his pease, barley and oats and of buying corn in their place to feed his stock at a price relatively much lower, and any interference with this business was an interference with his rights and privileges. (Hear, hear).



The right hon. gentleman had assured them that the great advantage of a reciprocity of tariffs would be that it would secure for us a reciprocity of trade with the United States. If he (Mr. Charlton) could be convinced that a reciprocity of tariffs with the United States would secure reciprocity of trade with that country, he should certainly favour the measure; but he did not favour the measure because he believed it would have a diametrically opposite effect. He believed that the adoption of this principle of reciprocity of tariffs, while it would fail to confer upon us a single benefit, and, on the contrary, would injure us in every respect, would put into the indefinite distance in the future the realization of any desire to have a reciprocity of trade. It would create a feeling of bitterness and estrangement, and the result would be to postpone indefinitely the realization of our idea for reciprocity of trade.

#### United States Outstripping England.

He should only allude to one more point in the hon. gentleman's speech. He had informed them, and the same information had been vouchsafed to them by another eminent authority on that side of the House (Mr. Tupper), that England was being crowded out of her markets by competition with the United States. The right hon. gentleman (Sir John A. Macdonald) had told them that, speedily, England would have no refuge, no resting-place in the markets of the world, that she would only have the markets of Africa, that the valleys of the Congo and Zambezi would be the scene of her future trade operations; that the Hottentots, the Mokololos, the Manyemas, and other barbarious African tribes would be her only future customers, and that her trade would be restricted to exchanges for ivory and palm-oil and cocoa-nuts. (Laughter). He had looked this matter up, and he found that England still had a little trade besides what she had with Africa. He found that her exports of cotton goods, last year, amounted to \$211,000,000, woollens \$79,000,000, iron and steel \$92,000,000. Her exports of manufactured goods to the United States were \$12,000,000

more than the total exports of the United States manufactures to all the world. While the United States exported goods to the amount of \$72,000,000 last year to all countries, Great Britain exported to them \$84,000,000. England's exports to Germany amounted to \$100,000,000; to France \$80,000,000; the Netherlands \$58,000,000; Italy \$33,000,000, and to Russia, that paradise of Protection, \$30,000,000; South America, \$52,000,000, and the United States, as he had before stated, \$84,000,000. The total volume of her exports amounted to over \$1,000,000,000, and yet, forsooth, although she exported \$1,000,000,000 of manufactures, reaching to every town and hamlet on the globe, she was speedily to be driven to the interior recesses of Africa for a market for her manufactures.

The House had been favoured since recess with some remarks from his friend the hon. member for Terrebonne (Mr. Masson) about the subject of Protection. The hon. member very kindly drew their attention to the fact that there were two kinds of protection, the one Protection afforded by the Government, and another kind of protection afforded by creditors. He might have pursued his investigations still further. He would call the hon. gentleman's attention to the fact that there were two kinds of protection afforded by the Government; the first was that protection to life and property, that beneficent protection which the law afforded to its citizens; the second, that kind of Protection which the hon. gentleman was in favour of, that Protection which entrenched monopolies behind the protection of the law; that Protection which said to one man, we will take from your earnings and give to this man who has no right to them; that Protection which favoured one class to the detriment of another; that kind of Protection which the Southern planter enjoyed with reference to the labour of his slaves. There were two kinds of Protection: one true, one false; one which was really Protection, and one which was in reality a high-handed act of robbery, perpetrated for the benefit of small and favoured classes. (Cheers). The hon. gentleman also stated that everybody

now admitted that the depression in Canada was most crushing. Well, he (Mr. Charlton) at the risk of appearing singular in the matter, must decline to admit this; and, later in the evening, he would take occasion to show why he did decline to admit this, and he would produce evidence to show that such general depression did not exist. One other remark made by the hon. gentleman (Mr. Masson) towards the close of his speech also struck him. It was that, if Protection in the United States had produced over-production, somebody had benefitted by it,—that the workman had benefitted by it in being enabled to get cheap goods. He understood his hon. friend that they had not complained of over-production in the United States, in consequence of the accumulation of stock which must be sold at a sacrifice, and yet the hon. gentleman was so inconsistent as to object to the consignment of these goods into Canada so that the workingman here, in consequence of slaughter prices, would reap the same advantage as did his brother in the United States, and would be benefitted by being enabled to buy his goods, in consequence of over-production, for less than they were worth.

#### Imports from United States.

If it were in order, he (Mr. Charlton) should allude to a statement made the previous evening by the hon. member for Cardwell (Mr. McCarthy) in which the hon. gentleman sought to convey an impression that the importation of manufactured goods from the United States to Canada was \$51,000,000 per annum. He (Mr. Charlton) challenged that statement at the time, and since that time he had obtained a return from the Customs Department, from which he found that the total imports were \$51,000,000; but that the importation of manufactures for consumption was only \$24,000,000. He must protest against the reckless use of assertions not founded upon fact, which were calculated to mislead the country.

MR. McCARTHY said he thought it would be in the recollection of the House that, when the hon. gentleman (Mr. Charlton) put the question to

him, he admitted that a mistake had been made.

Mr. CHARLTON said he did not understand the hon. gentleman to concede that he was mistaken, and he certainly left the impression upon the House that he was correct. The balance of this large importation, not comprised in this list of manufactured goods, consisted, among other things, of \$12,000,000 worth of grain and bread-stuffs, \$692,000 worth of wool for our manufacturers, \$980,000 worth of tobacco leaf for our manufacturers, also \$594,000 worth of raw cotton for our cotton mills, \$718,000 worth of settlers' effects belonging to immigrants coming into this country, \$1,124,000 worth of hides and pelts for the use of our tanneries, \$3,176,000 worth of coal and coke for the use of our manufacturers and as fuel for the citizens, \$298,000 worth of dye stuffs, \$10,000 worth of raw rubber, and \$376,000 worth of flax and hemp for our manufacturers, \$663,000 worth of timber, which our timber merchants had bought in the United States, and which was exported from here to foreign countries. (Hear, hear).

#### Defining Terms.

It would be well at this stage of his remarks to have a definition of terms. They heard a great deal said about Protection and a great deal said about Free-trade, but they heard very little said of any non-protective theory or revenue tariff. The impression that the country would have from the drift of the arguments in this House, would be that it was a controversy on the principle of Protection *versus* Free-trade, while it was needless for him to state that such was not the issue. We had no such policy as Protection, pure and simple, in this country; neither had we Free-trade, nor was there any party proposing to adopt a Free-trade policy for Canada. We had a revenue tariff and what might properly be designated a non-protective system. What was Protection in its aims? Not to secure a revenue, but to impose duties so high as to dry up the sources of revenue; as to exclude our importation and create in the country a monopoly for the

manufacturer of those goods which were excluded by those extreme duties. Protection practically aimed at doubling the burden of a non-protective system to the consumer without benefit to the Government, because it compelled the Government to supplement the sum formerly collected under a non-protective tariff by some other mode of raising the revenue. (Hear, hear). A purely revenue tariff was a schedule of duties imposed on articles in such a manner that every cent of increased cost went into the coffers of the Government; but, where it was necessary to have a large revenue and a great number of articles must be taxed, it was impossible to devise a revenue tariff which did not afford, to a greater or less extent, incidental Protection to home industries. They had a great number of articles now upon the 17½ per cent. list that could be manufactured and were to a large extent manufactured in Canada. They had in the present tariff a measure which afforded in ordinary years a sufficient amount of revenue, and which afforded at the same time an extensive degree of Protection; but, if they imposed too high a schedule of duties, they would be in danger of defeating the purpose they had in view of raising an adequate revenue, by affording too great Protection and unduly stimulating domestic industries to the exclusion of importations. Then, as he had before stated, in defining these terms, they had no issue between Protection and Free-trade. They had no such a thing as advocacy of Free-trade, no party with Free-trade principles; but they now had a party advocating the exchange of the present revenue tariff system for protective duties; a system which, while increasing the cost of goods to the people, would diminish the amount of revenue collected by the Government, and which would, as he believed he (Mr. Charlton) would be able to show conclusively, have in the end a bad effect upon the industries of the country. (Hear, hear).

He would now refer to the charges of inconsistency against himself. He was charged with having been a Protectionist, and with now being a Free-trader. He had from

a protective standpoint at no time advocated a higher rate of duty than 17½ per cent.; he had said nothing at any time upon the tariff question which might be characterized by the Opposition as a defence of a revenue tariff and of the present policy of the Government that advocated the reduction of the rate of duties from the point where they at present stood. Was there any inconsistency in that? Gentlemen might say he had talked of Protection, and that he had talked of Free-trade; he might justly claim, speaking from a Protectionist standpoint, that the present tariff was ample for the purpose of affording Protection to manufacturers in this country; he might, as a Non-Protectionist, properly and justly hold that it would be impolitic and unwise to change the present tariff, which afforded the Government the revenue they needed and did not press on the people. He had been unduly criticized; but he did not claim perfect consistency between his present and his former opinions in this matter—consistency of this kind could only exist where there was no progression. When a child was in the arms of his nurse he was, perhaps, taught to believe the moon was a huge cheese; when he became a young man he repudiated that theory; he was inconsistent in repudiating his former belief; but he had advanced from error towards the truth. And, when he became a young man, he formed opinions of life which he was very likely to change on the shady side of forty. In this he had again been inconsistent, and he had again advanced. (Hear, hear). A person who had received the same education as himself, who had been in early life a follower of the views of men like Horace Greeley and Henry C. Carey, was liable to form opinions which, when he had examined evidence on the other side, he would be inclined to modify, and he had no hesitation in saying, and was not ashamed to say, that he once entertained opinions which he had since very much modified. He did not believe that extreme Protection was a blessing to a country, but he had no hesitation in saying that Free-trade, as an abstract principle, was right. He

would go further than this, he would say that, the nearer they realized in practice this abstract principle, the nearer they were to what was best in the interest of the country. (Cheers.)

