

THE DOMINION WATCHMAN.

THE VICTORY.

(WITH OVEN.)

The "Victory" has already been before the public for three years, and wherever introduced has met with universal favor.

It has always stood in the front rank as regards *heating power, beauty of appearance and perfection in manufacture*; but the great changes and improvements we have introduced this season place it head and shoulders above any other Stove of its class on the continent.

We ask particular attention to the *Dress, Trimmings and Fitting*, and claim that in these respects the "Victory" stands *peerless*.

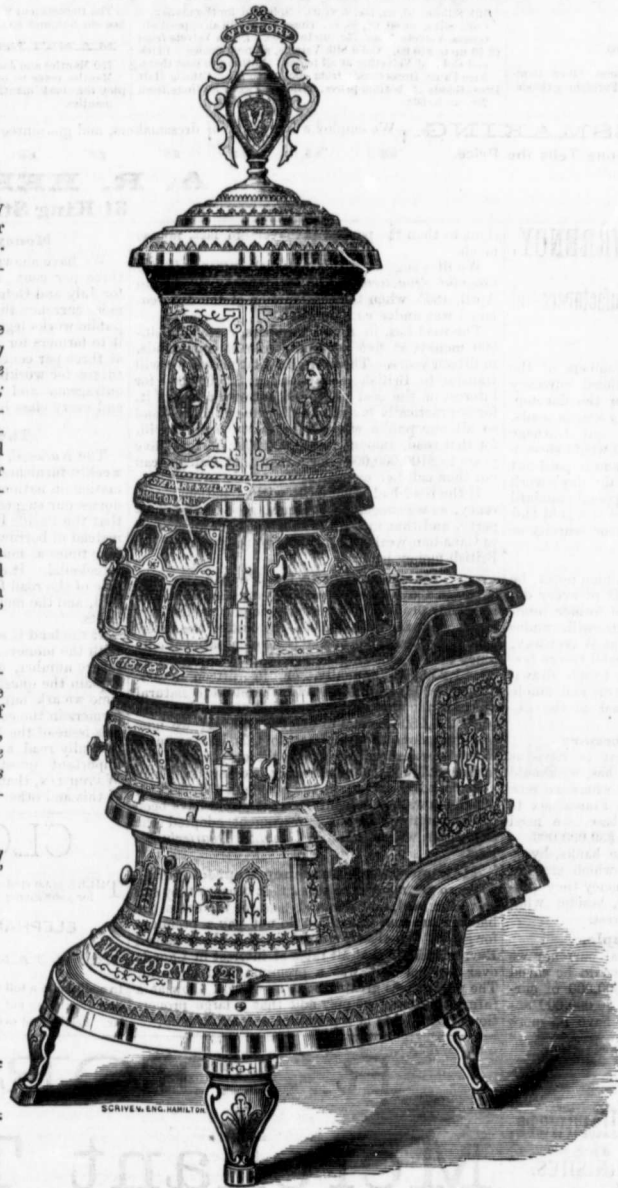
The carving and ornamentation are exceedingly chaste and unique, whilst the style of the *Mica Doors, Top Urn, Deep Edges, Nickel Name Plates, Turn Keys, Pins, Legs and general outline* must command admiration.

As regards the *working qualities* of the "Victory,"

we claim *perfection*—as nearly as it can be attained—the *fire box* is deep and contracted, thus ensuring great heating capacity, together with economy in fuel. (We have never known a Fire Box of the "Victory" to *burn out*, and consequently do not require to make it in *Sections*).

The Draw Grate is most simple and easily managed. The Flues are large and roomy, the arrangement for heating water is a great convenience, and the Heat is under such perfect control that when a greater or less degree is required the "Victory" will respond in the shortest time of any Stove in use.

With the *utmost confidence in its merits*, we place this Stove before the Trade and public, sure that among the many excellent Base Burners offered in the Canadian and American markets, none will be found to possess so many good qualities as the "Victory."



Four

Sizes.

No. 22.

No. 23.

No. 23, with Oven.

No. 24.

No. 25.

No. 25, Double Heater.

Wood and Coal Stoves of Superior Quality constantly on hand at low prices.

HAMILTON MALLEABLE AND GREY IRON WORKS,

Corner of John and Cannon Streets,

BURROW, STEWART & MILNE.

If you want a Perfect Fitting Shirt, go to Treble, 8 King St.

THE DOMINION WATCHMAN.

GRAND SHOW OF DRY GOODS AT THE CHEAPEST PLACE IN THE CITY OF HAMILTON.

STAPLES.
 20 yards very good Cotton for \$1.00.
 50 " " Print for \$1.00.
 20 " " Wincy for \$1.00.
 12 " good heavy 4x4 Sheetings for \$1.00.
 Good Wincy Shirtings for 12 1/2c.
 Good Sheetings, Blankets, Flannels, Counterpanes, Linen Damasks, Towels, Ticks, and all kinds of House Furnishing Goods.
 Try us for your Dry Goods.

SILKS VELVETS, DRESS GOODS.
 Pix Silks at 50, 65, 75c. & \$1.00. Splendid for the money.
 Col'd Silks, 45, 50, 65, 85, \$1. These prices kill all opposition.
 Geneva Velvets from 75c. up to \$4.00. Lyons Velvets from \$2.50 up to \$10.00. Col'd Silk Velvets, all new shades. Black and Colored Velvetting at all prices. Nothing to beat them.
 Nice Fancy Dress Goods from 10c. up to 75c. Camels Hair Dress Goods at bottom prices. Ladies' Tweed Suits from 20c. up to 50c.

MILLINERY.
 The Department is running in full blast and doing splendid. See our Summer stock.

MANTLES AND MILLINERY.
 750 Mantles and Jackets in stock from \$1.50 up to \$4.00. Mantles made to order at every price and style. We employ the best mantle cutter in the city. Try her for your mantles.

DRESSMAKING.—We employ a large staff of dressmakers, and guarantee a good fit.

The Price Tells and every one Tells the Price.

Remember the place.

Remember the place.

