

THE

# RESULTS OF THE NATIONAL POLICY.

A PAPER READ BEFORE THE YOUNG MEN'S REFORM CLUB OF  
MONTREAL, BY

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The above was the subject of a paper read before the members of the Young Men's Reform Club of Montreal, on Tuesday Evening, April 12th, 1881, by Mr. R. S. Weir, B.C.L. He spoke as follows:—

*Mr. Chairman and Gentlemen*—You are aware that a paper bearing the title that I have taken for the present one, was delivered before the Junior Conservative Club of this city a short time ago. The writer of that paper took as the text of his political sermon an amendment introduced in the House of Commons by Sir John A. Macdonald in 1878. I am quite willing to take the same text for my discourse. It reads as follows:—

“That this House is of opinion that the welfare of Canada requires the adoption of a National Policy which, by a judicious readjustment of the tariff, will benefit and foster the agricultural, the mining, the manufacturing and other industries of the Dominion. That such policy will retain in Canada those of our fellow-countrymen now obliged to expatriate themselves in search of employment denied them at home, will restore prosperity to our struggling industries now so sadly depressed, will prevent Canada from being made a sacrifice market, will encourage and develop an active interprovincial trade, and moving as it ought to do in the direction of reciprocity of tariff with our neighbours, so far as the varied interests of Canada may demand, will tend to procure for this country reciprocity of trade.”

From this it will be seen that at least five benefits were to follow the adoption of an N. P.:

1. The benefiting and fostering of the agricultural, mining and other industries

2. The retention in Canada of those Canadians whose departure to the United States made the Conservative heart to bleed during Mr. Mackenzie's regime.

3. Restoration of prosperity and abolition of the slaughter market.

4. Development of an active interprovincial trade.

5. Reciprocity with United States.

To the doctrines of the amendment of 1878, it is true, we may find some difficulty in binding our opponents; for, as Mr. White states, with great but perhaps unnecessary candour, that the Conservative policy “is a *flexible policy* (laughter), not a mere dogma to be blindly adhered to; its nature varies with the changing circumstances of the country, and the moving condition of the nations with which it holds intimate trade relations.” Mr. White might have added, that it also varies with “political exigencies.” (Laughter.) There is nothing a Tory hates like a good sound principle. The student of Canadian economics must never forget that Canada is, commercially, largely an appendage of two other great countries, Great Britain and the United States. No one can deny that our prosperity is bound up with that of those two great countries; and any assumption that we have the game wholly in our own hands is to claim for Canada what no other country can claim, and is erroneous. Our past experience conclusively shows that our prosperity rises and falls with that of Great Britain and the United States. Regardless of this obvious truth, the Conservative party unjustly, and I fear dishonestly, blamed the Liberal Administration for the late depression, just as they now claim for their own Administration the present improvement in trade, which is entirely due to the two good harvests that Providence has given us, to bad harvests in Europe, to a revival in the lumber trade, and of prosperity in Great Britain and the United States. (Hear, hear.)

But I might here call attention to some figures, which will illustrate

OUR TRUE POSITION.

Take the articles of flour, grain and meal. During the five years, ending 1878, the net export amounted to \$48,590,000; but for the two and-a-half years, ending 31st last December, amounted to \$42,421,000. That is to say, while the average annual export for the period of five years was \$9,900,000; for the last two and-a-half years it was \$17,600,030. The fact that we exported in the last two and-a-half years nearly as much as in the five years of the Mackenzie Government of grain, flour and meal, and the fact that the exports of the produce of the forests have greatly enlarged, show to what our prosperity is really due, and how much, or rather how little, the N. P. has had to do with it. In view of the evident facts the claims put forward for the N. P. are simply grotesque and an insult to one's intelligence.