#### State of Our Manufactures.

The House had had many assertions made in reference to the condition of many of the manufacturing industries of this country. To the extent of the depression that now existed in Canada, he proposed to direct attention for a few moments, and he should preface his remarks by stating that in Canada, for the last four years, there had been less depression and less distress than there had been in the United States, where they enjoyed the benefits of efficient Protection. (Hear, hear). He asserted that at the present moment there was less depression in this country than in England—less depression and less distress than there was in that Utopia and paradise of Protection, Russia. He asserted that we were, in fact, singularly fortunate in this respect as compared with the neighbouring nation. He had entered into a correspondence with a number of manufacturers upon this subject without regard to their political proclivities, and, in many cases, he had received replies. He had received replies from twenty-one extensive manufacturers established in this Dominion, and in these letters he found very satisfactory evidence as to the condition of our manufacturing industries. Taking the first return contained in this correspondence, he found that an extensive cotton mill in the west, last year, earned ten per cent., which was applied to the purchase of additional machinery. Another letter, from a different source, relating to the affairs of the same company, stated that they declared no dividend last year, thus evidently intending to leave an impression upon his mind, that, as far as this firm was concerned, it had been a very bad year indeed, by suspiciously neglecting to state the fact that a dividend of 10 per cent., though not declared, was earned and applied to increase of capacity, because their orders were coming in faster than they could execute them.

(Hear, hear). The next letter was from an extensive woollen manufactory, with a capital of \$180,000, whose gross profits during the last year were ten per cent.; they reported the prospects for the present year encouraging, and better than they were for the last. The next was from an extensive foundry, with a capital of \$180,000; those gentlemen reported that they made no profit on fixed capital last year, in consequence of having unfortunately made a large number of bad debts; they also reported that home competition was too keen; that the measure of Protection they had enjoyed had unduly stimulated that industry, and that, consequently, the business was overdone. (Hear, hear). The next letter was from an extensive woollen manufactory; they reported that the depression had affected their business unfavourably; they saw no prospect of an immediate improvement; profits on capital last year, six per cent. He (Mr. Charlton) had noticed as a remarkable fact that the affairs of manufacturers who had reported that they had made no higher rate than legal interest on capital were considered by them to be in a ruinous condition. The next letter was from a hosiery establishment in the West. The proprietor reported too much home competition; business overdone; believed a revenue tariff the true policy; profits last year, six per cent., very much cut down by bad debts; prospects for this year fair to good. Another letter from an extensive hosiery establishment reported that the trade last year was fairly good; did not anticipate a great increase this year profits on capital last year, eight per cent. He had a letter from, perhaps, the most extensive sewing machine maker in the Dominion. It reported: "Small improvements so far in 1878; not running on full time, had to be satisfied last year with interest on investment; wants reciprocity." A gentleman extensively engaged in the manufacture of carriage goods reported: "Business fairly remunerative last year; wishes for a duty of twenty per cent." The next letter was from an extensive clothing concern in the West. They reported: "Profits

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hardly as great during the last year as might have been realized on capital by loaning it on mortgage and buying notes." An extensive agricultural implement maker in the West reported: "Making reapers, harvesters and various machines; past ten months the busiest ever known; exporting largely to Great Britain, Australia and Africa; export trade rapidly increasing." (Hear hear).

SIR JOHN A. MACDONALD: What African tribe takes reapers?

MR. CHARLTON: The Anglo-Saxons, north of Cape Town, who have, as the hon. gentleman is, perhaps, not aware, supplanted the natives to a great extent. (Laughter). The next was a letter from an extensive sewing machine manufacturer who reported: "Running on three-quarter time; last year's profits reduced as compared with former years; making efforts to extend the export trade; wants free trade in iron, steel, brass, coal, lumber and varnish." It so happened that those were the raw materials required in that gentleman's business. (Hear, hear). Another extensive agricultural implement manufacturer in the West reported: "Have done a larger and more profitable business last year than ever before; anticipate to increase it largely this year; profits satisfactory; want no more protection; present duties afford more protection than those in 1869, 1870, 1871, 1872." A proprietor of a large foundry in the west reported: "Business improving; profits last year twenty per cent.; too much home competition." Another agricultural implement maker said: "Building 1,500 reapers; business increasing; profits last year, twenty-three per cent.; more protection would damage his business." Another agricultural implement manufacturer sent a highly satisfactory letter. He said: "Business increasing rapidly; exporting 400 machines this year; profits last year, twenty per cent. on sales, forty per cent on capital. (Hear, hear). Another gentleman in the same line reported: "Expects to do double the business done in 1877; wants no more protection; profits on capital last year not less than

twenty per cent." Another implement maker stated: "Business last year was twenty per cent. greater than ever before, and rapidly increasing; profits satisfactory; exporting to Great Britain, Australia and the United States; wants no more protection." A manufacturer of knit goods reported: "Holding his own; others in the same line in about the same way." Another agricultural implement maker reported: "Profits much the same as in former years; been in business twenty years; seeking to extend trade in Lower Provinces; complains of difficulties in reaching them, and of American competition; has no faith in Tory promises of protection." He (Mr. Charlton) would read an extract on that point for the benefit of hon. gentlemen opposite. The writer said:

"In conclusion, the writer would further state that, he believes firmly when the proper time arrives the Reform party will carry out such measures as the manufacturers and the Canadian people desire; and he has no faith whatever in the Tory cry of Protection, unless it be used as a stepping-stone to another reign of misrule and corruption; and when many of our Reform manufacturing friends, who are so sore displeased with the present Government, will find out that they have been simply gulled by professions that were never intended to be fulfilled, if Protection would in any way interfere with their lease of office."

SIR JOHN A. MACDONALD: Then there are many other manufacturers who are dissatisfied?

MR. CHARLTON said the writer did not say how many. He would take the liberty of reading a letter from a gentleman whose name he had permission to use, Mr. James Noxon, of Ingersoll. That gentleman reported that the last year's profits of the large establishment of which he was the president were twenty-eight per cent. He said:

"The profits of this Company for the last year, after making ample provision for bad and doubtful debts, were twenty-eight per cent. on the paid-up capital stock. Our usual profits were over thirty per cent., but were slightly less last year, owing to a defect in some of our reapers that was not discovered until they had been sent out into all parts of the country, and which cost us a large amount of money to remedy. The prospects for the

present year are good, and we expect to get our profits back to the old figures on this year's business.

There never was a more absurd cry than that manufacturers are languishing for the want of protection, while the fact is the manufacturing industries, not including lumber, are to-day more prosperous than any other of the great industries of the country, with the possible exception of agriculture. It may safely be said, generally, that the manufacturers of Canada are as prosperous as are the manufacturers of any country in the world at the present time." (Cheers).

The result of the reports he had received from twenty establishments was, therefore, as follows:—Six had made profits of twenty per cent. or upwards on last year's business; two reported that their profits were satisfactory, and from what he knew of those, he felt justified in saying that they exceeded twenty per cent., thus making a total of eight out of twenty whose profits equalled 20 per cent. Two reported their profits at ten per cent.; six reported that their profits were from six to eight per cent. last year; one reported profits reduced, as compared with former years; and only two reported that they had made no dividends. He had at his hand a statement of the business of forty-eight of the principal manufacturing establishments in the New England States last year, and he was happy to say that the exhibit made by those Canadian firms to which he had called the attention of the House was a much more satisfactory one than that made by those New England firms, which included the chief manufacturing corporations of those States, representing a capital of \$52,320,000. Of those forty-eight firms, sixteen reported, last year, no dividend—in Canada only two. Last year nine of these forty-eight American firms reported profits less than six per cent.; eight reported six per cent.; and seven only reported ten per cent. and upwards. Contrasting the position of those forty-eight establishments with the twenty-one Canadian establishments he had just referred to, it was evident that the condition of our manufacturing industries was highly prosperous compared with the industries of the New England States. (Hear, hear). He had, he thought, furnished ample

proof of his assertion, that the degree of depression and distress existing among the manufactures of Canada, at the present time, was less than in the United States. He renewed the assertion that the condition of the manufacturing industries in Canada, at this time, and for the last four years, had been better than the condition of the manufactures of the United States, than the condition of the manufactures in New England, than the condition of the manufactures of Germany, than the condition of the manufactures of Russia.

SIR JOHN A. MACDONALD: I ask the hon. gentleman if he has read all the answers?

MR. CHARLTON: I have read all the answers, and I have withheld no information I received in answer to those letters.

MR. ROCHESTER: Read all the letters.

MR. CHARLTON said he could give the hon. gentleman the names of the firms, and he had already given the substance of the letters. Many of them contained information he was not at liberty to use, and, in some cases, he was not at liberty to give the names of the writers.

MR. ROCHESTER: We do not want the names, but simply the letters.

MR. CHARLTON said he did not propose to spend a couple of hours reading a pile of letters of which he had already given the substance.

SIR JOHN A. MACDONALD: Will the hon. member give the answer he received from Robinson & Company, of Preston and Galt?

MR. CHARLTON: I have no letter from Robinson & Company.

SIR JOHN A. MACDONALD: They wrote you a letter, because I have a copy of it.

MR. CHARLTON said he might be mistaken, but he would look over the headings of the letters.

SIR JOHN A. MACDONALD: Wm. Robinson is one of the firm.

MR. YOUNG: Does he say he has been losing money?

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SIR JOHN A. MACDONALD: I want to know the name of the firm.

MR. CHARLTON: I have a letter from Robinson, Howells & Co., of Preston.

SIR JOHN A. MACDONALD: Perhaps the hon. gentleman will read that?

MR. DYMOND said the hon. member had already given the substance of the letter.

MR. CHARLTON said he had read such letters as he was authorized by the writers to use, and he would not read any of those he was not warranted in quoting. He had given to the House the information which they had furnished him, and the circular he had issued stated the fact that he wished to know, generally, the condition of business during the past year, and the prospect for this year, for the purpose of using the information in Parliament.