A. R. KERR & CO.,
 31 King Street East, Hamilton.

A TRUE NATIONAL CURRENCY. Money for Farmers and Manufacturers at Three Per Cent.

As amply proved in previous numbers of the DOMINION WATCHMAN, a true national currency is one issued by the Government for the development of national wealth—that is, for wagon roads, railroads, canals, harbors, bridges, and drainage purposes, so that every dollar issued would show a dollar increase of national wealth; and if paid out at the rate of one dollar per day for the day's work of a laboring man, it would be a perpetual standard of value that would never be affected as a gold and silver currency is by the abundance or scarcity of these metals.

Legal Tender.

They would, like the present Dominion notes, be a legal tender for all taxes and debts of every description in the country, and, as in former numbers proved, the surplus products will, under the wise legislation suggested in the WATCHMAN, always be sufficient to pay all our liabilities to foreign countries. The bills of exchange drawn against shipments will always be a true and ample international currency, always equal to the demand.

Amount of Currency Necessary.

In Vol. II No. 3, we showed that to have as much currency per family as Britain has, we should have about four dollars per family where we now have one; and to be on a par with France, six to one; that, taking Britain as a base, we need \$120,000,000 in place of the present \$30,000,000.

By the present bank currency the banks, by issuing three of these debt notes—which are not money—for every dollar of gold money they possess, clear five per cent. on these, besides what they charge their customers for interest.

The Saving to the People.

By the issue of the true national currency we have suggested, that five per cent. would be saved to the people, which on the \$120,000,000 of currency we require would amount to \$6,000,000 annually, which in equity the banks have no more

right to than the poorest taxpayer—in fact, not as much.

We first suggested this national currency in the *Canadian Quarterly Review* for January, 1864, and April, 1865, when the construction of the Intercolonial was under consideration.

The road has, in round numbers, cost \$25,000,000 money, at five per cent. interest compounds, in fifteen years. Therefore, in that period we will transfer to British money lenders \$25,000,000 for interest on the cost of it, and not own a foot of it, for it practically belongs to the money lender—and so all our public works. In thirty years it will, for that road, amount to \$50,000,000; in forty-five years to \$100,000,000—for a road that Canada can not then call her own!

If the road had been built with a national currency, as we suggested, it would be our own property, and that incredible sum would be an accrual to Canadian wealth, in place of to the wealth of the British money lenders.

More Saving to the People.

It was above shown that the banks have an unrighteous profit of five per cent. for furnishing currency. On the \$25,000,000—the cost of the Intercolonial—the saving by the issue of a national currency for its construction would, at five per cent., be \$1,250,000 annually, or in fifteen years, \$19,750,000; and if we add thereto the natural accruals for the interest on that saving, it would be \$7,216,250—a total of \$26,966,250. If we now add the amount for interest to this last amount, which accrues to the banks in fifteen years for furnishing \$25,000,000 of currency, we have in fifteen years a total saving to the people of \$51,966,250, which shows how advantageous it would have been to the country had the Government adopted the suggestion we made in the *Canadian Quarterly Review*.

How our Bank Currency Depreciates.

There are many who think that because they can go to the bank and demand gold for the notes the banks issue that Canadians do not pay a premium for gold. We clearly proved in the above-named Review in 1865 that all rates of interest in Canada over four per cent. was a premium paid for gold. The premium is greater now, as we will show at a future time, and we may add that a large proportion of bad debts is a premium we pay for gold.

Money at Three per Cent.

We have shown that money should not be over three per cent., and suggested in the WATCHMAN for July and October, 1877, that as we want vastly more currency than can be issued fast enough for public works legitimately, it would be wise to loan it to farmers for drainage purposes, for ten years, at three per cent., and in like manner to manufacturers for working capital. Thereby the present outrageous and ruinous rates would be overcome and every class be secured in work and pay for it.

The Pacific Railway.

The *National*, published in Toronto, and which weekly furnishes a large amount of valuable information on national questions, in a late issue endorses our suggestions for a national currency, and that the Pacific Railway should be thus constructed instead of borrowing. The saving would be about four times as much as the figures given for the Intercolonial. It also suggests that the land on each side of the road for twenty miles deep should be sold, and the money go to pay off our Government debts.

If the land is sold, that is what should be done with the money. That point we will refer to in a future number, when we will have more space to explain the question more fully; and in the meantime we ask our subscribers and the thousands of farmers in the county of Wentworth to whom this issue of the WATCHMAN will be distributed to carefully read and thoughtfully consider this all-important question, and to subscribe for the WATCHMAN, that they may get a full understanding of this and other national questions.

CLOTHING.

THERE is no spot in Hamilton where you can better value your money than at the

ELEPHANT CLOTHING STORE,

NO. 8 JAMES STREET NORTH.

In addition to a full range of new suits, pants and over coats they are closing out a bankrupt stock at fifty cents in the dollar. Really good overcoats at \$4.00.

J. M. WEBBER,

DEALER IN

Carriage and General Hardware,

PAINTS, OILS AND VARNISHES,

No. 106 KING STREET WEST,

HAMILTON, ONTARIO.

Also agent for

Holmes' Improved Tubular Churn,

The FIRST PRIZE CHURN of the Central Fairs of 1877-'8. Call and see the churn and the approving certificates.

County rights for sale.

R. GEORGE,

Merchant Tailor,

Ready-Made Clothing and Gent's Furnishings,

NO. 28 KING WILLIAM STREET,

CORNER OF HUGHSON STREET

APR 16 1955

1873
 J. B. Macdonald

THE DOMINION WATCHMAN.

"NOT PARTY BUT NATIONAL INTERESTS."

Agriculture and Manufactures are the true sources of National Prosperity.

VOL. 3.

HAMILTON, OCTOBER, 1878.

NO. 4.

THE WEAKNESS OF SIR JOHN A. MACDONALD'S POLICY.

THE STRENGTH OF THE TRUE NATIONAL POLICY.

The late election was a decision of the people of Canada whether they would have a protection or a free trade policy, whether they would have national or anti-national rulers. The *Chicago Journal of Commerce* describes the action of the people as "the first grand stride of the Dominion toward commercial independence."