Now, if there was one blessing which the Conservative leaders proclaimed they could bestow upon the people of Canada, if there was one thing for not providing which Mr. Mackenzie's Administration was upbraided, decried and maligned, if there was one thing the Conservative could not see a vestige of from 1873-78, and not seeing which moaned and wept and bewailed, it was a home market. The establishment of a home market was to be their *chef d'oeuvre*—their crowning triumph—their great claim to everlasting remembrance. And Mr. White keeps up the enthusiasm. He thinks he has got a home market, and says "that in this respect the effect of the National Policy has been *very marked*." Let us see, then, how far this has been accomplished. If we compare the trade returns of 1878 with those of 1880, both issued under the name of Mr. McKenzie Bowell, we can obtain the following results:

DECREASED HOME MARKET.

Exports.	1878.	1880.	Increased Exports.
Barley Malt ..	7,881,598	45,266,550	37,384,952
Beans .....	71,162	75,191	4,029
Oats .....	2,420,044	3,819,390	399,346
Peas .....	2,340,062	4,717,040	2,376,978
Rye .....	415,825	957,820	541,995
Potatoes .....	1,062,229	1,423,415	361,186
Wheat .....	4,383,535	5,090,505	606,970
Hay .....	17,269	64,144	47,175
Hops .....	208,928	338,330	29,402
Butter (lbs) ..	13,006,620	18,585,362	5,578,736
Cheese .....	38,054,294	40,368,678	2,314,384
Eggs (doz.) ..	5,262,623	6,152,580	1,189,660
Horses .....	14,179	21,303	7,214
Horned Cattle ..	29,925	54,944	25,019
Sheep .....	242,989	308,746	155,757
Swine .....	3,201	6,223	3,028
Poultry and other animals.	\$67,448	\$141,034	\$73,586
Flour, brls. ....	476,431	544,591	68,160

These figures nail the lie to the mast-head of the Conservative ship. The farm-

ers have not had a larger home market; they have not saved the cost of ocean transport. Our opponents may plead the larger harvest, but they cannot thus shirk the question. The farmers will hold them hard and fast to the false promise of an increased home market. Nor will fate leave the Tories alone even in this position. Under the protection system the farmers received *less* for their products exported. They had to send more away for a less sum than in 1878, under Liberal sway. (Hear, hear.) Here are the figures:

	1878.	1880.	Decreased price in 1880
Beans .....	76,913	76,498	4c per bush.
Peas .....	1,984,101	2,377,516	2c per bush
Oats .....	959,985	1,707,326	5c per bush.
Potatoes .....	361,134	459,668	4c per bush.
Wheat .....	5,376,195	5,942,042	6c per bush.
Hay .....	163,628	484,967	\$1.69 per ton
Butter .....	2,382,237	3,058,061	2c per lb.
Cheese .....	3,997,521	3,893,366	1c per lb.
Eggs .....	646,574	740,665	1c per doz.
Horses .....	1,273,728	1,880,379	\$1.40 per h'd
Swine .....	23,255	41,281	40c per head
Flour .....	2,739,466	2,930,955	37c per brl.

MILLING.

"But," says Mr. White, "the N.P. has benefited our milling interests, for has not our exports increased 16 per cent, showing that the milling interests of Canada have been fostered, and an enlarged home market afforded by the changed fiscal policy." Increased exports are a strange sign of a larger home market! Moreover, is it worth while to make the entire Canadian nation pay 50 cents a barrel more for their flour simply in order to export some 68,160 more barrels? Mr White very conveniently leaves out in the cold another milling interest—that of oatmeal—which gives far more employment to labour in this country. The N.P. kept out 2,000,000 bushels of American oats. What resulted? Far from excluding any protection to the former, he received five cents a bushel less. How did it affect the miller? The trade returns again speak aloud. In 1878 we exported 174,511 brls; in 1880 only 100,921 brls., showing a falling off of the quantity ground in our mills of 73,590 brls., for which 36 cents less a barrel was got. Truly Mr. White spoke when he said the results of agricultural protection were very marked.