#### Protection to Manufactures—Benefit—Cost.

Having made the assertion that the extent of the depression in Canada last year, was less than in most other commercial countries, he now made the assertion that whatever depression existed in this country had not been due to a lack of Protection. He made the assertion that the general depression that had existed throughout the world must, of necessity, have affected the commercial interests of the Dominion, and he thought it was almost unnecessary to go into any details in illustrating that matter. It was impossible that the manufacturing and commercial interests of this country should not have suffered from the depression existing in other commercial nations. Now, we had, in this National Policy propounded by the right hon. member for Kingston, a promise that prosperity would be conferred on Canada by protection being afforded to the various industrial interests. They had the promise that this panacea for all ills was to confer prosperity upon our agricultural, mining and manufacturing interests. Let them examine for a moment into the question as to the extent of prosperity efficient Protection would confer upon the manufacturing

industries of this country. At the outset he asked permission to call attention to the fact that, in any country, even in highly protected countries such as the United States, where various interests had benefitted from a large degree of Protection, there was an immense number of manufacturing enterprises belonging to that class commonly known as "natural manufactures." The gross production of the manufacturing industries in Canada, in 1870-1, was \$221,000,000; deducting from that sum the cost of material, they had a net product of \$96,709,000. Assuming as correct the principle laid down by Political Economists, that, in a country such as this, at least four-fifths of the manufactures belonged to the class commonly known as natural manufactures, such as bakers, stone-masons, shoe-makers, carpenters, etc., that must exist in every country, let them see how large a proportion of those industries, existing in 1870-1, were due to the Protection afforded by our revenue tariff. It would be found, calculating upon this basis, that the proportion of the net production due to protection would be \$19,000,000. They would find that 187,942 persons were employed in those various industries, and that, at the outside, not more than 37,500 of that entire number were engaged in occupations that were benefitted in any degree by Protection. Then they might credit to the incidental Protection existing at the present time that 37,500 individuals who were in Canada in 1870. The next question was, to what extent would that number be increased by adopting the most efficient imaginable system of Protection? He had gone carefully through the list of imports into Canada for the last fiscal year, and had checked off the quantity and amount of every article that could by any possibility be produced in Canada, and the result of that classification was as follows: He found that we imported last year, of goods paying specific duties, and that might possibly be manufactured in Canada, \$398,000 worth; we imported of goods paying seventeen and a half per cent., that might, with the most efficient system of Protection, be produced here, \$35,209,000 worth; and on the ten per cent. list we im-

ported goods to the value of \$508,000 susceptible of manufacture here; on the five per cent. list, \$3,383,000; and on the free list, \$3,332,000—the total being \$42,832,000 worth of goods imported into Canada during the last fiscal year, that an efficient system of Protection might cause in time to be mostly manufactured in this country. Well, what if we were to adopt that system and impose duty so high as to exclude these goods from coming into this country, and lead to their manufacture here, what would be the first sacrifice that we would make? (Hear). The first sacrifice would be the duties which we had collected on these goods, for the Government would lose the revenue and the consumer would get them no cheaper. These duties last year amounted to \$6,661,000. What would be the second sacrifice on the part of the country? The second sacrifice would be to increase the amount of duties that would be necessary to lead to the production of these very goods here. The duties would have to be increased, perhaps 10 per cent., perhaps 20 per cent. He had made a very moderate estimate in this respect. He assumed that the tariff would have to be increased to about 25 per cent., and that the enhanced cost of those goods in consequence of their increased duties would amount to a further sum of \$5,140,000. This was the second item. Was there anything else? Yes. Many lines of goods which were already manufactured in Canada under the stimulus of a 17½ per cent. Protection, would be further enhanced in cost in consequence of the advanced duties; and the enhanced cost of those goods which we now imported, he estimated—and the estimate was moderate—at \$2,550,000. What then would be the total cost of excluding from Canada, by means of high protective duties, \$42,832,000 worth of goods which were imported last year, assuming that we manufactured all these goods here? The total cost would be \$14,752,000 per annum to Canada. (Hear, hear). Well, there was the cost at an estimated rate probably ten per cent. lower than would be actually required. Now, what would be the advantage of such a course? No man would deny that the manufacture of forty-two million

dollars worth of goods in Canada and the creation of the various establishments necessary for that increased amount of business would be an advantage to Canada. It only remained for them to examine what that advantage would be, and to compare its value to the country with the cost, which he had shown would be not less than \$14,752,000. What would that advantage be? How many operatives would the production of \$42,832,000 worth of goods add to the population of Canada? In the year 1870, the production of goods in the United States, as shown by the census returns, exceeded \$2,000 to each operative employed; and, last year, he noticed that in the city of Cincinnati the production of goods by each hand employed exceeded \$2,500. He would estimate, from this data, that each operative, under the system that would lead to the production of these goods in Canada, would produce \$2,000 worth. How many operatives then would be added to the population of Canada, if we produced the additional amount of \$42,000,000 worth of goods which we now imported. It would add to the population the total number of 22,000 operatives in round numbers. (Hear, hear). Part of these would be men; some of them would be women; some of them would be boys, and some of them would be girls; and, for the purpose of adding 22,000 operatives to our population, and such further number as might be dependent on those who were heads of families among this number, they were called upon by this admirable policy, promulgated last night by the right hon. member for Kingston, to submit to a loss to this country of \$14,752,000 per annum, and they were to pay an annual tax of \$625 upon every operative that was brought into Canada, for the purpose of producing in this country the goods that we now imported, and that were susceptible of production here. (Hear, hear). Capitalizing this sum paid as an annual tax, it would be seen that it would amount to \$12,500, at five per cent. interest, which would be the cost per head to Canada of the addition to its population of the number of people that would be necessary to produce the goods which we now imported. Was

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not this a magnificent theory? The right hon. gentleman ought to receive a leather medal for having devised and promulgated such an astounding receipt for securing national prosperity as this. (Laughter). This was the policy which was to confer upon Canada, upon its manufacturing, its mining, its agricultural, and its other interests, prosperity. This was the policy which called upon the people of this country to contribute over fourteen millions a year in burdens direct and indirect, for the purpose of adding 22,000 operatives to our population. Brilliant beyond measure was this piece of statesmanship. Well, they were promised in a general way that other industries would be benefitted by this policy. What other industries would be so benefitted? Did the hon. gentleman propose to benefit the lumber industry by Protection—one of the most important industries in Canada, an industry that found a market for its products almost exclusively abroad, and an industry that was injured by every additional advance in the cost of the supplies used? The thing was an absurdity. Protection in any degree was an injury to that interest. Under no possible circumstances could a protective policy be devised that could confer one iota of benefit on that great and that important industry of Canada, the lumber interest. (Hear, hear). Did the hon. gentleman propose to confer any benefit upon the shipping industry of the country by imposing taxes upon the material which was to be used in the construction of vessels, by hampering the trade of the country, and by drying up the sources of business that had made Canada the fourth maritime state in the world? The right hon. gentleman might propose to do so, but he could never realize it; he could propose no restriction upon trade in the line of duties that would not inflict injury upon the shipping industry of the country. (Hear, hear). Did the right hon. gentleman propose to benefit the fishing industry of the country by the imposition of protective duties—by imposing duties on salt, by imposing duties on coal, by imposing duties on cloth, and by imposing duties upon food? By no possibility could the hon. gentleman confer one iota of benefit upon that

great interest by Protection, and he should proceed to show, in the course of his argument, that the right hon. gentleman could confer no permanent benefit on any industry, by the adoption of the principles of Protection. (Cheers).

SIR JOHN A. MACDONALD: Hear, hear. There is my hon. friend's speech of 1876.

MR. CHARLTON said that the right hon. gentleman had unfortunately come in rather late. He would not go back and refer to matters to which he had already referred, and in referring to which he had answered the remark which he (Sir John A. Macdonald) had just made. He had alluded, a few moments ago, to natural and artificial manufactures; and he had made the assertion that in any country, and especially in such countries as the United States and Canada, the great bulk of the manufactures belonged to that class known as natural manufactures, to that class of manufactures that would exist in any country, and to that class of manufactures which were injured by Protection.

#### Protected Industries and Protection.

But even protected industries were in very few instances permanently benefitted by Protection. He would take as a sample the iron interest. If a duty were imposed, as he ventured to say the right hon. gentleman would propose, on pig iron, what was the effect of this duty on the general iron interest? What proportion to the entire volume of the iron trade of the country did the value of the quantity of pig iron made use of bear? In the United States, in 1860, the total value of the iron product of the country was ten times the value of the product of pig iron; and, in 1870, the total value of the product of the entire iron trade was eight times the value of the pig iron. What was the effect of the duty on pig iron? It raised the cost of the raw material to nine-tenths of the value of the iron industry of the United States in 1860, and to seven-eighths of the value of the iron industry of the United States in 1870. That duty on pig iron was not a benefit, but

it was a burden upon nine-tenths of the iron industry of that country. (Hear). What was the effect of the duty upon bar iron? Every industry in that country which made use of bar iron as a raw material was injured by the imposition of the duty on bar iron. Then there was a duty levied on raw steel; and what was the effect of that? Why, any manufacturer of cutlery in the United States would tell you that, if the Government would take the duty off raw steel, that would be all the Protection they asked. The value of raw steel produced in the United States bore the proportion to the total value of the products of steel of 1 to 30; where, with the imposition of a duty on raw steel, one man was benefited, twenty-nine to whom steel was raw material were injured; and this was the effect of Protection there. What was the effect of duties upon dye-stuffs and upon wool, for, in the United States and in any other country where the protective system was adopted, all interests had to be protected. In the United States, when they protected woollen manufactures, the men who raised the wool demanded that a duty should be levied on wool, and a duty was given them; and in consequence of this fact, the benefits which had been derived by the manufacturer from the duties on cloth, were neutralized, and more than neutralized, by the duties levied on dye-stuffs and wool. What effect did the duty on coal have there, and what would be the effect of it here? It did and would increase the cost to the manufacturer of motive power. It would be an injury to him, and an injury to every manufacturer that used coal in the generation of steam, and to every man who used coal for fuel. A protective duty on coal would be a burden on every industry, except the industry which produced coal for sale. (Hear, hear). What would be the result of the duty on food? It would be a burden on every operative and on every labourer that bought food. It would only benefit the producer of food and it would injure all others. And this was characteristic of the system of protective duties. Once attempt thus to benefit any special industries, and they would

commence to rob one to benefit another, and then to rob some one else to benefit some other; and so they would go the round of the whole circle of industries applying a system of robbery and spoliation, and they would leave off where they began. (Cheers). Under the system of Protection, the cost of the manufactured article was invariably enhanced; for, where the raw material of one industry was the manufactured product of another, and the manufactured product the raw material of another, as was continually the case, duties and profits had, in innumerable instances, to be advanced over and over again, and all this would inevitably, from the nature of commerce, add to the ultimate cost of the article.

