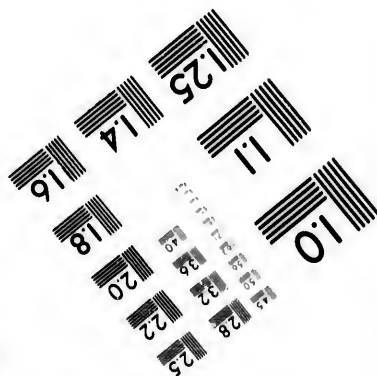
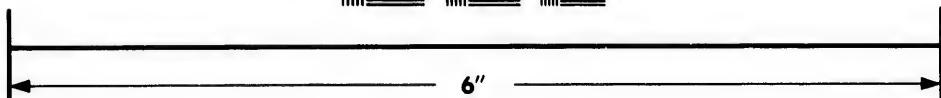
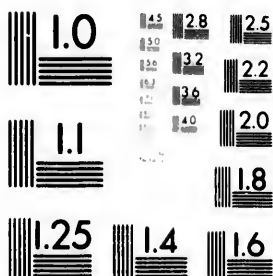


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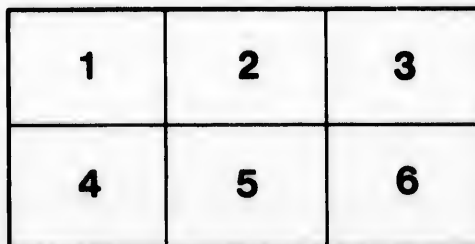
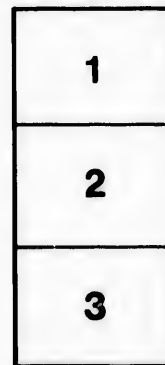
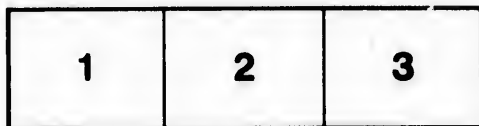
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March 1st, 1896.

Facts for the People, No. 3.

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**TARIFF REFORM, FREER TRADE,  
REDUCED TAXATION.**

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*Copies of this Pamphlet can be had from ALEXANDER SMITH, Secretary Ontario Liberal Association, 34 Victoria St., Toronto, Ont.*

## TARIFF REFORM—FREER TRADE—REDUCED TAXATION.

“That the customs tariff of the Dominion should be based, not as it is now, upon the protective principle, but upon the requirements of the public service ;

“That the existing tariff, founded upon an unsound principle, and used as it has been used by the Government, as a corrupting agency wherewith to keep themselves in office, has developed monopolies, trusts and combinations ;

“It has decreased the value of farm and other landed property ;

“It has oppressed the masses to the enrichment of a few ;

“It has checked immigration ;

“It has caused great loss of population ;

“It has impeded commerce ;

“It has discriminated against Great Britain.

“In these and in many other ways it has occasioned great public and private injury, all of which evils must continue to grow in intensity as long as the present tariff system remains in force.

“That the highest interests of Canada demand a removal of this obstacle to our country's progress by the adoption of a sound fiscal policy, which, while not doing injustice to any class, will promote domestic and foreign trade, and hasten the return of prosperity to our people ;

“That to that end the tariff should be reduced to the needs of honest, economical and efficient government ;

“That it should be so adjusted as to make free, or to bear as lightly as possible upon the necessaries of life, and should be so arranged as to promote freer trade with the whole world, more particularly with Great Britain and the United States.

“We believe that the results of the protective system have grievously disappointed thousands of persons who honestly supported it, and that the country, in the light of experience, is now prepared to declare for a sound fiscal policy.

“The issue between the two political parties on this question is now clearly defined.

“The Government themselves admit the failure of their fiscal policy, and now profess their willingness to make some changes ; but they say that such changes must be based only on the principle of protection.

“We denounce the principle of protection as radically unsound, and unjust to the masses of the people, and we declare our conviction that any tariff changes based on that principle must fail to afford any substantial relief from the burdens under which the country labors.

“This issue we unhesitatingly accept, and upon it we await with the fullest confidence the verdict of the electors of Canada.”—*Resolution No. 1 in the Liberal Platform.*

### Failure of the National Policy.

When the trade policy of this country was changed from a tariff for revenue to a protective tariff, the change was based upon a resolution moved by the leader of the Conservative party, Sir John A. Macdonald, in the House of Commons, as follows :

“That this House is of opinion that the welfare of Canada requires the adoption of a national policy, which, by judicious re-adjustment of the tariff will benefit and prosper the agricultural, the mining, the manufacturing and other interests of the Dominion ; that such a policy will retain in Canada thousands of our fellow countrymen, now obliged to expatriate themselves in search of the employment now denied them at home, will restore prosperity to our struggling

industries now so sadly depressed; will prevent Canada from being a sacrifice market; will encourage and develop an active inter-provincial trade, and moving (as it ought to do) in the direction of reciprocity of tariffs with our neighbors, so far as the varied interests of Canada may demand, will greatly tend to procure for this country eventually a reciprocity of trade." See Hansard, 1878, vol. I., p. 854.)

### Promises and Performance.

The authors of the National Policy, as anyone may see from their speeches during the election of 1878 and in the budget speeches of the Finance Ministers in subsequent years, made these promises, amongst others:

- To abolish business depression.
- To stop the exodus.
- To turn the "balance of trade" in our favor.
- To tax British goods in the bulk less than foreign.
- To give the farmer a home market.
- To develop our mineral wealth.
- To obtain reciprocity with the United States.
- To reduce the debt to \$100,000,000 by 1890.
- To place a million people in the North-west by 1891.

The last feat was to be accomplished only in part by the National Policy. "We have vast territories to fill up in the North-west and British Columbia, that glorious land which Lord Dufferin lately visited and spoke so approvingly of. It is our duty to fill up these territories, to develop their wonderful resources, and we can best assist in doing so by the adoption of a policy which will tend to improve the condition of the manufacture and in the nature of things materially benefit all classes of the community."—Speech by Mr. Thomas White.