IMPORTS VS. EXPORTS.

Mr. White refers in congratulatory terms to the question of imports and exports, but deals with it in a way which is surprising in the extreme. Pointing out the increase in exports and imports during the past two years, he asserts, without one word of proof, that it was all due to the N. P. He might just as reasonably ascribe it to himself. The truth is that our present prosperity, so far as it exists, is due, in great part, to the increase of our exports of lumber and of animals and their products, together with

the demand in Europe for our grain. If the Junior Conservative essayist really wished to trace the close connection between our exports and imports he would have learned a different lesson. For instance, in the first half of 1879 our exports=\$43,607,000. In 1880 for the same period our exports=\$54,122,000.

In 1879 for the same period our imports=\$34,118,000, and in 1880 for the same period our imports=\$44,618,000. Thus our imports increased \$10,499,000, against an increase of our exports of \$10,495,000. Now this, I claim, demonstrates clearly how an increase of exports is always accompanied by a very large and immediate increase of imports. Now, I have already shown that our exports are due to entirely different causes than those which operate through the N. P. And if the present Administration have attained to power in a fortunate era, it is because they have reaped what they have not sown and gathered what they have not strewed. (Applause.) Another cause may be found in the fact that in the years of depression the strictest economy was practised both in Canada and the United States, and when an era of prosperity again struck us, the purchases of all kinds of goods were very large, including not only the products of this country but forcing contributions from Europe also. That was another cause of the increased exports. I find some remarkable figures in the *Bankers' Magazine* for February, 1881, that will serve to illustrate this point. In five articles the values of imports from Europe into the United States have increased by \$84,000,000 in the first ten months of 1880, over the same period in 1879, showing that the present prosperity is general, and due to no factitious policy whatever:

Imports.	1879.	1880.	Incr'se.
Cotton .....	19,548,000	28,500,000	8,752,000
Iron & Steel M's.	11,425,000	58,485,000	47,060,000
Tin Manufact's.	10,318,000	14,689,000	4,371,000
L'ther & M's of ..	7,180,000	10,022,000	2,842,000
Wool do do ..	31,169,000	52,290,000	21,121,000
	\$79,640,000	\$163,786,000	\$84,146,000

But even the prosperous year of 1880 cannot compare with 1878, the last year of Liberal sway. What are the facts and figures?

#### AGGREGATE TRADE.

1878 .....	\$170,523,244
1880 .....	159,639,807
Decrease .....	\$10,829,437

Mr. White asserted that the N. P. has lowered the rates of freight across the ocean. This is on a par with his assumption that all the natural progression of Canada, all the increased production from its wealth of fields, forests and mines are due

to the Protectionist policy. Freight between America and Europe is less now than formerly, but in 1878 it was less than in 1872. Its tendency, as far as Montreal is concerned, has been downward, and of late, also, at New York, Boston and other ports, consequent on the gradual abolition of barriers to shipping. It would, indeed, be strange if a protective policy, which aims at shutting out imports from other countries, and at consuming our agricultural products ourselves, could have a beneficial effect on shipping and freight. Its very aim is to stop foreign trade. Forcing, as it does, the ships to come here in ballast, with a dead loss on the voyage hither, it cannot be but that the ship-owners will demand a higher rate for the homeward voyage than they otherwise would; a rate which is deducted from the profits of our farmers. The N. P. is causing a comparative diminution in the trade of our port. The increasing harvests of grain have enabled us to export more in actual quantity from this city, but our aggregate trade is less; and, *relatively* to Boston, to New York and to Baltimore, we never exported as little as last year. Nay, more. Of the grain exported from this continent, Montreal never handled so small a percentage as she did last year. The N. P. is an incubus that handicaps us in our competition for the Western carrying trade, despite our unrivalled water-course, despite the improvements in our canals and harbour, and even despite of all movements towards the great boon of "a free port. As regards rates of freights it may be laid down as an axiom that any negotiations which hamper trade, and lessen the ease with which cargoes to and from a port can be obtained, will raise the rates of freight. Thus the avowed purpose of the N. P. to decrease imports has this effect, and will lessen the number of ships that will come to our ports, and by reducing the competition, raise the rates of freights in comparison with New York and other ports, so that the grain produce of the West will inevitably seek their outlet at those ports. The effect was not very materially noticed last year owing to the phenomenal increase in importation, due to causes that will not operate so largely this year. Protection in the United States has resulted in giving a magnificent carrying trade over entirely to foreign bottoms, and by the rapid decrease in Canadian ship-building it would appear we are to have a similar experience.