He wished to call the attention of the right hon. gentleman on the other side of the Chamber to one feature of this new phase of Canadian politics that, perhaps, the right hon. gentleman had not contemplated. He wished to call that right hon. gentleman's attention to the results that were likely to ensue from the making of Protection a political issue. The effect of this would be to introduce an element of uncertainty into the fiscal and tariff legislation of this country and an element of uncertainty that was complained of by American manufacturers as one of the most grievous ills they had to endure. In consequence of having made Protection a political issue in the United States, they had made tariff legislation changeable and uncertain in that country, as illustrated by the fact that there had been thirty-five different tariff Acts. The manufacturer never knew what to expect; he never knew at what moment the popular will would take a shift. If the people were to govern themselves intelligently, they must understand the questions which they were called upon to decide. But take the intricate and complicated questions of Protection and Free-trade, and the masses were scarcely competent to deal with them, or rather their opinions were ever shifting, and the result was that there had been a lack of stability in the commercial legislation of the country. These were the results of political legislation as

regarded the tariff. It had proved in many cases a curse to the manufacturer and to every commercial interest in that country, and, that being so, what were we warranted in believing would be the result of the introduction into the politics of Canada of the question of Protection *versus* Non-Protection? Suppose they adopted the principle of Protection: what would be the effect of it here?

#### How Protection Affects Agriculture.

Let them first direct their inquiry to the agricultural interest. What was the natural effect of Protection in all countries where that policy had been tried upon agriculture? First of all, it checked the export demand for agricultural products. The artizan abroad, who had formerly supplied his wares to that market and purchased there his supplies of food was, by the operation of protective duties, shut out from the market he had hitherto enjoyed for the sale of the products of his own industry, and, as a natural consequence, his ability to purchase was impaired and he ceased to be as good a customer as he had been. Hence, the first effect of Protection would be to check the export demand for the agricultural products of the country. (Hear, hear). The next effect of it was to check the creation of facilities for transportation. Once they checked the demand for exportation, they also checked the amount of products exported, and hence, as a necessary consequence, they must check the demand for the creation of facilities for transportation in the country. The next effect was to enhance to the agriculturist the cost of implements, the cost of clothing, the cost of furniture, and the cost of the various articles he purchased. The result, then, as regarded the agriculturist, was that the export demand was checked, and the prices were reduced of all he had to sell, and the prices were enhanced of all he had to buy. (Hear, hear). That was the result. And he defied any man on the floor of the House to point out that this result had not been attained in the United States, and to point out anything else than that result to the farmer as the result of

Protection there. What was it that would remedy this matter and that would avert this result? One thing, and one thing only, namely, that Protection should create in that country a market for the agricultural surplus and lead to the necessity of the importation of more food than the country raised. If this could have been done, then Protection would have redeemed the promises of its advocates, would have furnished a home market to the agriculturist, and would have compensated him in a measure for the depletion and taxation which he was called upon to endure. Was it possible in this country that a protective policy made so efficient as to lead to the manufacture of everything that was susceptible of being manufactured in this country, but which we now imported—namely, goods to the extent of \$42,000,000, with a protective policy that was to add to the population of the country 22,000 operatives and those who would be dependent upon them—was it possible that this policy would add to the population of Canada a sufficient number of people to consume its agricultural surplus? Why, an efficient protective system, the most efficient protective system that could be devised, and a system that would lead to the manufacture in this country of every dollar's worth of goods susceptible of being manufactured here, would not add to the population of the country a sufficient number of people to consume the surplus agricultural products of one county in the Province of Ontario. (Cheers). No, the thing was a perfect fallacy. Once they adopted Protection, the effect was to diminish the receipts of the agriculturist and to increase the cost of all he had to buy, and thus leave him a sufferer in every respect by this policy.

#### Benefits of Leaving the Farmer Free to Buy and Sell in the Best Markets.

So much for the interest of the agriculturist as regarded this policy of Protection; so much for the promise of the right hon. gentleman and his followers that they would so adjust the tariff as to benefit and foster agriculture among the other interests

of this country. Well, if these were, so far as agriculture was concerned, the characteristics of Protection, what were the characteristics of Free-trade? The first characteristic of Free-trade was untrammelled supply and demand; wherever the agriculturist could find the best market for his products, there he could sell; and wherever the agriculturist could find the cheapest market for what he had to purchase, there he could buy. There were no exclusions, no restrictions and no impediments created by legislation, such as would, in any way, prevent him from realizing the most he could get for what he had to sell, or from securing the best bargains he could find. This was one characteristic of Free-trade. Another characteristic of Free-trade was that it led to maximum production at the minimum cost. Another characteristic was that it allowed men to obey natural laws in all their commercial transactions; it imposed no artificial restraints; it put upon the Statute-book no unnatural laws; it agreed with the principles of common sense; it gave to mankind abundance and leisure in place of that artificial scarcity and increased toil which resulted from Protection. The object and result, he would repeat, of Free-trade was to give abundance and leisure—while the result of Protection was to bring in scarcity and necessity for increased toil to supply the wants of the people. Why, had not God, in his unwritten law, pointed out to man the necessity of Free-trade? Why did the benevolent Creator of the heavens and of the earth give us different zones, different soils, different climes, different productions, different races, and different tastes? Was this accidental? Was not the design clearly that man should hold transactions with his fellow man, and was it not the result of commerce to confer upon one zone the riches and the blessings of all zones? Was not the result of commerce to bring man into contact with his fellow man throughout the length and breadth of the world; to intermingle and bring races together, so that they might mutually confer on each other the benefits of culture and learning, raising men by slow degrees from the con-

dition of savages to that of civilized, intelligent men. Why did we make railways and construct telegraphs? Why did we build ships that made the Atlantic but an ocean ferry? Why did we push our commercial relations with remote countries? We did all these things in order that we might advance our comfort, our happiness and our learning. Whatever legislation, therefore, stepped in and said: "You must not do any of these things," thus isolating a nation from their fellow men, must necessarily injure, instead of benefitting the cause of progress. Commerce was a leveller; commerce was the great civilizer of the world, but commerce also was selfish. It was selfish in its aims, but beneficial in its results. A legislation, he repeated, which sought to impose restriction on commerce, was one at variance with the best interests of man. (Loud cheers)

#### Characteristics of Protection.

Let them inquire into some of the characteristics of Protection. Was it an advantage to diminish the purchasing power of labour? An anecdote was related in a work on political economy which he saw the other day that illustrated that point. A Frenchman planted a vine; he reared and nurtured it till he produced from it a tun of wine. In order to procure some necessary goods for his family, he set out with his wine, for which he was offered 15 parcels of stuff in his native land. Being, however, offered 20 parcels of similar stuff in Manchester, he resolved to agree to the proposal and take the British goods. But when he endeavoured to get his parcels from England, a custom house officer said a tax would have to be imposed upon it. As the tax in question would reduce the net amount which he would receive to the value of only 15 parcels, he asked the Custom-house officer what he should do under these circumstances. "Take French goods," said the officer. "But," said the peasant, "why am I not allowed to exchange my wine with those from whom I can get most?" "Because," replied the Custom-house officer, "it is done to protect the interests of France.

Why that is so I cannot tell you; such, however, is the decree of the legislature, and it must be right." That was the effect of Protection. Its effect was to diminish the purchasing power of labour, to create artificial scarcity and high prices. It was an attempt to create monopolies and rings that would plunder the people for their own selfish purposes; an attempt to take undue advantage of the masses by legislative action. (Hear). The first effect of Protection, pure and simple, was the relaxation of morals. It gave rise to the smuggler, and introduced the false invoice and perjurer. The people were taught that Government was a respecter of persons; that it gave a favoured class the power to plunder the masses by the permission and arrangement of the law. The people would be led to believe that the property acquired by that favoured class was got by theft, and then, by going a step further, they would come to the conclusion that property itself was theft. Protection naturally led to Communism, to the opinion being held that, in the possession of property, there must be something wrong. He regretted that the right hon. member for Kingston was not present to hear his reply to the assertion made by him that England acquired her strength under a system of Protection. If we adopted Protection in Canada, what would be gained? What did the right hon. member for Kingston and his followers promise them? First of all, said they, we would have increased manufactures. But in reply to circulars sent out, letters had been received, not from one or two, but from a large number of gentlemen engaged in manufacture, pointing out that production was already over-done in this country in many lines. (Hear, hear) If foreign goods were excluded from Canada, the measure would, at first, be followed by great progress, great prosperity and high dividends for manufacturers. But the result would afterwards become very different. Too many persons would go into business, and one of two things must inevitably follow. Either the manufacturers, becoming aware that too many were in the field and that

the production was too great, would combine to run short time and reduce production at the cost of the consumer, or great accumulations of surplus stock would result in depression, general panic and bankruptcy, accompanied by a weeding-out of the superfluous number of establishments. That would cause great commercial loss and injury, and would result in the entire ruin of many of the men for whose benefit the policy was inaugurated. The country would lose nearly \$15,000,000 a year for the purpose of adding 22,000 operatives to the population without permanent benefit to those for whom this vast taxation was imposed. It would be a loss to the manufacturer and the operative alike—to the coal miner, the salt producer and the agriculturist.