Instead of the N. P. benefiting the people who have gone into the territories and western provinces the loudest protests against it have come from them. The settlers, irrespective of party, have declared that it has been a burden without any compensating advantage whatsoever. Instead of immigration having been increased, resolutions of public meetings of farmers and townsmen, agricultural organizations and boards of trade bear testimony that by making the settlers' lot harder the settlement of the country has been retarded. It is notorious that instead of a million persons in the North-west there are only 250,000.

The reduction of the debt to \$100,000,000 was one of the promises in the budget speech of 1882. It was to be brought about by the immense receipts from North-west lands.

### Debt and Expenditure.

Instead of reduction the net debt has risen from \$140,363,069 in 1878 to \$253,074,927, and the ordinary expenditure from \$23,503,158, which the Conservatives said was excessive, to \$38,132,000 in 1895.

### Deficits.

It is the fashion to sneer at the Liberal administration of the finances as an "era of deficits," but Liberals have no cause to fear comparisons as to deficits. The fact is that the Conservative administration, which replaced Mr. Mackenzie's, had a larger deficit in one year than the Reform administration had during the whole five years of its existence. The Liberal Government had a surplus both in 1874 and 1875 of \$888,000 and \$935,000 respectively. There were deficits in 1876, 1877 and 1878, amounting in all to \$4,489,000. The Conservative deficits since Mr. Mackenzie's time have been as follows:



1879.....	\$1,937,999	1888.....	\$ 810,031
1880.....	1,543,227	1894.....	1,210,332
1885.....	2,240,058	1895.....	4,153,875
1886.....	5,834,571		

These deficits show that though taxation is high, sufficient revenue is not raised to meet the annual expenditure.

### Taxes.

The taxes from both customs and excise collected during 1890-94 amounted to \$147,247,423, and during the five years of Liberal rule, 1874-78, they amounted to \$94,199,083.

This shows an increase under five years of Conservative rule of \$53,048,340. For five years of Liberal rule (see Inland Revenue and Trade and Navigation returns.)

Custom taxes five years, 1890-94 .....	\$108,408,000
Custom taxes Liberal five years.....	67,960,000

**Increase under N. P. for period of five years alone \$40,448,000**

### Tupper's Promises.

The development of the mines was promised in Sir John Macdonald's resolutions of 1877 and 1878 and in the budget of 1879, but more particularly in the budget of 1887. In that year, when imposing heavy iron duties, Sir Charles Tupper looked with confidence to the erection of blast furnaces at Cobourg, Weller's Bay and Kingston, and also to the establishment "at an early date of industries for the manufacture of iron in the North-west." Moreover, "by the adoption of this policy you will give permanent employment to an army of men numbering at least 20,000, increasing our population from 80,000 to 100,000 souls, and affording the means of supporting them in comfort and prosperity." Furthermore, "this estimate of an increased population of 100,000 souls does not take into account the manufacture of castings and forgings, cutlery and edged tools, hardware, machinery and engines or steel rails. Were we to manufacture these articles now imported—and there is no reason why we should not steadily progress to that point—the population I have mentioned of 100,000 souls would be no less than trebled."

In the year in which Sir Charles made the changes in the duties which were to bring about his prophecies, the production of pig iron in Canada was 40,000 tons. Last year, according to the iron men's own statement, the production was 50,000 tons. To achieve this result, the term for which the bounties were granted has been extended until 1899. Instead of an army of 20,000 men, there are, according to the iron men's statement, only one-twentieth of that number. There has been no mineral development to speak of, and the iron duties have confessedly failed.

The adverse balance of trade was cited by Sir Leonard Tilley in his budget speech of 1879 as one of the prime causes of hard times, and he proposed to turn it the other way. But since 1879 the so-called balance of trade has been against us to the tune of over \$200,000,000, as necessarily must happen to a borrowing country situated as this is.

### Trade with Britain.

As to the taxation of British goods, Sir Leonard in 1879 declared: "It may be said we shall receive from the imports from foreign countries a larger share of the \$20,000,000 we require than we shall receive from the mother country. I believe such will be the effect. But I think that in making such a statement to

the House, belonging as we do to, and forming a part of that great country—a country that receives our natural products without any taxation, everything we have to send her—apart from our national feelings, I think this House will not object, if in the propositions before me the duties touch more heavily the imports from foreign countries than from our fatherland.”

The fact is the reverse of what was promised. British goods in the bulk are taxed more severely than American. The duty levied upon the whole of the country's imports of British goods amounted in the fiscal year ending 30th June, 1893, to twenty-two per cent., while the duty levied upon the whole of the imports of American goods amounted to thirteen and one-quarter per cent., a discrimination against England on the whole volume of trade of more than eight per cent. A large amount of the importation from the United States was of goods that are imported free of duty for the benefit of manufacturers. Writing these off, nine and a half millions of dollars was levied on thirty-two millions of dollars of imports from Britain, equivalent to thirty per cent.; and seven and three-fifths millions was levied in duty upon the twenty-eight and one-half millions of dollars imported from the United States, equivalent to twenty-seven per cent. So there was three per cent. of a straight discrimination against our trade with Great Britain. One million dollars was taken in duty on the import from Great Britain beyond that on the same quantity from the United States.

#### **REDUCE THE DUTIES ON BRITISH GOODS.**

In April, 1892, the following was moved by Hon. L. H. Davies, Liberal M.P., and voted for by the Liberals and opposed by the Conservatives:—

“Inasmuch as Great Britain admits the products of Canada into her ports free of duty, this House is of the opinion that the present scale of duties exacted on goods mainly imported from Great Britain should be reduced.”

#### **RECIPROCIITY AND TALL CHIMNEYS.**

That the N. P. would tend to secure reciprocity with the United States through reciprocity of tariffs was set forth in Sir John Macdonald's resolution of 1878 and elsewhere. We have not got reciprocity. The false position into which the Government has put this country in connection with the sham negotiations which were entered into for the purpose of extricating themselves from the consequences of their misrepresentations prior to and during the general elections of 1891 are dealt with in another place in this pamphlet. It is sufficient to say that subsequent events have shown not only that in this promise the authors of the N. P. have failed, but also that they were opposed to accepting reciprocity when the opportunity presented itself.