#### THE SLAUGHTER MARKET CRY.

Previous to the elections of 1878, the Conservative leaders, prompted by the rich monopolists at their back, went roaming over the country, telling the people that

Canada was being made a slaughter market of American goods. The people, naturally, had been quite content to take the goods they could buy for the least money; but then they were told what an evil uncommercial and unpatriotic policy it was. The people swallowed the odious nostrums of Sir John and his wealthy monopolistic backers, and the N. P. was established; the capitalists were at liberty to charge from 10 to 15 per cent. more for their goods. No more was heard of the slaughter market cry. Yet the Trade and Navigation returns show that foreign goods are slaughtered in Canada as much as ever. Take the following list as examples, and you will find that the slaughtering has increased, though far be it from us to complain :

	Imports.	1875.	1880.	Increased Slaughter.		
Brass M't' res...	\$	108,000	\$	224,000	\$	116,000
Carriages.....		85,429		137,379		51,950
Copper M't' red.		32,197		125,192		92,995
Cotton.....		7,370,222		7,835,164		464,942
Flaxen Goods..		977,853		1,124,548		146,695
Paper Goods...		573,834		804,934		231,100
Total.....	\$	9,147,535	\$	10,251,217	\$	1,103,682

#### TAXATION AND LABOR.

The N.P. has added about \$7,000,000 annually to the burdens of the people, and of this sum the Finance Minister admitted that only \$1,000,000 went into the Treasury of the Nation, the balance finding its way into the pockets of the protected class. Here then is another of the great effects of the N.P.; for a protectionist tariff raises not only the price of all imported goods, but also of all goods made in the country. The majority of the people of any country are the poorer classes, and the large portion of any tax must be levied from them. The family of the poor man is generally large, and its consumption proportionately great. The poor man buys in small quantities too, and whether it be an ounce of tea, a pound of sugar or a hundredweight of coal, he must pay the highest price, and if he buy on credit he must pay the highest interest. Can anything stronger against the tariff be proved than by showing that in proportion to the poverty of a man, so is the amount forced from him by the tariff increased? Now this is actually done by means of the odious specific duty. For example take the coarse grades of cotton, such as a poor man would naturally buy, costing in England four cents a yard. The specific duty is one cent a yard, i. e. twenty-five per cent., add 15 per cent. *ad valorem*, and a forty per cent. duty is the rate. On fine grades, costing say 10 cents a yard, the specific duty is only a tenth, or 10 per cent., add the *ad valorem* duty, and we find that on the kind of cotton a wealthy person would buy only 25 per cent. is charged. This is not a

solitary example, but, from the nature of a specific duty, operates wherever it is found. Thus the poor man is placed at a disadvantage in purchasing woollen clothing, caps, dress goods, etc. A similar comparison could be instituted between the rich lady's cashmere shawl and the poor woman's woollen covering; between the poor man's tools and hardware, and the rich man's jewellery; between the tax on the \$200 piano one class buys, and the \$600 instrument a richer class purchases. The poor man suffers thus in every way in order that the country may support a few wealthy paupers at his expense. The labourer should understand by this time that, under a continuance of the old policy, he would not only have found a full-time employment, but could have lived at a much less cost. As it is it would be strange indeed if those labourers remaining with us did not find ample employment in view of