Sir A. T. Galt's tariff of 1858 was a step in that direction, but it was not instituted for that purpose. The revenue did not begin to cover the expenditure. The deficiency in that year, as stated by Mr. Galt, was \$2,000,000, and that while there was "a large and influential party who advocate a protection policy, that it had not been adopted by either the government or the legislature."

The September election was the spirited uprising of an overwhelming proportion of the voters who, regardless of party affinities, have clearly made manifest their determination that Canada shall be for Canadians, that charity begins at home, that they will secure work for themselves in place of for foreigners, that Canadian manufacturers shall have employment, and the farmers a reliable home market for their products.

That was the great national question before the country; the spirit of right has prevailed. In the first conflict the Nationals have utterly routed the Anti-Nationals, but it is only the first step in the right direction. While we must unflinchingly hold what we have acquired, we must with the prestige gained push on to greater victories until we have demolished all the strongholds of our oppressors, those who devour by high rates of interest, and those who rob by fraudulent importations.

Then, by cheaper government upon truer principles and cheaper money upon a true national basis, an end being made of the importer who robs and of the manufacturer who cheats, Canadians will be delivered from the curses that are devouring all their substance.

The vital importance of pushing on to complete victory can be more fully perceived in the light of the information we further on give, which shows the weakness and inefficiency of Sir John's policy, which, good in so far as the tariff may be properly adjusted, will come as utterly short of restoring the country to true permanent prosperity as the high tariff of the United States has failed, because it has not been able to countervail the ruin in that country resulting from the enormous cost of government and the inefficient, contradictory and fraudulent system of currency. And no tariff arrangement in Canada will overcome the ruin accruing upon the country through a cost of government and load of

interest, which is devouring the wealth of the people nearly as fast as it is being consumed in the United States. To make this clear and to invite every Canadian patriot to be up and doing for the complete deliverance of his country, we will give a condensed exhibit of the financial position in the United States and Canada.

United States Finances.

Ample exhibits of the financial position in the United States has been furnished in previous numbers of the *WATCHMAN* that unmistakably prove that the cost of all their various governments has, for the thirteen and a half years from the close of the war, in April, 1865, to this time, been on an average about \$300,000,000 more annually than all the people earned after feeding and clothing themselves, which, for the thirteen and a half years is over \$4,000,000,000 more for the cost of all their various governments than the surplus earnings of the people.

Of the vast amount thus raised by loans, mortgages and other securities, more than \$1,500,000,000 was borrowed from Europe in 1871 alone. They claim to have paid over \$400,000,000 of their Federal debt in the period above given, but it is clear that for every \$100,000,000 thus paid off that they in other ways run in debt \$1,000,000,000, or ten dollars for every dollar paid off.

As examples of the way it was done, the *New York Tribune* furnishes a list of 127 cities which, in the first ten years of that period increased their municipal indebtedness over \$423,000,000, or about the amount of the Federal debt paid off in that time. It is easy to perceive that the increase of debt in all the municipalities, States and Territories of the Union would easily aggregate ten times the amount of increase in those 127 municipalities reported by the *Tribune*, or more than \$4,000,000,000. It is reported that the State of Illinois is in debt to the extent of \$20 per acre for all the land in it; and it was ascertained about a year ago, that in the county of Calhoun, in the State of Michigan, there had been \$5,450,000 of mortgages put upon the estates of that one county in four years. That is a type of the whole country, and as we have shown in Vol. 2, No. 2 of the *WATCHMAN*, the aggregate debts of the whole country is \$10,000,000,000. The *New York Shipping Gazette* some months ago gave the amount as \$9,952,870,027. The Hon. David Wells, in an exhibit furnished the Cobden Club, puts the losses of the war at \$9,000,000,000. The assessable wealth of the United States in 1860 was \$12,084,560,005. From that must be deducted the slaves, which assessed at \$300, the average Virginia prices, amounted to \$1,200,000,000, and \$218,813,942 acres of unimproved land at \$5 per acre, which should not be included as assessable wealth any more than the unsold lands or than the fish in the sea. The amount therefor would be about \$1,000,000,000 which proves that the net assessable wealth in the United States in 1860 was not quite \$10,000,000,000; therefore, it is clear that that

country is in debt to the full extent of its assessable wealth, for there was no increase during the war, and there could have been none since, with a cost of government \$300,000,000 more annually than the surplus earnings of the people, after feeding and clothing themselves. Therefore, any increase of wealth in the country since 1860 is not an increase of their national wealth, but of the wealth of other nations invested in their country, for the greater portion of which the people of the United States are in one way or other under dividend tribute to foreign people.

President Hayes and the Tax Payers.

President Hayes, in lately traveling over the States of the Union, has in his receptions repeatedly stated that the country was fast paying off its indebtedness, and at a rate which no other country has ever done. There is just enough truth in his statement to make it appear true, but it is certainly misleading, just as the monthly and yearly statements of their Ministers of Finance have been in that country ever since the war, that they were rapidly reducing their national debt; whereas, while through high tariff and excise they secured revenues to pay off \$100 of Federal debt, for every \$100 thus paid they run the people \$1000 in debt.

We offset the President's statements by a taxpayer's exhibit by the following official data, lately furnished by an American paper, as to the way they are getting out of debt:

Appleton's Encyclopedia gives the bonded debt for October, 1865, and John Sherman, Secretary of the Treasury, gives the figures for 1878, as follows:

Bonded debt in 1865.....	\$1,163,769,580
Bonded debt in 1878.....	1,863,633,850
Increase.....	\$699,864,270

It will be seen that the bonded debt has increased over one-half since 1865. While this debt has been increasing one-half your property has depreciated in just about the same ratio, and this makes the debt doubly oppressive.

Now look at the total debt. Mr. S. D. Horton gives the figures for 1876, and John Sherman gives the figures for 1878, as follows:

Total debt, Sept., 1876.....	\$2,203,903,616
Total debt, Jan. 1, 1878.....	2,233,902,682
Increase.....	\$29,999,066

An increase of nearly thirty millions in sixteen months. And the Davis Senate Committee report the increase for twelve months at \$24,000,000, which confirms the above figures.