#### Grain Duties—Indian Corn.

Let them examine particularly what would be the effect of that policy on the agriculturist of the country. Protection, or a protective policy, would raise the price of all goods he had to buy. But these gentlemen promised the agriculturist a certain boon in the shape of duties upon grain, but, if a tax was imposed on grain or breadstuffs, what benefit would he derive therefrom? In ordinary years, we exported a surplus of all grains except corn, but, in exceptional years, we might possibly be forced to buy or import from elsewhere, to a limited extent, for home consumption. The United States exported their surplus to England, so did we, and the prices received in England regulated the prices of the producer in the United States and Canada. There was one grain, and one only, which he was free to admit an import duty would raise the price of; this was Indian corn. He would like to be informed, in the event of their ever adjusting the tariff, what tax it was the intention of those who advocated this National Policy to impose on corn? Some years ago, 3c. a bushel was levied, but he presumed they would be in favour of a greater degree of Protection now, and he would suppose they would be in favour of a duty of 5c. The hon. gentlemen opposite might correct

him if he was wrong. (Hear, hear). Assuming, this to be correct, he would take the case of his own county for the purpose of showing how the corn belt of the Dominion, lying along the north shore of Lake Erie, would be affected. That county was one of the few in Canada where corn was produced. If a calculation was made in order to show clearly the probable result of the proposed policy to the county of Norfolk and the corn belt, it would be seen that no advantage would be conferred on the particular county or belt of country to which he alluded. According to the census returns of 1870-1 the whole amount of cultivated land in the county of Norfolk was 192,000 acres. This would be sufficient for 3,840 farms of 50 acres each. He would suppose that one-tenth of the cultivated area of the county was, each year, devoted to the growth of corn, and, as a practical farmer, he affirmed that this exceeded the actual proportion of cultivated land usually devoted to the growth of corn in the corn belt. This would give 19,200 acres as the breadth of land annually devoted to the growth of corn in the county of Norfolk; he would estimate that the average crop of shelled corn per acre was 30 bushels, and he believed that no practical farmer would say this was too low; this would give an annual crop for the county of Norfolk, of 486,000 bushels, and he ventured to say that a crop of half a million bushels was much in excess of the average corn yield of that county. No doubt the farmers of the county would require, on the average, to use at least one-half of the crop raised by them for the purpose of fattening pork, feeding teams, stock, etc., this would leave a surplus for sale of 243,000 bushels in that county. This estimate of surplus he would venture to say was too large. However, a duty of 5c. per bushel on corn, if it resulted, as he presumed it would, in increasing the price received for this surplus to the amount of the duty, would be 5c. per bushel on 243,000 bushels as the amount of benefit the county of Norfolk would derive from the National Policy, or \$12,150—that, divided amongst the

3,840 farmers of the county, would give to each one of them the sum of three dollars and sixteen cents. (Hear, hear). That was to be to each one his share of the plunder to be obtained by this proposed scheme to violate the principles of sound commercial policy, if not of common honesty. Now, what were the farmers of Norfolk to be called upon to pay in exchange for this sum of \$12,150 which was to be the share of profit that county would derive from this much vaunted National Policy? He had pointed out earlier in his speech that the cost to Canada of an efficient protective system, that would lead to the manufacture of \$42,000,000 more goods here than at present, would exceed \$14,000,000 a year. Grounding his calculation upon the basis of population, he estimated that Norfolk's share of this cost to the country of Protection would be \$128,000 per annum. Were they likely to submit to being plundered every year to the extent of \$128,000 that they might secure spoils to the amount of \$12,150; did the hon. gentleman propose to convince them that it was to their interest to lose ten dollars in order to gain one? He could assure them that the intelligent farmers of the fruitful corn belt of Canada understood arithmetic too well to be duped by any such proposal after they had given the matter fair consideration. (Cheers). With regard to the corn question as affecting the interests of the Dominion at large, he found, by the returns of the last fiscal year, that, for that year, we imported corn to the amount of 8,260,000 bushels, costing 51c. per bushel; that we exported of this amount 4,083,000 bushels, receiving for it 63c. per bushel, which left us for home consumption 4,177,000 bushels at a net cost to the country of 40c. per bushel. Could it be shown that this was a trade detrimental to the interests of Canada. He thought not. We handled over four million bushels as factors, and made a profit upon it, giving employment to shipping, capital and labour; and we bought over four million bushels for home consumption at a low rate, and were enabled to sell an equivalent amount of barley, oats, pease and rye, which would otherwise

have been consumed in the country, at a much higher rate than the cost of the corn, thereby effecting a great saving to the country at large. (Hear, hear). Suppose a duty was levied upon corn; could the four million bushels now imported for home consumption under the stimulus of a duty be raised in the corn belt of Canada? It could not. He did not believe that any rate of duty that might be imposed would increase the production of corn in Canada to the extent of 1,000,000 bushels; what then would be the practical result of a duty? It would be as follows: the farmers in the corn belt, under the stimulating effects of a duty, would increase the production, say 1,000,000 bushels; three-fourths of the amount now imported for home consumption must still be imported, and the duty collected upon it would not go into the pockets of the Canadian farmer, but in very many instances, would come out of his pocket; thus the country at large would be taxed upon four bushels of corn, three of which were imported, in order that the farmer in the corn belt might recover the tax upon one bushel. Such a policy was too wasteful and absurd to be entertained for a moment by intelligent men; and he thought he could safely assure the hon. gentlemen on the opposite side of the House that their bait would not be swallowed, and, when farmers came to figure out the matter, it would be found that they would not want so small a small boon at such an enormous cost. (Cheers).

#### The Barley Question.

He (Mr. Charlton) would refer for a moment to the barley question. It had been asserted by gentlemen on the opposite side of the House that the American duty upon Canadian barley diminished the price received by the Canadian farmer to the exact amount of the American duty. He should not enter to-night into the discussion of this question, though it was his belief that the American duty was actually paid, in a great measure, at least, by the American consumer, and made very little difference, indeed, with the price received by the Canadian farmer. But

he would ask the members of the Opposition how, even in the event of their assertions being true, were we to remedy the difficulty? We did not impose that duty. We would gladly take it off, but we had not the power. That power was vested in the Congress of the United States. Hear, hear). Of what avail would it be for us to impose a duty upon barley? It was an article which we sold to a very large extent, and bought to a limited extent. It would not affect the price of what we sold one iota if we were to prohibit the importation of a single bushel. In 1876 we imported 34,099 bushels, and exported 10,000,000 bushels. What effect upon this vast export trade would a duty upon the small amount we imported have produced? In 1877 we exported 6,587,180 bushels, for which we received 69c. per bushel; and we imported 369,801 bushels, for which we paid 40½c. per bushel. In other words, we took a small amount of American barley at 40½c., and sold them our own barley, of a superior quality, in place of it, at 69c. Possibly the larger portion of the barley imported from the United States at 40½c. was mixed in small quantities with our own superior grades, and sold back to them at 69c., and duty added. (A laugh). Whether this was the case or not, what effect could a duty upon barley have produced in that year, when, for every bushel we imported, we exported eighteen bushels? Had a duty excluded the 369,801 bushels of American barley which we imported in 1877, at a cost of 40½c., we would simply have exported that much less of Canadian barley, which we sold at 69c., and the country would have lost the difference in price between 40½c. and 69c. per bushel, or 369,801 bushels. (Hear, hear). Fortunately for Canada, the United States would no longer be our only market for barley. A large trade had, within the past year sprung, up with Great Britain. Our barley had been received with great favour there, and Great Britain could easily absorb our entire surplus. This being the case, English and American buyers would hereafter become competitors for the purchase of our barley. Its price would be fixed, as the price of all our

other cereals now most unquestionably were, in the open markets of the world, and then it would be a matter of the utmost indifference to our farmers whether the American Government did or did not impose a duty upon barley. (Hear, hear).

#### Handling American Grain Enriches Canada.

What was the purpose, he would ask, which the Americans had in view, when, in 1864, they abrogated the Reciprocity Treaty with Canada. It was that they might allure Canada into annexation with themselves. Had it that effect? On the contrary, it put the consummation of that purpose infinitely further away than before. It proved in the end to have been a blessing in disguise to us. While that treaty was in existence, the Americans purchased our grain and our lumber, and exported them for us. They acted as our factors, and pocketed the profits of the transactions. When the Reciprocity Treaty was abrogated we were forced to look around and do business for ourselves. We commenced exporting our own products; and, having done so for a short time, the idea suggested itself that we might, besides doing our own business, act as factors for the Americans who had formerly acted in that capacity for us. (Hear). Why not go to the Western States, thought we, buy their grain and export it from Canada? This would give employment to Canadian shipping and capital, and Canadian mills. For the four years ending in December, 1876, we handled \$30,000,000 worth of American wheat and flour, mostly wheat, and exported from Canada during the same period, a total of \$42,000,000 worth. Practically, we exported \$12,000,000 worth of our own and \$30,000,000 worth of theirs. Did we lose anything by this business? Would it have been a blessing to Canada to deprive our commission men, our mercantile marine, and our banks of the business which this vast volume of trade gave them. It was this vast business, and business of this kind which had made Canada a great maritime state; and hon. gentlemen on the opposite side of the Chamber proposed to deprive

our canals, our shipping, and our business men of this great volume of trade which had conferred such vast benefits on Canada. The proposition was an absurd one. (Hear, hear). True, they would say they could devise a plan by which, through the bonding system, this business could be retained. He (Mr. Charlton) denied it. So keen was the competition for the transaction of the western business between the American and Canadian channels, that a very slight difference was sufficient to turn the balance of that trade one way or the other; and the effect of a bonding system, no matter how liberally it might be devised, would be to divert the vast trade now going through Canadian channels, and send it to the American seaboard through American channels. Why did we build these canals? Why were we now spending millions of dollars to enlarge the Welland Canal? What was the policy of the Government? Was it to accommodate our own trade? No; our rulers saw that to the west of us was a country with unbounded resources; they saw that the trade of that country, wherever it flowed, gave beneficial results; they saw that it was building up great American cities on the seaboard; and it was to share in that prosperity that these canals had been devised and constructed. And, now, after the expenditure of the millions which had been required to make these channels of communication effective; now, when the Welland Canal could, when the enlargement was completed, bid defiance to all competitors for the western traffic, were we to step in and impose restrictions which would drive the western trade from our channels? The proposition was one of sheer fatuity. (Cheers). As to the duty on grain, we had a parallel case, which would show how little foundation the idea had that any advantage could be obtained from it. The United States imposed a duty, for the benefit of American farmers, on Canadian grain. Did that ever raise the price of the grain raised in the United States one cent, or confer any benefit on the American agriculturist? No; it simply drove from American channels the business which they enjoyed under the Free-trade



system which prevailed when the Reciprocity Treaty was in force, for their surplus crops of grain, as well as ours, found a market abroad. (Hear, hear).

#### Prices During and Since Reciprocity.

He desired to call the attention of the House to the average prices which obtained for various kinds of produce when the Reciprocity Treaty was in force, and the prices which had obtained since its abrogation. The general idea was that the abrogation of that treaty had reduced the price of produce sold by Canada. Whether it did or not, the average prices had been higher since the abrogation of the Reciprocity Treaty than they were during its continuance. For instance, from 1854 to 1864, we received an average of \$77.50 a head for horses; from 1866 to 1876, since the abrogation of the treaty, we had received an average of \$94.53. During the continuance of the treaty, the average amount paid for sheep was \$2.75; since the abrogation it had been \$2.76.

MR. BOWELL: How many years does that run over.

MR. CHARLTON: Ten years.