#### THE VAST EXODUS

of trained artisans and skilled mechanics who have gone southward, where free-trade prevails over half a continent. In April a year ago 3,000 people left the city of Montreal, and from Ottawa the exodus has been even greater in proportion, whole blocks of real estate being now unoccupied. In the House of Commons, in the session just finished, the member for Lanark showed how in the small space of some 10 miles square between 300 and 400 people had been known to have left the country. The member for Centre Huron called attention to the fact that out of five or six townships in his county, having a population of barely 22,000 souls, there was an ascertained emigration of 1,500; in Kingston, notwithstanding the natural accessions to humanity, the population decreased by 700 in the last year, and in Belleville 9,726 souls this year is the number of inhabitants, against 9,991 last year; in St. Catharines a population of 11,079 has decreased in 18 months to 9,384. We had until very recently many advantages over our neighbours, and just as these were becoming known, just as wider and correcter knowledge of our natural advantages was being spread among the European masses, an insane policy extinguished them. Until lately we could say with truth that our taxes were lower than theirs, that living was decidedly cheaper, that our great lands in the vast North-West were our own, and that we could deal with them as we wished, that we had avoided the Jugernaut R. R. monopolies that impede the march of progress. How does the case stand now? Canada is rapidly become a dear country to live in. The English artisan has few temptations to

make a new home here. This much vaunted policy has added to the cost of every tool which a producer uses, from a spade to a mowing-machine, from an axe to a printing press. It has added to the cost of every article that a producer can require—from his cap to his boots, from his knife to his blanket, from his child's primer to his own Bible. Nor is this all. A policy which thus diminishes our attractions for emigrants, can hardly make more pleasant the lot of the settler already here, and hence the enormous emigration southwards. When a man leaves Europe and breathes the freer air of this Western world, it needs a very strong sentiment indeed to enable him to endure the harassing and worrying with which this National Panacea goads them. He goes South, not West, for the Syndicate is there (laughter), and he finds a diminishing rate of taxation, a country possessing immense resources, which we have not yet developed, and which this exodus hinders us from developing, a country possessing an immense system of National Free-Trade, so that even if our Tariff were identical it would produce very different results, a country where he can work for a market of 50,000,000, and whose great burdens (greater I must say than they might be), 50,000,000 will share with him.

Now to what extent has this been going on. We admit there has been some dispute as to the exact figures, but no one can deny that there has been a vast increase in the exodus during the late *regime*. The total emigration last year from Europe was 450,000 people, and of this total, little Canada, with her big policy, contributed a frightful proportion—we contributed more than England, more than Ireland, more than Germany, more than any other country. We have let out our own life-blood to an extent which is simply astounding. What think you of the panacea which has vexed the veins of empire in this way?

#### OUR TAXES SPENT EXTRAVAGANTLY.

Again, we have seen that this great N. P. has given us a load of taxation for which we are expected to return thanks. Instead of the former tax of 17½ we have one which averages 26½ per cent. It needs but a glance at the public accounts to realize the ever-increasing expenditure of the money wrung from the pockets of the people. The following table illustrates this in a few instances, showing conclusively the vast increases over the last year of Liberal sway, and the estimates for next year but tell the same sad tale in a more forcible manner:

Expenses.	1878.	1880.	Increase
Civil Govern'm't. \$	822,369	\$ 898,605	\$ 75,236
Departmental....	545,528	613,160	67,632
Salaries.			
Justice.....	564,920	574,311	9,391
Superannuation..	106,588	127,792	21,204
Militia.....	618,136	690,013	71,877
Miscellaneous....	81,167	183,719	102,552
Indians.....	421,508	650,036	228,528
Customs.....	714,527	716,126	1,599
Excise.....	1,724,000	1,852,000	128,000
Total.....	\$5,599,743	\$6,305,767	\$706,024

These figures tell the story of extravagance for themselves. Compare the estimates for next year with last year's expenditure, and it will be seen that the heavy surplus was only a too good excuse for heavier contemplated expenditure. Our national debt is also increasing. The annual interest payable on our public debt is now \$7,775,000. The sums tacked on to our fixed expenditure, the debts incurred, and the increasing interest in public indebtedness make an annual charge upon the revenue of the country that 17½ per cent. taxation cannot cover. The era of low tariffs has passed away.