The data above given amply confirms the exhibit of their position that we wrote in October, 1873, with the statements then made that there would be no return to permanent national prosperity until there was a reduction of at least \$300,000,000 annually in the cost of all their governments. Their scribes, and rulers, and financiers have every month since been predicting the immediate advent of better times, that they had got to the bottom and secured a sound foundation, but property has depreciated every day since; farmers, manufacturers, merchants and bankers, insurance companies, railroads and shipping, and every other true national interest has been continually sinking deeper in the bottomless financial abyss in which we showed the country to be immersed in 1873, and in which it will sink deeper and deeper until the cost of their governments is reduced fully one-half.

Further evidence of the deep and wide spread character of their ruinous depression is seen in the proposition lately made in a prominent New York paper, that in consequence of the mortgage and other indebtedness of the farmers, it would be well for them to sell their farms to their creditors, to rent them back from the money lenders, and to take any surplus funds they might have after selling and spend it in drainage and other improvements, which for want of funds they cannot now do, to enable them to make a living off their farms.

Thus the mass of the farms have practically become the property of the money lenders.

Ignorance of Free Trade Writers.

These facts show how utterly untrustworthy are the statements of free trade writers, who, in their ignorance of the true financial position of the United States, and of the true cause of their depression, continually assert that it is caused by a high tariff, that protection is ruining that country, whereas it is the vast army of ignorant office holders and the selfish money lenders that are devouring it. Were it not for that high tariff there would be far less ability to produce in their own country, to compete with less burdened manufacturers in other countries, which is proved in their having in 1877 imported about \$200,000,000 of manufactures and products which can be produced in their own country. Within the last three years the exports have been rapidly increasing over the imports. These are the round figures at gold valuation, as furnished by the New York Tribune for 1876, \$50,000,000; in 1877, \$138,000,000; and if memory serves, it was about \$260,000,000 for the year ending June, 1878. That looks like a rapid return to national prosperity, and American papers say accrual of national wealth. But we have seen that the drain for interest and dividends to Europe is somewhere about \$300,000,000 annually. Previous to the dawn of their surplus exports that amount, or what ever was paid on it, was raised by the continual sale of fresh bonds, mortgages and other securities; there was no other way to balance the amount. Before we can believe the American writers they must clearly show in what other way that interest and those dividends were paid.

If we divide that \$260,000,000 of surplus exports for 1878 by the about eight millions of families of five each in the United States it will only give \$32 to each family. It is clear that if there was no unusual depression and all the people had work they could readily consume that \$32 extra per family, and then their expenditure be within a reasonable amount, which proves that if it were not for the \$300,000,000 a year for government in excess of the ability of the people to pay, they could legitimately consume an additional amount equal to the whole of their surplus exports.

Those facts show the unreliable character of the statements of those protection writers who claim that the United States through a high tariff are now prosperous, whereas free trade writers state they are not prosperous, which is true, but it is in consequence of their ruinous cost of government, and not protection or the high tariff. It is the high tariff that preserves them from greater depression and still more wide spread ruin than that in which they are already immersed, and which will continue until they get cheaper government.

This explanation of the cause of the depression and ruin in the United States will enable the reader to more clearly understand the very similar position of Canada, and, therefore, the necessity of all unitedly striving to understand how to secure, and to unite in securing speedy deliverance from our financial depression.

The Financial Position of Canada.

It is now nearly three years since we stated in the WATCHMAN that our depression would increase until we secured cheaper government, cheaper money and a prohibition of fraudulent goods. Our words have proved true, and the depression in which we are immersed would have been much more severely felt than it has had it not been for the enormous amount of property that has been placed under mortgage to the money lenders during that period, and at rates of interest which we have shown cannot be paid out of earnings. Had it not been for those mortgages more or less of our banks would to-day have closed doors, more of our factories would have been idle, more of our importers,

merchants and traders would have had their names recorded in the bankrupt courts of the country. As shown in Vol. 1, No. 2 of the WATCHMAN, our assessable wealth is only about \$700,000,000. The cost of all our governments in the first ten years of Confederation was \$307,000,000, and is now at the rate of over \$38,000,000 or \$50 per family of five annually, enough every ten years to build a \$500 house for every family in the land. Is it any wonder there is depression, for that cost of all our governments is more than half as much every ten years as the whole assessable wealth of the Dominion.

The following was the cost per family for each government in 1876:

The Federal government.....	\$26 27
The Provincial governments.....	10 22
The Municipal ".....	13 51
Total per family.....	\$50 00

And according to Mr. Cartwright's last financial speech, the cost for the Federal Government for 1878 was \$5.62 per head or \$28.10 per family. His government claimed they had reduced the expenditure, whereas the increase in two years was \$1.73 per family.

The total expenditure for government, we have shown is fully \$10,000,000 more annually than all the earnings of the people after feeding and clothing themselves, based upon the supposition that all have average work, which all know they have not had. In the past seven years the expenditure has been \$50,000,000 more than the earnings, \$40,000,000 of which has been advanced by the business men, which accounts for a large proportion of the bankruptcies. Besides that excess for government there is now fully \$15,000,000 annually for interest on over importations, by which it is seen we are now going behind at the rate of \$25,000,000 a year. As compared with the United States, we are going behind about \$32 per family of five annually, and in the United States \$40 per family.

From the data above furnished any one can see that it is no cheese paring policy, and no manipulation of the tariff, even one as high as that in the United States that will enable us to overcome the present depression, but that with the readjustment of the tariff there must be a comprehensive rejuvenation in all our governments through which a vast reduction in expenditure can be effected; therefore it is of pressing importance that we should at once take into consideration Sir John's policy, the policy of his government, and thereby acquire a clear understanding of its strength or its weakness, as the case may be.

Sir John's Policy.