The exodus was to be stopped and tall chimneys were promised, and an all-absorbing lucrative home market for the farmer. “Our workmen,” Sir John Macdonald declared in one of his pic-nic speeches, “can be fully employed if we encourage our manufactures; they need not go over to the States to add strength and wealth to a foreign country and to deprive us of that strength and wealth.” In his resolution of 1878 he said: “Such a policy will retain in Canada thousands of our fellow-countrymen now obliged to expatriate themselves in search of the employment denied them at home.” The removal of depression, the inauguration of an era of prosperity, was another standard promise. Lord Lorne, a free trader, was made to say in the speech from the throne in 1879 that the N. P. would “aid in removing the commercial and financial depression which unhappily continues to exist.” In 1882 the return of the Conservative party was asked in order to assure foreign investors, who were waiting to place their millions, that they might safely do so. In his budget speech that year Sir Leonard Tilley told the manufacturers to “clap on all sail,” and looked for a boom period of indefinite duration.

None of these promises have been realized. Instead of a home market absorbing their surplus products at high prices the farmers export more than ever and prices were never so low.

#### **THE EXODUS. (See the Census Returns.)**

The census destroys any pretence that the exodus has been stopped. So far from fulfilling this promise the fact is the exodus during the ten years ending 1891 was more than double what it was between 1871 and 1881, and it was three times as much as the exodus which took place in Mr. Mackenzie's time. The total annual exodus during the Mackenzie regime, according to the United States statistics, was probably not more than 32,000 all told from 1874 to 1878; certainly it did not exceed 42,000 taking into account the entire foreign-born immigration which came into Canada during that period. What has been the loss under the protective policy? If we may count the natural increase in Canada as great as in the United States, and the general rule is that families in this country are larger than over there, the natural increase of our population was 604,000 between 1881 and 1891. In addition, unless the Government's own immigration statistics have been a sham and a fraud, there were brought into Canada in the last census decade 886,000 immigrants. Add that number to the 604,000 of a natural increase and the total is 1,490,000. That is what the increase of our population should have been according to the Government's own blue books. Subtract from that the actual increase, which was 504,000, and there remains 986,000 souls missing. Where are they? All these who went away were probably not native-born Canadians. There may have been only 300,000 of them who belonged to our native-born population. But the total loss was 98,600 per annum during the ten years of the National Policy, as compared with an extreme estimate of 42,000 a year in Mr. Mackenzie's time.

In place of their natural increase New Brunswick only gained sixty-three souls in the decade ending 1891; Prince Edward Island 190, and Nova Scotia 9,900, while the total increase for the Maritime Provinces, with Ontario and Quebec, was about eight per cent. (including a considerable number of emigrants). This is scarcely more than half the increase which took place in those of the Southern States which suffered most severely from the civil war in the decade from 1860 to 1870. These gained fourteen per cent. in those ten years. It is considerably less than the increase in England and Wales in the ten years from 1881 to 1891, in spite of the fact that there was a large emigration from those countries. The rural population is decreasing. The practical effect of the protective policy is to attract industries and population from villages and towns to large centres. The whole of the increase, such as it is, has been in the towns, and at least two-thirds of it in the two cities of Toronto and Montreal and their suburbs. Immigration has cost two millions and been a failure. Our returns allege that we brought in 886,000 emigrants from 1881 to 1891 who declared their intention of settling in Canada. Our census shows that of these scarcely 150,000 remained. The United States census returns for 1890 show that there were then about 980,000 persons born in Canada then resident in the United States, and about 1,500,000 of children born of Canadian parents. It is to be noted that of these 980,000, a very large proportion, were men in the prime of life. Furthermore, facts have been recently laid before the House of Commons which prove that there are grounds for believing that gross frauds were committed by our census enumerators, especially in Nova Scotia, and many persons who had left Canada several years ago were returned as residents.

#### **The Industrial Census.**

What is called the industrial census, or that branch of the census professing to give the industrial returns to the country, meaning the manufacturing concerns,

was procured by the offer that each census enumerator would receive 15 cents for every industrial establishment he returned, whether it had an existence in fact or only in his imagination; consequently one of the biggest industries of that year was the hunt for industries by the 4,300 enumerators. Their reports, compared with 1881, were as follows:

Provinces.	1881.		1891.	
	Establishments.	Employees.	Establishments.	Employees.
Ontario .....	3,068	118,308	32,028	165,326
Quebec .....	15,848	85,673	23,112	116,830
Nova Scotia .....	5,469	20,390	10,873	34,265
New Brunswick .....	3,117	19,922	5,419	26,609
Other provinces .....	2,441	10,642	4,836	24,835
	49,923	254,935	75,768	367,865

If each enumerator only discovered 10 "industrial establishments," of whose existence the ordinary inhabitants of the town were unaware, the result would have been an addition of 43,000 establishments throughout the Dominion. The addition, therefore, of 25,000 establishments is very moderate indeed.

There were 9,395 establishments with an average number of employees of  $1\frac{1}{2}$ ; 3,962 establishments with  $5\frac{1}{2}$ ; 5,384 with  $3\frac{1}{2}$ ; 3,337 with 3; 1,653 with  $3\frac{1}{2}$ ; 4,321 with 2; 2,468 with  $2\frac{1}{2}$ ; 1,480 with  $2\frac{1}{2}$ ; 1,734 with 2; and any number of establishments with 1.

The way the returns were stuffed, first by the enumerator for a sordid purpose, and next by the census office for a political purpose, intended to magnify the N.P., can be imagined when the Minister of Finance was compelled, amid the laughter of the House, to read long lists of establishments where the number of employees was given as one. So keenly did Mr. Foster feel the exposure of his industrial census methods that he finally refused to read these lists, and handed them unread to the official reporter. Every cobbler who mended shoes, every milliner, every dressmaker who made frocks for her neighbors, every old woman who had a spinning wheel, every person who had a cider press, every cobbling tailor who mended garments and occasionally made one, every jobbing carpenter, every photographer, everyone who kept watches and jewellery were all returned as "manufacturing establishments." A number of these lists can be seen in the *Hansard* of 1893.

In the town of St. Mary's there were 20 "establishments," with one employee to each. There was a pump factory where the owner employed himself and the total number employed was one. There was a carriage factory with the same number. There was a weaving "establishment" which consisted of one old woman. (See page 2,460, *Commons Hansard*, 1893.)