MR. BOWELL: That includes the period of the American war.

MR. CHARLTON said no; that was included in the time of the existence of the Reciprocity Treaty, which was abrogated in 1866. Their neighbours on the other side had closed up their war first, and they abrogated the treaty afterwards. During the continuance of the treaty, the average amount paid for wool was 30c., during the period since its abrogation it was 34½c. The average amount paid for wheat during the continuance of the treaty was \$1.13, and since it had been \$1.24. What benefit had the American farmer derived from duties on Canadian grain? What had he realized out of the promises held out to him, to induce him to submit to taxation so onerous as to fall little, if any, short of robbery, in order that a few people might amass fortunes? What benefit could he derive from a duty on Canadian grain, when he was a seller of the very same article, and the price

was fixed in the open market of the world? The same proposal made here was a delusion and a snare to the agriculturists of this country. (Loud cheers).

MR. ORTON: Does the hon. gentleman mean to infer that a reciprocity treaty would be an injury to Canada?

MR. CHARLTON: Not at all; the whole drift of my argument is in favour of free intercourse.

MR. COLBY: The hon. gentleman's object is, apparently, to show how Protection has affected the prices of agricultural products in the United States.

MR. CHARLTON said he was proposing to show what the result had been in the country which had given Protection the fairest trial any country in the world had given it.

#### Balance of Trade.

He had one word to say in reference to the much talked of question of the balance of trade. If a balance of trade existed against a country they were told that it was on the high road to ruin. It would be an astounding fact to his hon. friends on the other side, to inform them that, for the last 17 years, there had been an enormous balance of trade against England which had averaged £113,500,000 in every one of those years. Why was not England ruined? Because the balance of trade represented her profits. He would make a familiar illustration of the manner in which false impressions were derived from Custom-house entries. Suppose Mr. A. B., of Halifax, sent a vessel loaded with lumber or fish to the West Indies; suppose the Custom-house valuation was \$50,000, and allow for freight and charges to the West Indies \$10,000 more. Suppose that the cargo sold in the West Indies for 25 per cent. advance on the first cost, then Mr. A. B. realized \$72,500 on the original cost, freight and profit. He invested that in colonial produce and brought it to Halifax. Adding 15 per cent. for freight and other charges, the entry in the Custom-house, inwards, would be \$83,375, the outward entry being \$50,000. The books would then show a balance of trade against Canada

of \$33,375. Had Canada lost that? No; the effect had been to add to the wealth of Canada \$12,500; the profit on cargo, the net profit on freight and charges each way would be, say \$8,000 more, so that the total amount added to the wealth of Canada was \$20,500. The profits of the merchant were the profits on the outward cargo, \$12,500; net profit on freight, both ways, \$8,000; profits of sale on return cargo, say 20 per cent., amounting to \$16,675; total actual profits of the merchant on outward and return cargo, \$37,175. Without regard to the merchant's individual gains, part of which were realized by sale of cargo within Canada, the total increase to the wealth of Canada in consequence of the outward and return voyage was \$23,500, while the apparent loss, as indicated by the Custom-house entries, was \$33,375. Now, suppose another case. Suppose that same cargo cleared from Halifax, and the vessel foundered at sea and nothing was heard of her afterwards. Then the records of the Custom-house would show \$50,000 exports, imports nothing; clear gain to the country, \$50,000. (Hear, hear). They could see the absurdity of the calculations based upon the generally received opinions as to the balance of trade.

MR. BOWELL: The richer we get the more we buy.

MR. CHARLTON: Yes.

MR. BOWELL: Where does the money come from to pay for it?

#### Protection in United States.

MR. CHARLTON said he felt that he did not need to ask the indulgence of the House while he entered pretty fully into the discussion of the effect of Protection in the United States, because almost every gentleman on the other side pointed to the United States as a proof of everything he said in favour of Protectionist principles. It was worth their while to examine minutely, and carefully and candidly into the operations of Protection in the United States, and he proposed to ask the indulgence of the House to-night while he entered

into that question fully, because they had in that country a practical illustration of the operations of Protection and could leave the domain of theory and judge by actual results in place of speculating about fanciful consequences. They could tell, by carefully scanning the effect of Protection in the United States, what the effect would probably be in this country. That system and its opposite, Non-Protection, had been thoroughly tried in that country. No country had given each of those systems a more thorough and satisfactory trial than the United States. There had been three distinct and different non-protective periods, and there had been three distinct and different protective periods; and from statistics, from the experience of that country in those different periods, they could ascertain to a mathematical certainty, what had been the operation of Protection there, and from that they could draw a very reasonable conclusion as to what would be the result here. (Hear, hear). Their first non-protective period was from 1789 to 1816, their second from 1833 to 1842, and their third from 1847 to 1861. Their first protective period had been from 1816 to 1833, their second from 1842 to 1846, and their third from 1861 to the present time. He proposed to examine, as briefly as he could, into the working of these different periods. He proposed first of all, to direct the attention of the House to the astounding amount of duties and taxation wrung from the consumers of the United States in the last of those periods of Protection, commencing with 1861, and still in vogue.

MR. POPE (Compton): That is the highest.

MR. CHARLTON said it was; but perhaps he had selected it for that purpose, as best illustrating the effect of a thorough system of Protection. The amount collected in the last protective period, as the Custom-house books showed, had been \$2,429,978,000. The best authorities in that country—Robt. J. Walker, Wm. Burchard, and other experts in that matter—considered that for every \$5 which the Government received in duties under a

protective system, the manufacturers received \$14 in enhanced prices for the domestics which they produced. If that theory was correct, while the United States Government had received this enormous sum from the producers of food and the consumers of goods, the manufacturers had received, in enhanced prices, \$4,873,000,000.

MR. ORTON: What is the hon. gentleman reading from?

MR. CHARLTON: From some tables I have compiled from the Custom-house Returns, and authorities I have cited as to increased cost of domestics under Protection.

MR. ORTON: I thought, perhaps, he might be reading from the speech of the Minister of the Interior at Fergus.

MR. CHARLTON said this was the result of the direct and indirect cost of these duties. This represented the wholesale cost of these duties. Now, it was fair to add to the amount of the profits of the wholesale and retail dealers, not less than twenty-five per cent., then they had \$1,700,000,000 increased cost, in consequence of wholesale and retail profits, or altogether \$8,504,000,000 as the cost of that precious system of Protection during the last 7 years. What had they got by it? They had made a loss out of it. They had received less for everything they had to sell, and paid more for nearly everything they had to buy. What had been promised to these men to induce them to submit to this frightful taxation? They were promised the same thing which his hon. friends on the other side were promising now. They were promised a policy which should benefit the agricultural, mining, manufacturing, and other industries of the United States. (Hear, hear). This was the promise made; and a more delusive, a more unfounded promise than this that hon. gentlemen on the other side were making never was made; and the same promise and policy, if accepted, would bring in its train the disaster and loss that had followed the adoption of that policy in the United States.

### Home Market Promised.

When Protection was introduced into that country, its promoters said to those interested in the agricultural interest: "We assure you, if you adopt this policy, it will create such a vast consumption in the United States that you will have to import agricultural produce from abroad for your own market. Although you will have to pay more for your goods, the system in the end will prove a great gain to yourselves."

MR. COLBY: Who said that?

MR. CHARLTON said that the advocates of Protection said it; Horace Greeley, Henry C. Carey, and every man that wrote Protection articles in the United States, from Maine to Georgia and New York to California, said it; and they not only said it, but they brought every possible argument forward to induce people to believe that Protection would create a market at home for the agricultural surplus of the United States.

MR. YOUNG: That they would have to import into the United States?

MR. CHARLTON said they promised this, and yet, at this very time, after seventeen years of most efficient Protection, and with its manufacturing system unduly developed, that nation was exporting wheat, butter, cheese, beef, cotton, wool, and all the productions of the farm. (Hear, hear). They had paid enormous sums in order to get this home market, and, although they had adopted the policy of Protection for this purpose, and had been trying all these years to obtain a home market, they had not got it, and had not prospered better than they would have done under Free-trade, as he should be able to show. The agriculturist did not get what had been promised him; he was robbed, not only on the one hand, but on the other: he had to pay enhanced prices for what he bought, and received reduced prices for what he sold. (Cheers). They had an average duty of 44 per cent., which was sufficiently high, if the system could be made efficient. The manufacturing corporations, possessed as they were of vast wealth, had thronged the lobbies at

Washington, and spent money lavishly for the purpose of obtaining the legislation they chose to demand. They had had efficient Protection in that country; and, if the system were capable of producing the results promised, those results would have been produced in the United States. The system was a fallacy there, it would be a fallacy here, it would be a fallacy everywhere; and, where adopted, the people would be robbed for the benefit of monopolies. (Hear, hear). This was so in the United States. The adoption of the system led manufacturers to rapidly extend their operations. They produced a great quantity of goods, and, though profits were at first enormous, the result of the system, which impoverished the consumer from the start, in a few years brought reaction and loss of profits upon the manufacturer himself.