Sir John's policy, as embodied in his resolutions, is truly national in so far as it covers a readjustment of the tariff, by which we understand such a tariff upon farm and mineral products and manufactured goods as will deliver us from one-sided competition with the countries, more especially with those of the United States. A large proportion of those who believe in such a national policy have the idea that it will secure us a reasonably speedy deliverance from the present depression, and that we will overcome it as easily as we did that of 1857 and '8. To show how impossible that is we have only to ascertain the difference in our financial position then and now. Up to 1861 the cost of all our governments was not over \$15 per family, and our surplus earnings after deducting that cost of our government was \$21 per family. The cost now is fully \$50 per family, which, as shown in previous numbers of the WATCHMAN, is \$14 per family, or over \$10,000,000 more annually than we all earn after feeding and clothing ourselves. In 1861 the interest on over importations not indirectly covered by government interest was comparatively little, whereas now it is about \$15,000,000 annually. Thus it appears that with 600,000 families in 1861 our surplus national earnings and increase of national wealth was \$21 per family, or over \$12,000,000 each year; but that now, with nearly 800,000 families, we are for government and interest on over importations going behind about \$32 per family or \$25,000,000 per annum.

It is clear from those facts that all who suppose an increase in tariff will restore us to national prosperity are basing their hopes upon the quick

sands of dear government and dear money, and that no return to prosperity or increase of national wealth can possibly accrue from our own earnings until there is a vast reduction in the cost of government, and by wise legislation other advantages be secured whereby we can fully overcome our present \$25,000,000 of annual deficiency. There is another delusive idea that it may be well to refer to here. It is claimed by many who very unwisely conceive themselves statesmen, that the present 17½ per cent. tariff is ample protection; by others that Sir A. T. Galt's 20 per cent. tariff in 1858 was the best we ever had.

To make manifest their ignorance of the question it is only necessary to repeat, that when the Galt tariff was adopted the cost of all our governments was not over \$15 per family, that it is now \$50, and that the difference between then and now is \$35, which is relatively equivalent to a bonus of that amount given to the foreign manufacturer, with whom we have to compete. But that is not all, for there is to be added thereto our annual load of interest, of which very little existed in 1858, but is now about \$20 per family, thus placing us as compared with 1858 at a total disadvantage of \$55 per family in a competition with countries where the cost of government has not similarly increased, which for 800,000 families is about \$40,000,000 a year of advantage over us as compared with 1858. Any increase in Britain during that period has been balanced by interest, the earnings of other people, by decreased rates for money to her own manufacturers, and by the taxes paid by the nations that purchased her products to the extent of the proportional amount that the producers paid.

In the United States the cost of government has during that period increased 200 per cent., while in Canada it has increased 230 per cent. Besides, as it relates to Britain, the interest we have now to pay is an additional increase of 130 per cent. Thus it is clearly seen that all the protection that was afforded by the tariff of 1858 has through increased cost of government and amount for interest been entirely swept away, and in place of having any protection tariff as compared with that period we are by the indirect bonuses of dearer government and interest helping foreigners to swamp us in our own markets.

And that position is intensified in our having no defence against shoddy goods, with which it is much more difficult to compete than with good goods, of which fraudulent goods we have imported about \$400,000,000 in 20 years, which on the average has been dear as a gift.

Forecasting the Future.

In view of all those facts it is important to forecast the future in so far as it relates to the potency or impotency of Sir John's policy, the strength and sufficiency of the plank upon which he has put to sea, whether it can bear up the enormous weight of government and interest with which it is laden.

Neither Sir John nor any of his coadjutors have in all their campaign speeches presented us with any ideas as to the amount of our assessable wealth, our national earnings, the cost of living, the annual cost of all our governments or of the aggregate indebtedness of the whole country. Without all those facts before them, and clearly understood, they can have no correct understanding of the financial position of the Dominion, and consequently no correct understanding of the measures absolutely necessary to restore the country to permanent national prosperity.

Their want of that class of information, which we infer from their making no reference thereto in their picnic and campaign speeches, proves beforehand their present incapacity to cope with the present national difficulties, or the ability to remove the load of debt, interest, and excessive cost of government now crushing out our national life.

Apparently there has only one little seed, one true idea germinated in their minds since their fall from office five years ago, and that is a belief in the necessity for a tariff that will put us upon a more equitable footing with other countries; but small as the idea is and utterly impotent as it is to fulfil the promises of future prosperity which they have assured they would thereby secure to the people, it is, nevertheless, a first step in the right direction and is in happy contrast with the benighted ideas of the Mackenzie Ministry, that a protection tariff

and a national policy would be a curse to the country; and, therefore, as stated by Mr. Cartwright, they were prepared to fight it to the death, which they did, but the death was their own and not that of their adversaries' policy.

The Re-Adjustment of the Tariff.

To show how impotent to secure us prosperity that proposed increase of the tariff will be, we have only to remember that we are, through excessive cost of government and interest on over importations, annually decreasing our wealth \$25,000,000, and then calculate the profit to the country if that proposed tariff gives full employment to the 60,000 souls who are said to be out of work.

In Vol. 1, No. 2 we proved that leaving out the cost of government and interest on over importations, that the average surplus earnings of each family in Canada is only \$36 annually. That sum multiplied by the 60,000 workers gives us only \$2,100,000 wherewith to balance the \$25,000,000 of annual deficiency. It can thus be seen how impotent Sir John's policy will be in securing a return to national prosperity. And if we divide that \$25,000,000 by \$36 it will show that to pay the whole it will require the annual surplus earnings of an army of 694,000 more families than is now in the country.

That exhibit is so incredible that we consider it necessary to show its correctness by pointing out that the surplus earnings of 57 our present 800,000 families is only \$28,000,000, and the cost of all our governments \$38,000,000, which, as proved in previous numbers, shows the cost of all our governments to be \$10,000,000 more annually than all we earn after feeding and clothing ourselves, and the general condition of the whole country amply verifies the data we have furnished.

Sir John's Worthless Assurances.