In Milverton village, out of 23 "establishments" returned, 11 employed no hands at all besides the owner. There was a cider factory with one hand, a carriage-building establishment with one hand, a boot and shoe establishment with one hand, a tannery with one hand, and so on. In Mornington township, Ont., out of 35 "industrial establishments" there were 15 employing nobody besides the owner, and 12 employing 1 hand.

In the cities the exaggeration was in proportion. In the town of Sorel 55 "establishments" were returned as employing nobody but the owner. No fewer than 20 of these "industrial establishments" were dressmakers and milliners and

12 were blacksmiths, giving employment altogether to 17 hands. In the town of Strathroy, Ont., 23 of the "industrial establishments" were dressmakers and milliners, and in Mount Forest, 19.

### Sample "Manufacturers."

Here is a sample list of the way in which the 75,000 industrial establishments of the census are made up:

	Number.	Employees.
Dentists .....	154	208
Dyeing and scouring .....	72	292
Photographers .....	327	708
Patent medicines .....	116	307
Dressmaking and millinery .....	7,066	17,197
Seamstresses .....	....	10,083
Carpentering .....	4,618	10,137
Watchmaking and jewellery ....	615	1,619
Plumbing and gasfitting .....	144	1,268
Butchers .....	....	7,252
Blacksmiths .....	9,423	17,935
Compositors and pressmen .....	....	6,055
Painters and glaziers .....	....	10,017

None of these look to a protective tariff and nearly all of them have no claim whatever to be termed manufacturing establishments. A plumber manufactures nothing; there is a special column for the maker of plumbers' supplies. The 7,000 butchers who sell meat are not manufacturers. The farmer who fattens the animal the butcher cuts up is the real manufacturer.

The simple fact is that the census returns are a fraud. They have been stuffed in the most atrocious fashion, partly for the purpose of deceiving the people as to the results of the policy of protection and partly because the enumerators were paid a small fee for each "Industrial Establishment" they were able to discover.

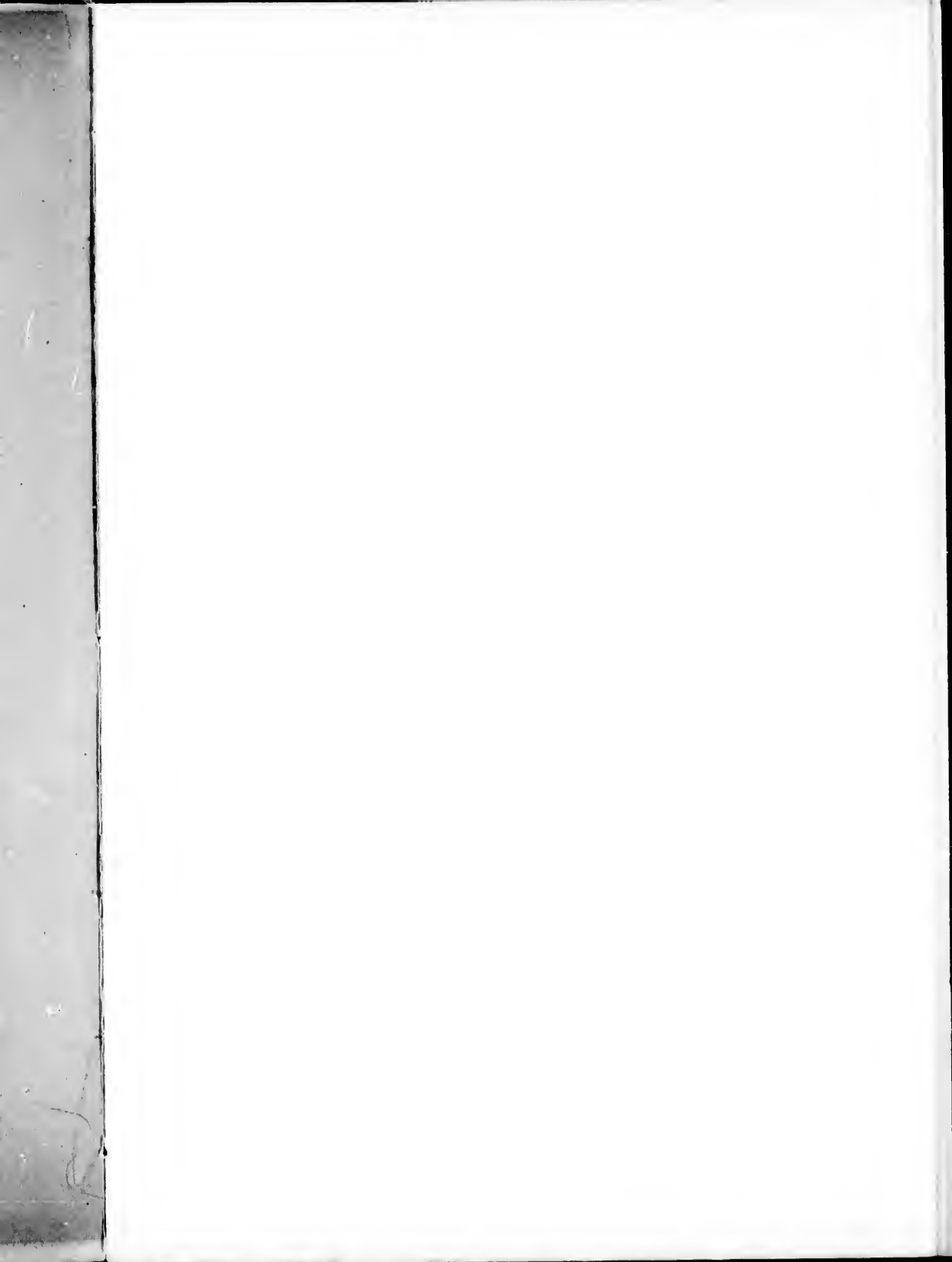
What has the National Policy ever done for village carpenters, village blacksmiths, village shoemakers or village dressmakers, except to make their tools and raw materials dearer and to impoverish their customers, and yet nearly *one-half* of the (alleged) new 25,000 factories are simply the increase in these several callings.