#### Development of Manufactures.

Was the development of the manufacturing industries of the United States as much more rapid under Protection than under Non-Protection as might have been expected? Let them look at the returns of the manufacturing industries of the country in various periods. From United States census returns he found that the gross product of manufactures in 1850 was \$1,019,106,616; deducting cost of material, the net product was \$463,982,734. In 1860, after sixteen years of Non-Protection, the gross product of manufactures was \$1,855,861,676; net product \$854,251,584. In 1870, after ten years of Protection, the gross production had risen very largely. It had risen to the sum of \$4,232,325,442; but the increase on the net production had not been so great; it was only \$1,743,898. They found, then, that the percentage of increase in the years from 1850 to 1860 was, upon the gross product, forty-six per cent., and the net product eighty-four per cent. This was without protection, but they found on the other hand that the increase on the gross products, under Protection, between the years 1860-70 was 124 per cent., and on the net products 104 per cent. And if they were to make allowance for the

inflation of value in 1870, in consequence of irredeemable currency, gold being at a premium of over 20 per cent., the increase in the net product of manufactures in the protective period, from 1860 to 1870, was about 86½ per cent., as against 84 per cent. during the previous ten years of Non-Protection. That was to say that, in ten years of Non-Protection, from 1850 to 1860, the increase in the net products of the manufactures of the United States was within 2½ per cent. of what it was under Protection during the years between 1860-70. Now, there was one great industry in the United States—the iron industry—which had always made very strenuous demands on the Government for Protection, and argued that it had peculiar claims on the sympathy of the Government. The hon. member for Cumberland (Mr. Tupper) had informed them that the iron industry of the United States had made great strides under Protection since the time this industry had been established there. Perhaps the hon. gentleman would be surprised to hear that the iron industry was established in the United States in 1700, and that in 1732, they exported a large quantity of iron to England, and, in consequence, the jealousy of English iron-masters had induced them to ask the English Government for protection against that great American industry. What had been the effect of Protection in the case of this industry? Going as far back as 1832, they found that from that year to 1840, in a non-protective period, the total increase in products of their iron manufactures of all kinds was 73½ per cent. From 1840 to 1850, which embraced the same period of Protection, from 1842 to 1846, the increase in the production of pig iron was 77½ per cent. The production of iron for 1850, was 563,000 gross tons; in 1860, it was 884,000 gross tons, an increase of 60 per cent. in a non-protective period of ten years. The production of iron in 1870 was 1,663,000 gross tons, an increase of 88 per cent. in ten years under Protection. The production in 1876 was 1,741,000 gross tons, an increase of one-half per cent. in six years of Protection, against 88 per cent. in the preceding ten years, showing that the development of the industry had

reached its climax during the first ten years of Protection ending 1870, and that from that time the progress and growth had almost entirely ceased.

An HON. MEMBER: What was the duty during the period between 1850 and 1860 ?

Mr. CHARLTON said the average duties on the entire list of imports in 1857 were 13½ per cent. This was about the amount charged in Canada to-day, and under that amount the industries of the United States had prospered and grown rapidly. He found that in 1850, the value of all manufactures of iron was \$135,672,000; in 1860, it was \$256,137,000, an increase of 96 per cent. under Non-Protection in ten years. The number of hands employed in this industry in 1850, was 142,000; in 1860 it was 198,000, an increase of 40 per cent. in ten years under Non-Protection in that one single branch of industry. The value of all manufactures of iron in 1870 was \$500,000,000, an increase over 1860 of 91 per cent. during ten years of Protection. The number of hands employed in 1870 was 237,000, an increase during ten years of Protection of 20 per cent., as against 40 per cent. in the ten years of Non-Protection, between 1850 and 1860. The number of blast-furnaces in 1870 was 713, and their annual capacity was 4,856,000 gross tons. The production in that year was 1,741,000 gross tons, which showed that they had created a productive capacity of 3,155,000 tons more than they required, and had expended at least \$100,000,000 under the unhealthy stimulus of high protective duties, in erecting furnaces in excess of the wants of the country, the vast majority of which would not have been wanted for fifty years to come. (Hear, hear). This vast investment was practically thrown away. It was a dead loss to the country; and, but for the delusive inducements of Protection, it might to-day have been invested in agricultural and other interests, where it would be yielding more or less adequate returns. And not only the iron interest, but nearly every manufacturing interest in the United States had been overdone under the unhealthy stimulus of Protection.

A few years ago, it would be remembered, a reservoir had burst, sending a deluge of water down one of the valleys of Massachusetts, which overwhelmed several villages and a great number of manufacturing establishments. Among those destroyed were a number of paper mills, and the calamity was actually viewed as a blessing by the paper interest, because it had reduced the productive capacity, which was too large. In the same way, if an earthquake were to swallow up 400 of the 713 blast-furnaces in the United States, and bury in the bowels of the earth the scores of millions which they cost the owners of the remaining furnaces would hail that calamity as a godsend, because, by an act of Providence, the evil of too much productive capacity would be corrected. So much for the condition of the manufacturing industries of the United States at the present time. The tables he had quoted showed that the increase of the manufacturing industries during the period of Protection from 1846 to 1860 was satisfactory.

#### Effect of Undue Development.

It was true these tables showed that the increase in the production was stimulated and rendered greater under Protection in the years from 1860 to 1870; but since that time, business had not only been suddenly restricted, but what was the condition of affairs there to-day? A total sum of no less than \$200,000,000 had been invested in manufacturing enterprises beyond the wants of the country or the power of profitable employment, and might be said to have been practically thrown away. The system of Protection had unduly and unnaturally stimulated the manufacturing enterprises of the United States, and to-day we found more than two millions of idle men—more idle men, in fact, in that new country that possessed vast areas of fertile virgin soil, inviting the labour of the husbandman—than in Great Britain and Germany. They were told that in the United States to-day there were one million tramps. What was the reason that there were two millions of idle men and one million

tramps in that country? It was because population, by the over-stimulation of manufactures, had gathered together in cities and towns to the neglect of agricultural interests. (Hear, hear.) The agricultural community of the country had relatively received no increase since 1860, and the production of cereals *per capita* was year by year decreasing. One effect of this aggregation of population in cities was shown by the fact that part of the country was, last summer, laid under martial law, in order to suppress lawless violence. In the second manufacturing city of the United States, from a pure feeling of maliciousness and deviltry, a large amount of damage had been done to property by incendiary conflagrations; one railway company having sustained a loss of \$3,000,000 from this cause. Communism had been created, and other social ills had followed the adoption of the extreme Protection which had been in vogue in the United States since the year 1861.

#### Protection and Agricultural Development.

He would produce some agricultural statistics, and if these figures were true, they told an eloquent tale against the policy of the hon. gentlemen opposite. It was important for the people of this country, if they were to deal with this question of Protection, that they should understand that question in all its ramifications; and he had need of no further apology for laying before them this information than that it was necessary in order to understand the practical working of the protective principle in the United States of America. Grosvenor's compilations from the census returns of 1860 showed that the additions to the wealth of the country for that year from farm produce, increase of stock, farm betterments, etc., was \$2,600,000,000. Ten years later, and after ten years of Protection, the census returns of 1870 showed the addition to the wealth of the country for that year from the same sources, had been reduced to \$2,448,000,000. That was the effect of Protection on the agricultural interests of the

country, if these tables were reliable, as they probably were. The statistics showed that the amount of land in farms in 1860, was 407,212,538 acres, and in 1870 the amount of land in farms was 407,735,041 acres, or an increase of only one-tenth of one per cent. of land in farms in ten years. The acreage of land improved in 1860, was 163,100,720, and in 1870, 189,921,000 acres, or an increase in ten years of fifteen per cent. The improved lands in 1850 amounted to 113,032,614 acres, or an increase between the years 1850 to 1860, in a period of Non-Protection, of forty-five per cent. The land in farms in 1850 was 293,560,614 acres, an increase from 1850 to 1860 of thirty-nine per cent., as against an increase in the years between 1860 and 1870, under Protection, of one-tenth per cent. in total amount of lands in farms and of forty-five per cent. against fifteen per cent. in improved lands in farms in the same corresponding period. The same statistics showed the production of cereals and potatoes in 1860 was forty-five bushels per head; in 1868 it was forty-two bushels; in 1870 it was forty bushels, and in 1874 it was thirty-eight bushels; showing a continual and regular decrease in the agricultural products of the United States, based upon the population of the country. (Hear, hear.) In fact, these statistics showed that the agricultural interest of the United States was in a languishing condition and had been, for some reason, the very reverse of prosperous since the introduction of a protective policy.

#### United States—Exports of Manufactures.

They had heard much from the opposite side of the Chamber, of the wonderful increase in the exports of manufactures from the United States since the introduction of Protection. He found that, in the article of cotton goods, in 1850, after four years of Non-Protection, the exports amounted to \$4,734,000, and that ten years afterwards, during the continuance of the same period of Non-Protection, the exports of cotton goods amounted to \$10,934,000. This large export of 1860 was in the last year of a Non-Protective period of fifteen

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years. In 1866, after six years of Protection, the amount of export of cotton goods had fallen to \$1,784,000. After seventeen years of Protection, they found that the export of cotton goods was not greater than at the commencement of that period; that in 1877, under the pressure of over-production, under the pressure of absolute necessity to dispose of accumulation of surplus stock, the export of cotton goods had only reached \$10,235,000. The following table gave the export of cotton goods from the United States in various years, from 1850 to 1877. The first five entries were during a period of Non-Protection — the last five during the last period of Protection:—

Exports in 1850.....	\$ 4,734,000
do 1857.....	6,115,000
do 1858.....	5,651,000
do 1859.....	8,316,000
do 1860.....	10,934,000
do 1866.....	1,780,000
do 1870.....	3,787,000
do 1874.....	3,569,000
do 1876.....	7,722,000
do 1877.....	10,235,000

If the ratio of increase from 1850 to 1860, in a period of Non-Protection, had been maintained, the exports for 1870 and 1877 would have been as follows:—

Export of Cotton Goods, 1870..	\$25,148,000
do do 1877..	34,000,000

It was evident that the friends of Protection had been mistaken in stating that their policy would increase the amount of exports in manufactures, this table plainly showed that, by reason of Protection, the United States cotton manufactory industry had been rendered less able to compete with foreign manufactures in foreign markets than before. Let them take the total exports of all manufactures in various years as further illustration of the subject in hand. In 1857, the total exports amounted to \$31,034,000; in 1859 to \$33,848,000; in 1860 to \$42,438,000; in 1877 to \$72,677,000, against \$1,000,000,000, the exportation of England during last year. Would the hon. member from Cumberland (Mr. Tupper) say, in the face of these facts, that the United States was jostling England in the markets of the world,

and was about to exclude her from them. (Hear, hear). Now, had the ratio of increase from 1857 to 1860, in the United States been maintained till 1877, the total export of manufactured goods would have amounted, in round numbers, last year to \$200,000,000. If they had left the Non-Protection system alone, if they had continued the non-protective policy that prevailed from 1847 to 1860, there was every reason to believe that, in the last fiscal year, instead of exporting \$72,667,000 of manufactures, their export would have exceeded \$200,000,000. So much for the blessings of this system, so far as it was applied to the interests of manufactures.