In the light of the information thus given it is clear that all Sir John's assurances of ability to restore the people to prosperity were given in his utter ignorance of the real position of the country, for he is too astute a man to knowingly place himself in the false position he has. And all his followers who place entire confidence in his promises have a faith not of knowledge; they have clearly put their trust in an arm that knoweth not how to deliver. Therefore, it is important that they should speedily inform themselves of the real financial position of the country, to carefully consider the suggestion we have made in Vol. 2, No. 4 for cheaper government, cheaper money, and the prohibition of fraudulent goods, and an efficient tariff, or to sanction any other suggested that will be more efficient; and by petition to the government and the Legislature endeavor to secure its adoption, and to use the ability and prestige of Sir John and every other man favorable thereto to speedily secure the relief it will surely afford, and if Sir John will not sanction them find others who will.

Communism in a New Robe.

The Communism of the old world embraces the idea that the wealth of the rich should be divided amongst the poor. There are probably few aware that a similar process of division is through misgovernment rapidly progressing in the United States and Canada. Any process or method by which one class of the community, and especially the non-producing, consumes the accumulated wealth of the producing classes is inately communistic. A cost for government that does not exceed the surplus earnings of the people would not be embraced in such communistic process, but so soon as it exceeds the earnings and begins to consume the previous accruals of national wealth, it at once practically becomes communistic, or a division of the savings of the producers among the non-producers. Through such excessive cost of government the property owners are compelled by the tax gatherers to contribute and gradually divide out their property to the tax eaters, to the companies, regiments and battalions of the locust host of government officials that are thus root and branch consuming every green thing.

In the United States Emigrant Report for 1872 it is estimated that the amount, at the then high rate of wages, annually contributed for cost of all their governments was \$10 per head, the balance of the wages being all spent for food, firewood, raiment

and shelter. The exhibit can be found in Vol. 1, No. 2 of the WATCHMAN.

The population was then 39,000,000, which gave the annual revenue from earnings as \$390,000,000, while the cost of all their governments in 1871 was \$623,591,521, showing a deficiency of \$233,784,520 which did not come out of earnings but out of the previous accruals of wealth. If we take that sum as the average annual deficiency for the thirteen and a half years from the close of the war in April, 1875, we have a total of \$3,105,000,000 of the property of the people in excess of their annual earnings divided out through the tax gatherers to those who are living on the spoils of office. But the amount, as shown in former numbers of the WATCHMAN, has been about \$4,000,000,000, for the cost of all their governments in 1866 was in round numbers \$800,000,000, in place of the figures above given for 1871. During the past seven years the expenditure for the Federal Government has been decreased \$47,376,713, but the annual interest on the increased municipal debt of one hundred and twenty cities, at ten per cent., up to 1875 was \$42,300,000, and if we add to that the increase in all other municipalities it shows a large increased cost of government in the past seven years, which shows the deceptive character of President Hayes' late statement in regard to the financial condition of the country.

It is thus plain that the whole consumption of national wealth, of the property of the people, for all their various governments, as given through the emigrant and census reports, has at least been from three to four thousands of millions of dollars in excess of the earnings of the people. And it should be remembered that data is founded upon the high rates for wages in 1871 and makes no account of the vast amount that has in various ways been contributed for the support of those out of work, all of which was divided to them as out of a common communistic fund that was the previously accrued wealth of the property owners. And this latter day communism is the fruits of the ignorance and corruption of those who are deemed to be great statesmen. That \$4,000,000,000 thus divided out under the communistic system is equivalent to an average of \$500 per family; and it may be safely said that to the property holders that furnished the money it has averaged about \$700 per family. We ask how long will the people of the United States stand the communistic system of government through which rich and poor are thus rapidly being reduced to the one common level of a worse than Egyptian slavery.

Canadian Communism.

If we come home to Canada and examine the effect of this communistic division of the wealth of the property owners, we find that between interest on over importations and cost of government we are now going behind at the rate of \$25,000,000 annually; that that is the annual decrease in the net assessable wealth of the property owners, and that during the last ten years the sum total will approximate to \$200,000,000. It is seen in the losses written off by the banks, in the bad debts of the business men, in the chattel and real estate gone under mortgage to make up the deficiency in earnings.

Canadian Feudalism.

By the system of loan associations established in Canada a vast portion of the country is practically becoming the property of such money lenders and loan associations, and the occupiers simply their retainers to earn tribute to support them in comparative idleness, and are practically feudal lords holding the soil, while the nominal owners are their impoverished slaves. Thus far Canada is immersed in the mouldy system of the dark ages and smothered in the folds of the interest dragon which crushes out all true enterprise and envelops in final ruin those who put trust in it. Canada and the United States are in the same boat with dearer government and its attendant communisms, with dear money and its feudalism. And our ignorant rulers who are so glorified as great statesmen are the men who have brought us into this deplorable position; and the conclusion we have come to is that to sit down and wait for them to prove themselves deliverers, is trusting to ignorance that will only day by day keep us sinking deeper and

deeper in the waters of depression, bankruptcy and ruin in which we are immersed.

The New Minister of Finance.

The Hon. Mr. Tilley is likely to be the new Minister of Finance. His unfitness for the position he made amply manifest in his last budget speech, April 1st, 1873, when to prove the prosperity of the country under the statesmanship of the ministry of which he was the financial head, he stated: "Looking at the history of the country for the past five years, in reference to its trade and commerce, its navigation, its banking institutions, its tonnage and its exports and imports, and from every aspect in which I view it I rise from the enquiry feeling the greatest possible encouragement, not only with reference to the past, but with reference to the present and the future. (Loud cheers). "I desire to call attention to the steady progress made."—Budget speech, p. 3. He then added together the imports and exports for 1868, and then those for the first half of 1873, and showed that for the last half year they were within \$3,000,000 as much as the whole of 1868.

That is the free trade method of estimating national prosperity. But in what way can the aggregate imports and exports of a country prove that it is really prosperous? It cannot; and the full figures Mr. Tilley gave prove the fact, for in four and a half years of that period we over imported or run in debt \$64,331,754, and in that last half year we thus run in debt \$19,398,700; yet in his financial insanity he beheld in that increase of debt increase of prosperity which gave him "the greatest possible encouragement not only in reference to the past but with reference to the present and the future." If that is the class of financial ability best adapted for administering the finance of Canada Mr. Tilley is able to supply the demand.