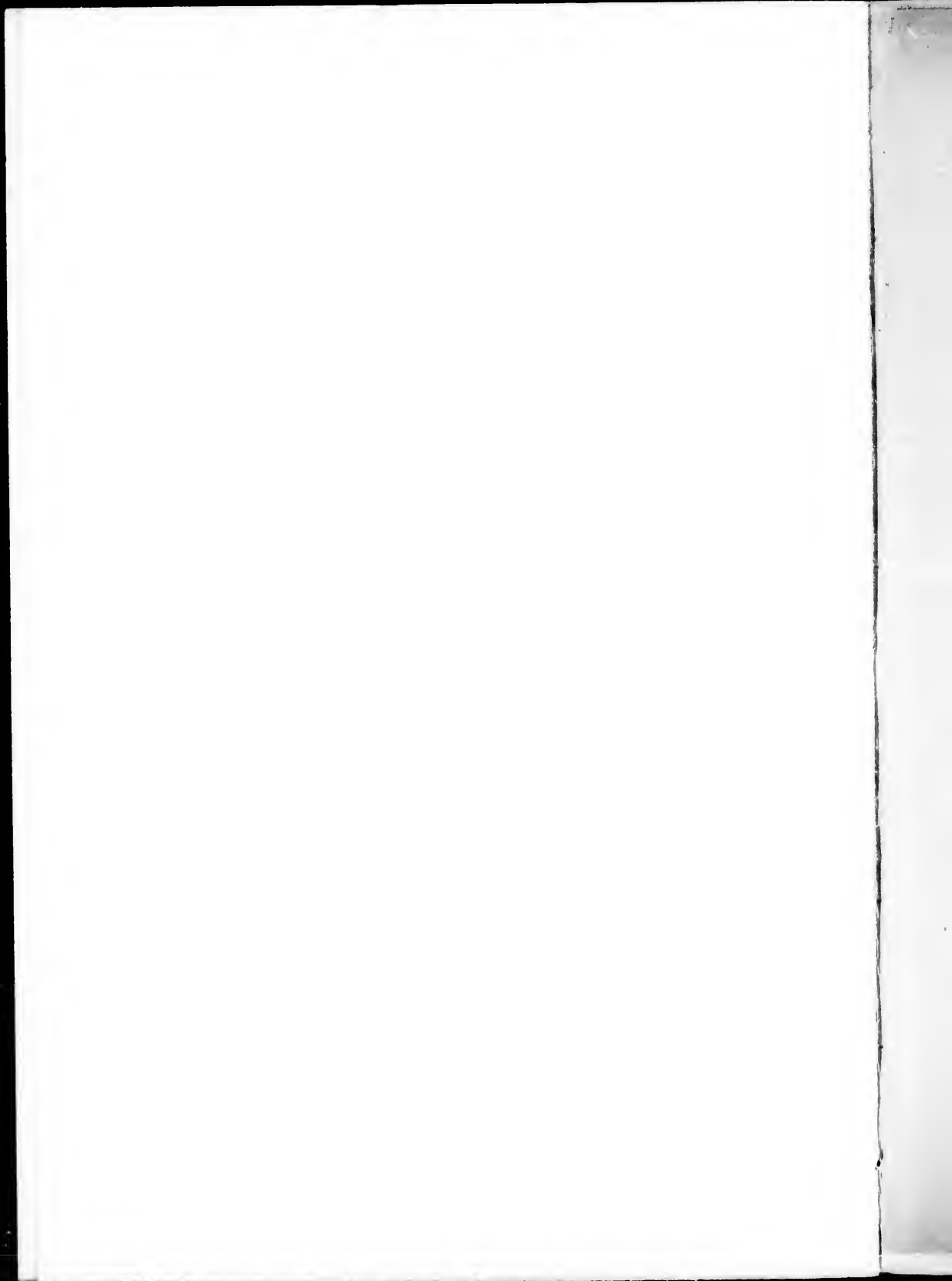
For instance, the census reports an increase of blacksmiths, 1,437; carpenters, 2,124; shoemakers, 953; dressmakers, 4,920; bakers, 500, and carpet factories and knitting factories and hosiery factories all employing on the average about one hand each.

### How the Farmer is Taxed.

The object of a protective tariff in its initial stages is to give a vantage ground, and in giving it I frankly admit that in the initial stages the price will be raised to a certain degree. . . . I say that in the initial years of the National Policy with a protective principle in it that it will have the effect of enhancing the cost of goods, and that at the first the cost of the goods will be very closely up to the measure of the protection which was given. If it does not have that effect why should it ever be adopted at all, and what is the good of it?—*Hon. George Foster, in budget speech, March 27th, 1894, Hansard, page 210.*

This admission, from the highest authority in the country, that the manufacturer takes advantage of the duty almost to the full extent by adding it on to the price of his goods, should be borne in mind.





Under the revised tariff of 1894 the following articles, necessities of the farmer, are taxed as follows:

Threshing machines.....	30 p. cent.	Chopping axes .....	35 p. cent.
Lubricating oil .....	6c. a gal.	Coal oil .....	6c. a gal.
Axle grease.....	25 p. cent.	Window glass.....	20 p. cent.
Drain tiles .....	20 "	Hats and caps.....	30 "
Leather belting .....	20 "	Mitts .....	35 "
Harness .....	30 "	Firearms .....	20 "
Cut nails (75c. per 100 lbs.)..	70 "	Umbrellas and parasols...	35 "
Scythes, etc .....	35 "	Woollens.....	30 "
Shovels and spades.....	35 "	Cottons .....	32½ "
Pumps and windmills.....	30 "	Furniture .....	30 "
Wire fencing (¾ c. lb.).....	30 "	Carpets .....	30 "
Pails and tubs.....	20 "	Flour .....	75c. brl.
Waggon.....	25 "	Ready-made clothing.....	35 p. cent.
Buggies .....	35 "	Rice .....	60 to 70 "
Binder-twine .....	12½ "	Jugs, crocks, churns, (2c. a gal.)	45 "
Horse blankets .....	32½ "	Stoves .....	30 "
Fertilizers .....	10 "	Sewing machines .....	30 "
Builders' hardware.....	32½ "	Woollen socks .....	35 "
Iron.....	45 "	Children's clothing .....	32½ "
Tools .....	30 and 25 "		

What does the free list contain for the farmer? It contains thoroughbred stock and fowls, tea and coffee, timber, corn for ensilage and some kinds of lumber partly manufactured. There is nothing else in the three hundred articles on the free list which can be construed as of any benefit at all to the farmer.