#### Protection and the Industrial Classes.

It had been stated that the industrial classes had actually benefitted by this Protection. This was wrong; for by the introduction of the system there had been imposed over \$8,000,000,000 in direct and indirect taxation, as he had previously shown, since 1860. The census of 1870 gave the number of persons employed in all industries at 12,506,933. He had been at great labour to ascertain the number of manufactures benefitted by Protection, and he found that, of the number of work-people mentioned, only 510,000, making a liberal estimate, had been benefitted by Protection. By selecting natural manufactures from manufactures belonging to protected industries, he found that the products of natural manufactures in 1870 amounted to \$2,351,733,000; and, deducting the price of material, to \$942,767,000 net; and the workpeople employed in these manufactures not only were not benefitted by Protection, but were actually injured by it. Out of the total industrial population of the United States, which was stated at 12,505,000 in 1870, on a liberal calculation not more than 510,000 employed in industries were benefitted by Protection, or about one man in every twenty-five of the population. No better illustration of the utter absurdity of the system than this could be brought forward. (Hear, hear). The net product of six great protected industries, viz., iron, cotton, woollen, paper,

salt and glass, in 1870, was \$947,925,000, and, deducting material, a net product of \$404,524,000, the gross production, per hand, in natural manufactures in 1870 was \$2,322; gross production, per hand, in six great protected industries was \$1,878, as per census returns. The net production, per hand, in natural manufactures in 1870 was \$895, while the net production of six great protected industries the same year was only \$801 per hand, showing that the industries fostered by Protection were not producing so large a net result as the natural manufactures were. This afforded an illustration of the absurdity of endeavouring to build up industries that that country was not prepared for or adapted to.

**Prices of Farm Products and Rates of Wages, Under Protection and Non-Protection.**

He should bring his remarks to a close by offering some tables showing the relative prices of farm products, labour, etc., during the periods of Protection and the periods of Non-Protection. These tables were of the utmost importance in forming an estimate of the results of a protective policy. The first reliable statistics relating to food prices, derived from the United States Treasury reports, did not date back earlier than the year 1825. Commencing with that year, he would give a table showing the average prices of wheat, corn, oats and cotton in different periods of Protection and Non-Protection, down to the year 1860, as follows:—

	Wheat.	corn.	Oats.	Cotton.	
1825 to 1832...	\$1.10½	62	37	10½	Protection.
1833 to 1842...	1.35½	77½	43	12	Non-Protect.
1843 to 1846...	1.02	57	34½	6½	Protection.
1847 to 1850...	1.26	68½	43	9	Non-Protect.
1850 to 1854...	1.44	71½	47	9½	do
1855 to 1860...	1.69	81½	48½	10½	do

This would give an average price of wheat during all the periods of Protection from 1825 to 1860 of \$1.06½, of corn 59½c., of oats 35½c., of cotton 8½c. During all periods of Non-Protection, from 1825 to 1860, the average prices were—wheat, \$1.43½; corn, 74½c.; oats, 45½c.; cotton, 10½c.

The average price of wheat from 1861 to 1869, under Protection, was \$1.06, gold. These were contrasts of the prices of the various products of the soil during the periods of Protection and Non-Protection. (Cheers). Did not those figures show conclusively that the average prices of these products were less under Protection than under Non-Protection. The following table showed the comparative prices obtained for flour during different periods:—

Average price last 4 years, Non-Protection period, 1839 to 1842.....	\$5 45
Average price 4 years, Protection period, 1843 to 1846.....	4 46
Average price 15 years, Non-Protection period, 1847 to 1861.....	5 86
Average price 9 years, Protection period, 1862 to 1870.....	4 71

He would only trouble the House with two more tables, setting forth the average price of wool and the average price of labour during the different periods of Protection and Non-Protection, and then he should be done with his statistics, which could be left to tell their own tale. He would first call attention to the prices of wool under different periods of Protection and Non-Protection. The United States Treasury report showed the following with regard to prices of wool during the different periods:—

	Common.	Merino.	Pulled.	
1825 to 1832.....	27½	43½	32½	Protection.
1842 to 1846.....	32½	32	27	do
Average.....	25½	37½	29½	During 2 Protection periods
1833 to 1841.....	34	49	42	Non-Protection.
1847 to 1856.....	32	39½	31	do
1857 to 1860.....	35½	44½	28½	do
Average.....	33½	44½	33½	During 2 periods of Non-Protect.
Price in 1860 av	38½	50	29	Non-Protection.
" Gold 1869 "	36½	41½	26½	Protection.
" in 1846 at end of Protection period.....	20½	27½	22½	End of a Protect. period of 4 yrs.
Price in 1850, after 4 yrs Non-Protection .....	33½	40½	34½	After 4 years of Non-Protect

He held in his hands a table of wages which established the fact that in the great manufacturing city of Lowell, Massachusetts, the rate of wages in all

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the different employments was uniformly higher in a non-protective periods than in a protective periods. Taking the woollen and cotton factories, it appeared that the average daily wages paid at that city were as follows: Cotton in 1839, Non-Protection, \$1.32; in 1845, Protection period, \$1.05; in 1849, Non-Protection, \$1.30; in 1859, Non-Protection, \$1.43. The daily wages in woollen mills during the same period were as follows: 1839, 94c.; in 1845, 89c.; in 1849, 84c. and in 1859, 90c. A comparison of the average rates of wages in various trades in 1845, at the end of a Protection period, and in 1860, at the end of a Non-Protection period, would show the following contrasts.—

	1845.	1860.
Edge tools, weekly.....	\$7 50	\$10 70
Hardware, daily.....	1 25	1 55
Foundry and glassware, daily.....	1 22	1 51
Leather, weekly.....	6 00	8 00
Paper mills, daily.....	1 00	1 23
Farm labour, monthly..	9 00	14 00

Though without thoroughly reliable data, he ventured to say that labour in the United States was more insufficiently paid after seventeen years of Protection than in 1860, after nearly the same period of Non-Protection, and he unhesitatingly asserted that it was vastly more difficult to obtain employment.

He might sum up his statement by saying that he considered he had produced abundant evidence of the fact that the effect of Protection on agriculture in the United States had been a disastrous one, and that the effect of Protection on manufactures in the United States had also in the end been a disastrous one. \$72,000,000 of goods were exported last year, but the annual interest at six per cent. on the vast sum paid directly in duties since 1861 for the purpose of protecting home industry would amount to almost exactly twice that sum, or to \$144,000,000 per annum. He had shown that the production of cereals per head had fallen year by year; that the rates of increase in the agricultural population of that country had diminished; that the prices realized by agriculturists under Protection had been less than under Non-Protec-

tion; (hear, hear;) and that the effect of Protection on manufactures had been to involve the entire system in ruin. He had shown that hundreds of millions of dollars to-day in the United States were invested uselessly and practically lost, and that, in consequence of the evil of over-production, American manufacturers had succeeded in exporting goods to a limited extent which, under the normal action of Protective duties, they would not have been able to do. He had shown that the position of manufacturers in the United States to-day was more depressed than that of the manufacturers of Canada or any other great manufacturing country, and that depression, which sat like a nightmare upon their industrial interests, was the direct fruit of Protection in that country, and that the system of Protection had produced unmixed evil in all the industries of the United States. (Cheers.) At a time when the verdict of the American people at the polls had but recently decided by overwhelming popular majorities that Protection was wrong; at a time when the people had declared that the policy of the country should be changed; at a time when legislation was pending in Congress for the purpose of reducing by more than two-thirds the list of articles on which duties were imposed; at this very time certain wise men in Canada gathered together at Toronto, a few weeks ago, from the east, west and north, in solemn conclave, and affirmed, as the leader of the Opposition had affirmed on the floor of this House, that we in Canada want this policy that had caused disaster in the United States,—this absurd policy which had led to the great injury of the agriculturists, the manufacturers, the commercial marine and all the business interests of the United States. (Cheers.)

SIR JOHN A. MACDONALD: What fools the Yankees must be.

MR. CHARLTON said the difference between them and ourselves was, that they had seen their folly, and were trying to extricate themselves from a false position, while our fools were trying to step into their difficulties. (Great laughter.) Those hon.

gentlemen 'opposite reminded him of the story of Rip Van Winkle, who, tradition said, after sleeping for several years, woke up one morning to see things very much changed. Those hon. gentlemen went to sleep ten or fifteen years ago, during the palmy days of Protection; they had woke up, but had not examined their bearings yet, or observed what the results of the system had been. He did not know whether the hon. member for Niagara (Mr. Plumb), when he was in the United States, was a barn-burner or an old hunker Democrat; but, whichever he was, he was a Free-trader. Though under a Rip Van Winkle spell now, those who felt anxious about his safety might reasonably hope that he would awaken some day and return to his old faith. (Laughter.) Hon. gentlemen opposite were proposing to give this country the Protection system of the United States, to re-enact the English Corn Laws that were abolished thirty years ago, and to confer at one and the same time the blessings of dear corn, dear coal, dear salt, and dearer goods. They proposed to seek the prosperity of the agriculturist, the miner, and all other interests in Canada by a process of depletion, of bleeding, of taxation, by robbing one to enrich the other, and then taking from the other to enrich the one, by a process of plunder, and passing the spoils from hand to hand. They were going to adopt a policy which would enrich the country very much as an old Yankee once said that his boys made money on rainy days when he averred that each one, with a jackknife, a top and some odd trinkets, would commence trading with the others, and before night, such was their 'cuteness, each would be found to have made ten dollars, though

they had no more knives, tops and trinkets among them than when they first commenced this system of domestic commerce on a small scale. That was very much the system of political economy that hon. gentleman opposite proposed to introduce into Canada. (Hear, hear.) He had only to say that the policy was a disastrous one, that its practical results were before their eyes, that it had been tried in the United States under most favourable auspices; a country with a vast extent of fertile soil, with great variety of climate and production; a country enriched with the boundless endowments of prodigal nature, and comprising in its vast range of resources a miniature world within itself, and yet, under these favourable circumstances, the system of Protection had completely broken down, and had illustrated the fact that its practical results were disastrous, and could only be disastrous in the extreme. The intelligent people of Canada had but to have these facts placed before them for consideration, and they would reject this political scheme of the Opposition, which was adopted by them, not because they truly believed it to be a policy that would benefit Canada; not even because they expected to reconcile conflicting interests and reduce their absurd theories to practice if successful before the people; but because they believed it would be a specious and delusive cry which would catch the popular ear with its vague generalities and loud promises, and might serve to give them a temporary advantage, and lead them to that goal of their prayers and ambition—the loaves and fishes of office—to reach which, they were willing to travel by any road and to profess any principles. (Loud cheers.)