And he also said "Nothing could more satisfactorily show the increase in wealth, and the wonderful progress of our people, than the increase of paid up capital and deposits in our banks for the first five years of our confederation." The increase in capital was \$20,487,000, and the increase in deposits \$37,000,000, or in all, \$57,487,000.

To show how little he knew of the position of Canadian Banks, it is only necessary to state that that while there was the increase which he gives, —every dollar of it— and \$3,752 more had in that time been consumed for government and over importations, for, as stated in the last number, the cost of government in the last three years of their term was \$16,000,000 in excess of all the earnings of the people. His own figures sufficiently disprove his conclusions, and yet his statements were responded to in Parliament in "loud and prolonged cheers." It was on the first day of April, 1873. Any one having an intelligent understanding of the question would have supposed he was April fooling the House; but as the speaker and audience were on a dead level of financial intelligence, the fun of the folly was lost, and unless he has during his absence from office acquired a more correct knowledge of national finance, he cannot be considered qualified for the position of Finance Minister for Canada or any other country.

Sir J. A. Macdonald's Plank and the Full Rigged National Ark.

Sir John's very weak and inefficient policy for restoring the country to prosperity is but an untried plank launched upon to him an unknown sea, whereas the National Policy with the precedent thereof furnished in Vol. 2, No. 4 of the WATCHMAN is a full rigged ship of State on board of which every true national interest will be protected by the walls and bulwarks of true principles. It is furnished with light through which those who trust in it can have a clear view of the whole ocean of the past, the present and the future, a clear view of the evil road whereby we came into this ruinous national condition, the present unfathomable character of it, and in what way we can alone be delivered from high taxes or dear government, from high rates of interest, from misgovernment and from fraudulent goods, from land monopolists, and the various other rings and combinations whereby the people are now both directly and indirectly fleeced of the fruits of their earnings by unwise rulers and unprincipled schemers. But weak as Sir John's plank is there is a certain amount of

real value in it. If wisely used it can be made a means or first step toward getting on board the full rigged national craft, that is able to deliver and carry the passengers upon the overflowing waters of ruin to a safe harbor in the new world of permanent national prosperity.

And so far we have not found a voter of either political party among the thousands who have carefully read and considered the National Policy which we have suggested who has not assured us that it is just what is required to deliver the country from the depths of depression, bankruptcy and ruin in which we are daily sinking deeper and deeper.

A Fresh Exhibit.

To give all those new subscribers who have not seen described in full the National Policy we suggested in Vol. 2, No. 4 of the WATCHMAN, and to refresh the minds of those who have, we will give a condensed description of it as confirmed by the National Association of Industry, Finance and Economy instituted in Hamilton for securing its adoption.

The National Policy.

1. To put a tariff upon the manufactures and products of other countries that will be nationally advantageous.

2. To prohibit and confiscate all shoddy or fraudulent goods that may be imported, as is now done with tea in Britain.

3. To prohibit the manufacture and sale of all shoddy, adulterated, or fraudulent goods in the country, the same as the manufacture and issue of counterfeit money is now prohibited.

4. To so simplify and cheapen the cost of government that the tariff can be taken off sugar, tea, coffee, and all similar necessities which we do not produce.

5. To adopt a national currency like or similar to that suggested in the DOMINION WATCHMAN, and for the purpose referred to in Vol. 2, No. 3, of the periodical—that is, for the payment of all Dominion, provincial and municipal obligations payable in Canada, with the interest thereon until maturity; for construction of new public works, loans to farmers, for drainage purposes, and to manufacturers for working capital, on good security, at 3 per cent. interest, for ten years, payable back in annual instalments, as is done in England for draining lands; but not any for running expenses of government.

6. To limit the number of members of the Dominion Parliament, so as not to average more than one for each county.

7. To do away with all the Provincial Parliaments: their duties to be performed by the Dominion government.

8. To have the municipal councillors chosen to remain in office during efficiency and good behaviour, the same as magistrates now are.

9. The management of all municipal matters to be carried on as or similar to the method in former years, as set forth in the DOMINION WATCHMAN.

10. The inception, construction, and repair of all public works to be done as or similar to the method proposed in said periodical.

11. That all payments for construction of new public works be through the issue of a national currency, as before mentioned, and not by borrowed money.

12. There to be no foreclosure of mortgages for five years from the adoption of the suggestions for cheap money, cheap government, and permanent employment, through which prosperity may be attained, so that such obligations can be paid; and provided the interest is regularly paid.

JURISDICTION AND JURISPRUDENCE.

1. To constitute each municipal councillor and reeve and warden a magistrate, by election and confirmation, as described in the WATCHMAN.

2. Each ward to be divided into three sections, and the councillor for each ward to be a magistrate therefor, and to appoint for each section a marshal, as the constables are now appointed by the magistrates. Each road master to be a deputy marshal. The marshals to have power to arrest and bring before the magistrates any one violating the laws, to be tried and judged therefor.

3. In villages, towns and cities where there are

no road masters, there may, if necessary, be deputy marshals appointed for each street of a ward, or for two or three streets, as may be best.

4. The marshals of each section to have the name of each resident of their section enrolled in a book, the same as in the assessment rolls, to which they will during the year add those of all new comers.

5. The magistrate for each ward to hear all cases of dispute which the marshal for the section cannot get the disputants to amicably agree upon, whether it relates to assaults, trespass, damage, or debt. Any case may be appealed from the magistrate to a court of three magistrates of the municipality, the reeve being the presiding magistrate, and with a final appeal to the warden.

6. In criminal cases, the party accused shall have any of the municipal magistrates not sitting on the case to watch that there is no injustice done him; and in prosecutions, the marshal prosecuting for any criminal affair shall, if necessary, have the assistance of a magistrate of the municipality to watch the case for the Crown. And the final decision of any magistrate, municipal court or warden to be enforced by the marshal, as is now done by constables, bailiffs, and sheriffs.

7. In any civil case of sufficient importance, magistrates may act, as in criminal cases, as assistants to either party; but in no case, either civil or criminal, will the magistrate receive any pay.