### Articles Free or Lightly Taxed.

Lest it should be said that all the articles on the free list are not for the express benefit of the manufacturers the following list of other articles is given:

Moss and seaweed .....	Free.	Arsenic .....	Free
Musk .....	"	Dragon's blood .....	"
Oil or water color paintings, copies old masters.....	"	Curling stones .....	"
Phosphorus.....	"	Ice .....	"
Precious stones in the rough..	"	Hair .....	"
Quicksilver.....	"	Ivory tusks .....	"
Quills .....	"	Leeches .....	"
Rags .....	"	Skeletons .....	"
Roots .....	"	Collections of coin .....	"
Sand .....	"	Crude bones .....	"
Sausage skins.....	"	Collections of postage stamps.	"
Mother of pearl shells .....	"	Unset diamonds.....	"
Silver in sheet.....	"	Palms, orchids, cacti.....	"
Skins of birds .....	"	Imported labor .....	"
Tails, undressed.....	"	Yankee protection theories..	"
Tobacco, unmanufactured.....	"	American gerrymanders .....	"
Turtles .....	"	Watch movements.....	10 p. c.
Horse hair .....	"	French pomades.....	15 "
Sawdust .....	"	Precious stones .....	10 "
Grass .....	"	Manufactures of gold and silver.	20 "

It is not convenient to publish the tariff here in detail, but if the reader has a copy of one of the number of almanacs publishing the tariff he can more fully inform himself of the details of the tariff enactments.



## Cotton and Cotton Goods.

Mr. Edgar stated in the House of Commons and the correctness of his statements has never been challenged, that the raw cotton fell in cost between 1890 and 1893, one cent six mills a pound. This on the enormous quantity imported of about forty millions of pounds, amounted alone to a profit of \$660,000. The wages of the operatives were not raised, and the prices charged to the consumer instead of being lowered were raised from ten to twenty-five per cent., during those three years. But the dividends and the reserve funds set apart by the companies were raised.

Mr. Edgar further stated that thirteen million dollars worth of cotton is manufactured by the Canadian Cotton Companies, and that the duty paid by the importers last year on all cotton goods brought into the country was a trifle over twenty-eight per cent. Supposing there was no other profit on that \$13,000,000 than the twenty-eight per cent. paid by the actual importers, who paid that in addition to the freight and profits paid to the English manufacturer of cotton goods, that would make a sum of \$3,640,000 paid by the people to the combine, under the protection given by the tariff.

In other words, on the \$4,500,000 worth imported a tax of \$1,260,000 is paid, which goes into the treasury, and on the \$13,000,000 worth of cottons manufactured, an equivalent tax of \$3,640,000 is paid, which goes into the coffers of the combines.

Take the history of these combines to see how the people are fleeced and the facts hidden from them. In 1892 the Dominion Cotton Company, one of the combines which controls eleven mills of the country, had a capital of \$1,500,000. They decided to double that capital. They issued the new stock to themselves. They only paid of the new stock ten per cent., or \$150,000 and the balance of \$1,350,000 was watered. On April 14th, 1893, the annual report of that company was published. It stated that the earnings for that year were about twenty per cent. on the capital of \$3,000,000 but as on the last \$1,500,000 the shareholders only paid ten per cent., or \$150,000, while the company paid a profit of ten per cent. on the whole one and one-half millions, those gentlemen *actually received 200 per cent.* on all the money they paid in.

## The Rice Question.

By a similar leger-de-main the people are compelled to pay about \$300,000 yearly in the shape of taxes upon rice, while only about \$50,000 finds its way into the Treasury.

The feat is worked in this way:—

Cleaned rice pays a duty of one and one-quarter cents per pound; uncleaned pays about one-quarter of a cent per pound. There is consequently a protection of one cent a pound given to those who import the paddy or uncleaned rice, and hull and clean it.

The Trade and Nav. Returns for 1894, page sixteen, show that in the year 1893-4 there was imported over three and a half million pounds of cleaned rice, which paid a duty to the Treasury of about \$44,000; while of uncleaned rice there was imported close on 23,000,000 pounds, which only paid about \$53,000 to the Treasury. This 23,000,000 pounds of uncleaned rice made about 22,000,000 pounds when cleaned ready for sale.

The cleaner being protected one cent a pound would of course charge that or nearly all to the consumer to whom he sold the rice.

The consumer therefore paid the tax of one and one-quarter cents for each pound of rice he consumed, but he paid one-quarter cent each pound, or in all \$53,000, to the Treasury, while he paid one cent per pound, or \$220,000 to the cleaner.

In this way out of every \$5 of taxes the consumer paid, the Treasury got \$1 and the manufacturer \$4.

Last session Mr. Foster tried to remedy this gross injustice, and when he introduced his new tariff he proposed to reduce the duty on cleaned rice and raise it on unhulled, so that the Treasury might receive more of the taxes paid by the rice consumers.

The rice cleaners, however, sent a deputation to the capital, took the Finance Minister by the throat and made him abandon his reform, and leave the consumer at the mercy of the cleaner of rice. It was discovered that the proposed reform was a "clerical error," and the tariff was restored to what it had originally been.

## Cost to the Consumers of Canada by reason of the Protection on Iron.

### Pig Iron Imported.

There was imported in 1894 46,000 tons. The duty paid was,	
at \$4 per ton.....	\$184,424
Importers' profit on the duty paid, say 25 per cent.....	46,106
Retailers' profit on duty and importers' profit, say 25 per cent.....	57,632
Total duty with importers' and retailers' profits .....	\$282,162

### Pig Iron Manufactured in Canada.

There was manufactured in Canada in 1894 56,000 tons of pig iron,	
bounty paid at \$2 per ton.....	\$112,000
Increased price to the consumer, by reason of duty on imported pig iron, say \$4 per ton .....	224,000
Total cost to the consumer on account of duties, bounties, importers' and retailers' profits, and increased prices to manufacturers .....	\$618,162

For every ton of pig iron produced in Canada it cost the consumer \$11.04 to protect it. The cost of imported pig iron is \$10.40. So it cost the people of this country 64c. a ton more to protect the iron industry than the cost of the imported article, or over 100 per cent.