MUNICIPAL COUNCILLORS.

The National Policy is that all the municipal councillors be chosen as now, but to remain in office during efficiency and good behavior. The councillors to be chosen by the people, the Reeves by the councillors, the wardens, by the Reeves; and if ever thought best, the governors by the wardens. The governors will confirm the wardens, the wardens confirm the Reeves, and the Reeves the councillors.

If there is a minority objection to any councillor, and the reeve considers it valid, a new choice will be ordered. There will be an appeal from the decision of the reeve to the warden, and his decision will be final. In the choice of a reeve by the councillors, where an appeal of the minority is desired, it will be to the warden; and in an election of warden, any appeal will be to the governor of the Province. After the elections, the wardens will be confirmed by the governors, the Reeves by the wardens, the councillors by the Reeves, in every case except valid objections are raised, in which case new elections will take place, as above described, and none will act officially until thus confirmed, and then to remain in office during efficiency and good behavior, as magistrates now do. The road masters will be appointed by the councillors of the ward, according to the choice of the residents of the section. The assessments and collections of taxes can be upon the inexpensive principles suggested in Vol. 1, No. 3 of the WATCHMAN.

This system will put an end to the expense, strife, bitterness and corruption incident to the present one. And while it covers the Hon. Mr. Blake's minority theory, what is important is, that in perfect harmony, it combines all the vitality of the elective system of government with all the stability and efficiency of the monarchical. Besides we have very high precedent for this combination. Moses said, "Take you wise men and understanding, and known among your tribes, and I will make them rulers over you."—Deut. i, 13, 14, 15. The choice was made by the people; the appointing or confirmation was by Moses, and in perfect harmony with that above suggested.

COUNCILLORS, REEVES, WARDENS AND GOVERNORS.

Under the National Policy the councillor for each ward would have the general supervision of all matters in his own ward, but not to be neglectful of the views of the voters; the reeve over those matters affecting two or more wards; the wardens of those affecting two or more municipalities; the Governor of a Province over those affecting two or more counties; and the premier when the matter relates to two or more provinces.

And each in his own ward, municipality, county or province will be permitted to expend public money to a limited extent, when necessary for repairs or improvements beyond what can be accomplished by the regular road work. But if any

amount over the limits given were required, it would have to be sanctioned by the reeve, warden, governor or premier, according to their jurisdiction.

Thereby the people of each ward, municipality, county and province will have the absolute control of their own interests, and not as now, simply the name and not the power; for under the present system one ward, and one municipality and province controls the improvements and expenditure of one or more of the others, the representatives of one generally being much more anxious to secure undue advantages for their own than any care for or understanding of the interests of any other.

All public works to be done under supervision, and not by contract. The work on the average would be better done, and the country be secured from all the direct and indirect fraud and corruption so conspicuously attendant upon the present corrupting system of administration and public works.

There would be no necessity for any council meetings and an end to the expenses pertaining thereto, and the saving thereby and by doing away with the provincial government would save the people \$11,000,000 annually. By the system of jurisdiction and jurisprudence suggested, and there-with giving the public lands as homesteads without money or price to those who choose to occupy them, there would be nothing for those provincial governments to do that could not be readily managed by the federal or general government.

PUNISHMENT OF CRIME.

By the National Policy system of jurisdiction proposed by the National Association, all policemen and all the expense, temptation and fraud pertaining to the police system will be removed, and the proposed system of jurisprudence, as outlined in the programme of the Association, will do away with all of the litigation, expense and numerous other evils pertaining to our present judicial system.

In criminal, as well as in other matters, the trial will take place at once, and the guilty be sentenced forthwith. And in cases of theft, fraud, or wilful damages, the guilty party should make full restitution, and also pay for all the time and expense of the injured party. No other judgment is equitable. If the criminal has not the means to pay, let him be compelled to work on public improvements at fair wages until the amount is all settled, which would decrease the number of criminals.

The efficient system of jurisdiction proposed would bring the liquor traffic under absolute control, and according to the repeated estimates of the Judges of our criminal courts, reduce the criminal list fully three-fourths. And as under the efficient system of jurisdiction very many of the criminals could be employed on public works, one criminal prison will be sufficient for each province. And it can be seen there would no longer be any necessity for the jails, court-houses, juries, law costs, and all the direct and indirect expenditure connected therewith.

True National Currency.

The true national currency suggested is one identical with the paper currency of India, which has given entire satisfaction for so many years. The saving to the country by the issue thereof would upon the amount we now require be at least \$15,000,000 annually; the savings in the municipal and provincial government \$11,000,000; the saving in the federal government would be, as fully shown in the number of the WATCHMAN in which it was given, fully \$9,000,000; and the saving by prohibiting the import and manufacture of shoddy or fraudulent goods would be fully \$15,000,000; or a total of \$50,000,000 annually, \$25,000,000 of which is required to overcome the present annual consumption of national wealth over earnings.

The Steps to be Taken.

The first step to take in these matters is to secure a wise tariff and therewith a prohibition of all shoddy or fraudulent goods, making it necessary that all goods have the name and trade mark of the producer upon them, and to prohibit any second lot with such name and mark ever being brought into the country, making the importer liable for any loss or damage to his customers thereby.

Then to secure a true national currency, then a rejuvenation of our various governments, as we have suggested, so that all excise can be swept away and all duties on all goods it is really necessary to import, as in previous numbers we have clearly shown can be readily done, and there still be secured all the revenue necessary.

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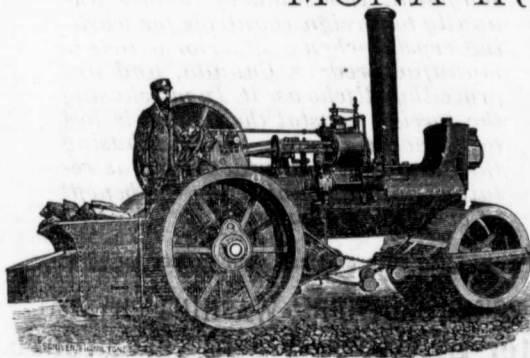
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