## Iron and Steel Goods.

There was imported in 1894, of iron and steel goods, \$8,844,000 worth.

The duty paid was .....	\$2,457,000
This duty being a part of the original cost to the importer, his profit on duty at 25 per cent.....	614,250
The retailer would have added to his original cost the duty and importers' profit, and therefore his profit of that amount would be, at say 25 per cent.....	767,812
Total cost to the consumer, by reason of duty and profits on the duty .....	\$3,839,062
Then, in addition to this, the consumers of home manufactured iron and steel goods pay increased prices to the extent of at least..	2,500,000
Grand total tax on the people on account of duty and increased prices and profits, at 72 per cent.....	\$6,339,062

In ten years \$63,390,000 would be taken from the people of Canada, as the results of the duty upon iron alone.

\$24,570,000 would go to the Treasury, and the balance of \$38,820,000 would go into the hands of the manufacturers as bounties and increased prices, and into the pockets of the middlemen.

This amount of \$38,820,000 would pay the municipal tax of all the farmers of Ontario for six years.

It would purchase over five million sheep.

The reader will bear in mind that this extraordinary amount is over and above that which goes into the Treasury for the purposes of State, and does not include in any way the price of the articles purchased.

### Prices.

At a low estimate (including nails for buildings, the erection of fences, etc.) every farmer on an average would use 100 lbs. of cut nails every year. That would be one dollar for every farmer, or \$240,000 for the farmers of Ontario.

### Unfair to Manufacturers.

This duty is also unfair to the manufacturers who use iron. Why should manufacturing be hindered by such duties?

### Increased Duties on Dry Goods.

The National Policy has imposed very heavy duties on dry goods. Careful examination by large importers has shown that the average duty on dry goods is about thirty-three per cent. against seventeen and a half per cent. under the Liberal Government. But many articles in common use by the middle and poorer classes pay very much higher duties. Cloth, of which the clothing of working people is largely made, has been taxed forty, fifty, and even sixty per cent. The consumer has to pay not only the increased duty, but a good deal more, as will be seen by the following calculation:

Comparison of cost—\$100 worth of Dry Goods.

#### UNDER LIBERAL TARIFF.

Cost of goods in England.....	\$100 00
Importation, freight, insurance, etc., 8 per cent.....	8 00
Duty, 17½ per cent. ....	17 50
	<hr/>
Cost to importer .....	\$125 50
Wholesaler's profit, 15 per cent.....	18 82
	<hr/>
Cost to retailer .....	\$144 32
Retailer's profit, 25 per cent. ....	36 08
	<hr/>
Cost to consumer .....	\$180 40

Thus, even under the Liberal tariff, it cost \$80 to place \$100 worth of goods from England in the hands of the consumer. Now let us make a similar calculation under the National Policy, with average duty on dry goods thirty-three per cent.

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**UNDER TORY TARIFF.**

Cost of dry goods in England .....	\$100 00
Cost of importation .....	8 00
Duty, 33 per cent. ....	33 00
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Cost to importer .....	\$141 00
Wholesaler's profit, 15 per cent. ....	21 15
<hr/>	
Cost to retailer .....	\$162 15
Retailer's profit, 25 per cent. ....	40 51
<hr/>	
Cost to consumer .....	\$202 65
<hr/>	
Cost of \$100 worth of goods under Liberal tariff .....	\$180 40
Cost of \$100 worth of goods under National Policy .....	202 65
<hr/>	
Increased cost to consumer .....	\$ 22 25

A similar calculation applied to a parcel of cloth used for clothing, and paying 60 per cent. duty, would be as follows:

Cost of goods .....	\$100 00
Cost of importation .....	8 00
Duty, 60 per cent. ....	60 00
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Cost to importer .....	\$168 00
Wholesaler's profit, 15 per cent. ....	25 20
<hr/>	
Cost to retailer .....	\$193 20
Retailer's profit, 25 per cent. ....	48 30
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Cost to consumer .....	\$241 50

Cost of \$100 worth of goods under Liberal tariff .....	\$180 40
Cost of \$100 worth of goods under National Policy .....	241 50
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Increased cost to consumer .....	\$ 61 10

Under the system of an *ad valorem* and specific duties there are many cases in which articles of dry goods are taxed as high as sixty per cent.

### Specific Duties

Among the many promises of the tariff revision (in 1894) was the total or partial abolition of specific duties. These duties, levied on the pound, the yard, the bushel, or the dozen, are unfairly heavy on consumers of cheaper grades of goods. To tax a yard of cheap cloth the same amount as a yard of cloth of superior quality is a manifest injustice to consumers of coarser lines. This injustice pertains to all specific duties, and as in other objectional features of the Canadian tariff the revision has left matters little or no better than before. The injustice is in proportion to the fluctuation and range of prices. As an instance, the tax of two cents per pound on raspberries, cherries, strawberries, etc., is trifling when such small fruit are expensive luxuries. But, when the price falls and they become articles of common use, it may be as high as fifty per cent. The Government has a two-fold object in retaining this class of duties. They lessen the bur-

den on wealthy consumers, who are able most effectually to oppose the protective system, and they keep the public in ignorance of the extent to which they are taxed. An innocent-looking tax of a few cents per pound or per yard may, and does, conceal duties of more than 100 per cent.

### **The Issue Defined.**

*(See also Resolution No. 1 in the Liberal Platform.)*

Hon. Wilfrid Laurier, speaking at the great Ottawa Convention of the Liberal party of the Dominion, spoke as follows:

"The Government want a reform of the tariff only to retain the system of protection. I submit to you that the ideal fiscal system is the British system of free trade. (Cheers.) Sir, my loyalty, as I stated, does not ooze from the pores of my body, but I do want to go for an example to the Mother Country and not to the United States, much as I respect the people on the other side of the line. I say the policy should be a policy of free trade, such as they have in England, but I am sorry to say that the circumstances of the country cannot admit at present of that policy in its entirety, but I propose to you that from this day henceforward it should be the goal to which we aspire. I propose to you from this day, although we cannot adopt the policy itself, to adopt the principle which regulates it, that is to say, that though it should be our misfortune for many years to come to have to raise a revenue by customs duties these duties should be levied only so far as is necessary to carry on the business of the Government. (Cheers.) I submit to you that not a cent should be extracted from the pockets of the people except every cent goes into the Treasury of the people and not into the pockets of anybody else. (Cheers.) I submit to you that no duty should be levied for protection's sake but levied altogether and for the purpose of filling the Treasury to the limits required. I submit to you that every cent that is levied should be levied, first and foremost, upon the luxuries of the people. I submit to you, therefore, that the system of protection which is to be maintained by the Government, that is to say, of levying tribute upon the people not for the legitimate expenses of the Government but for a private and privileged class, is to be condemned without any qualification. (Cheers.) Let it be well understood then that from this moment we have a distinct issue with the party in power. Their ideal is protection; our ideal is free trade; their immediate object is protection; ours a tariff for revenue and for revenue only. (Cheers.) Upon this issue we engage in battle."

### **Mr. Laurier on Protection.**

"There is taken out of the people of Canada over \$20,000,000 every year in customs taxes. If every cent collected through the operation of the protective policy went into the Treasury it could be borne, but for every \$1 that goes into the public coffers \$2 or \$3 go into the pockets of the protected manufacturer. I, said Mr. Laurier, object to this. (Cheers.) I say that not a cent should be collected beyond what is required to meet the country's necessities."—*Hon. Wilfred Laurier's Convention Speech.*

### **Tariff for Revenue.**

Wm. Paterson, M.P., South Brant, in seconding the tariff reform resolution at the convention at Ottawa, said: "You have laid down and emphasized again the principle held by the Liberal party in this matter of trade and commerce,

that in the levying of the taxes of the country, regard should be had only to the necessities of the revenue, and that the Government should not seek by tariff legislation to favor any particular class in the community. I say this is no new principle. A revenue tariff was in force when our late leader, Alexander Mackenzie, who has gone to his long rest, held the reins of power; and he and his Government fell because he would not yield to the cry for a protective tariff. From that day to this the Liberal party have not ceased to proclaim that they believed that it was not right or just that protection, as a principle, should be recognized by the Government of the country, and that they believed that the duty of the Government was to raise the necessary revenue to discharge the duties devolving upon the Government and to leave the people free to work out their own destiny, giving no undue advantage to any one portion of the community over another."

### **Gradually Abolish Protection.**

"I would not be the man to say, much as I depreciate the protective system, much as I believe it to be injurious to the well-being of the country—I would not be the man to say that it should be wiped out at one fell swoop."

Some hon. MEMBERS. "Hear, hear."

Mr. LAURIER. "I am surprised at these exclamations. I say that protection should not be removed at one fell swoop; but the difference between the hon. gentlemen and myself is that they are not prepared to remove it even at a gradual swoop."—*Hon. Wilfrid Laurier on the Budget, 1894.*

### **Conservatives Slandering England.**

"He, (Sir Charles Hibbert Tupper) told us that the British nation under free trade is no longer able to compete with the civilized nations of Europe, but that she is driven to spend millions upon her army and her navy in order to force her trade upon unwilling savages in the uncivilized countries of the world."

Some hon. MEMBERS. "Oh, oh."

Mr. LAURIER. "Yes; here is the language used by the hon. gentleman (Sir Charles Hibbert Tupper):

**Driven from the civilized markets of the world, steadily and every year finding their outputs to those markets decreasing, they spend millions on their navy, and millions on their army, to force their wares, and their goods, and their merchandise, into the uncivilized markets of the world,**

Sir, I never yet heard the fair name of the great nation so slandered and insulted. At least I never heard the name of England so insulted by a man of English blood."—*Hon. Wilfred Laurier on the Budget, 1894.*

### **Scheduling Canadian Cattle.**

Up to a recent date Canada was permitted to export cattle into Great Britain, a privilege denied to the United States because of the existence of pleuro-pneumonia there. In July, 1893, Great Britain took away this privilege from Canada because of the bad faith and negligence of the Canadian Government. The result is tremendous loss to Canada, amounting to at least one penny a pound, as reported by the Deputy-Minister of Agriculture at Ottawa, live weight, on all cattle shipped to England or fit for the English market. This

amounts to an average of \$25 a head on each beast, or a loss of over \$2,000,000 on the cattle actually shipped to England, and a corresponding loss on those sold in the Canadian market. Before Canada was scheduled our cattle brought pound for pound as much as the English cattle in the English market. The moment the scheduling took place our cattle dropped in price, because having to be slaughtered before passing out of the control of the Government. There are on the Thames, near London, two cattle markets a couple of miles apart. Canadian cattle are landed at the Canadian market there, called the Deptford market, and sold there, and must be slaughtered before removal. The British cattle are brought for sale to the other market, and the prices, because of the scheduling, differ to the extent that a 1,500 pound beast will not bring within six pounds sterling, or \$30, of the price of an English beast of the same weight and quality. This terrible blow to the Canadian cattle industry was brought about by the carelessness, neglect and bungling of the Dominion Government.

### **Boast of Government Supporters.**

Supporters of the Government at Ottawa boast that protection ideas are growing in England, and Hon. Wilfrid Laurier, speaking in the House of Commons, Jan. 16th, 1906, as reported in Hansard, said: "Have we not been told by the hon. gentleman, amidst the cheers of his friends beside him, that Great Britain is going back to protection—that England is to be for the English as Canada is for the Canadians. Why, if the eighty men in the English House of Commons who are in favor of protection can impose their will on that House, England will be a protectionist country such as Canada is now. And, in such event, what kind of a market will England be for our products, if our products are treated there as British products are treated in this country? What kind of a market will that be for us where the products of Canadian farmers are met by a wall in England just as the products of English manufacturers are met by a wall in Canada? This is the policy which is cheered by hon. gentlemen opposite, a policy which, if adopted by Great Britain, they would forever deplore, and the unfortunate day when it was adopted forever rue."

The farmers will agree with Mr. Laurier that a duty on what they sell to England would be very injurious to them, just as the scheduling of Canadian cattle has been.

"The customs tariff of the Dominion should be based, not as it is now, upon the protective principle, but upon the requirements of the public service; and it should be so adjusted as to make free, or to bear as lightly as possible upon the necessaries of life, and should be so arranged as to promote freer trade with the whole world, more particularly with Great Britain and the United States."