#### COAL.

There is another point in which the Junior Conservative essayist strove to convince his audience that the Tariff was a blessing to them. He referred to the duty on coal. This tax is generally conceded to be one of the means whereby inter-Provincial good-feeling and trade was to be encouraged. Well, we desire to create good-feeling, as much as we can. We desire to foster legitimate inter-Provincial trade as much as we can, but we altogether deny that either good-feeling or inter-Provincial trade has been accomplished by the process which has been put forward to secure these ends. Mr. White evidently believes firmly in all his leaders have told him of the kindly effect this coal tax was to produce, but forgot to mention that the Finance Minister has had the candour to admit that if the United States would remit their duty on coal, he would do the same. Is kindly feeling to be restored and legitimate inter-provincial trade to be fostered by the imposition of a coal-tax which attempts to force Nova Scotian coal to the West; and yet is the Finance Minister prepared to forego these advantages in order to secure the free admission of our coal into the *United States*? This coal-tax is one of the most odious kind; its avowed object being not to raise more revenue, but to enforce upon the Western Provinces the use of Nova Scotian coal. It is odious too, because it is a tax on one of the first necessities of life, the price of which is high, irrespective of the tax. As Mr. Goldwin Smith has pointed out, nothing can make Canada

habitable, especially for the labouring class, but abundance of fuel. It increases the cost of freight by increasing the running expenses of railway and canal carriage, and thus adds to the general cost of goods so transported. Mr. White admits that, notwithstanding Protection, the increase of imports amounted to 223,270 tons from 1878 to 1880. Nova Scotia herself imported 10,999 tons in 1878, and 12,519 in 1880, so that the tariff does not even keep foreign coal out of Nova Scotia. Again, I find that in 1878 Nova Scotia exported 140,210 tons of coal, while in 1880 she exported only 133,796 tons. The fact thus is that Nova Scotia imported more coal in 1880 than in 1878 and exported less.

#### SUGAR.

As regards this toothsome article Mr. White waxed very enthusiastic. He stated that "the people have, under the new tariff, been supplied with a better quality of sugar, and above all, the price to the consumer has actually been less than it would have been under the old tariff, and the old system of importations of refined sugar." It is difficult to believe this when it is well-known that the price of sugar in New York averages \$6 13, which, with duty added, would be \$8.66, whereas the price as sold in this city by Redpath amounts to about \$9.75 per cwt., leaving \$1 per cwt. to exactly represent the incidence of the tax to our people; and as the great bulk of the sugar they consume, when they are allowed to consume it according to their own choice, is of a much higher quality. It is perfectly clear that the people of Canada are paying \$1,114,000 a year as a tax on their sugar. Of this two-thirds goes to the Treasury, and the remainder goes to swell the pockets of our rich monopolists.

#### THE TEA TRADE.

In his argument on the Tea Trade the Junior Conservative writer claims that the Canadian merchants have now a control of this business; that Canadian cities are the centre of the distributing trade instead of New York and Boston. What is the extent of this immense distributing trade? According to Mr. White's own figures we only imported direct from Japan and China 2,500 tons in the year 1880, or a good cargo for a brigantine. The increase in the direct trade of 1878 was only 1,646 tons, according to the figures given by Mr. White. It is difficult, then, to perceive where the vast distributing trade comes in. It is utterly impossible to point out one single Canadian ship engaged in this enterprise, or to see a tea-ship direct from China or Japan unloading at any Canadian

port. There are, indeed, certain Canadian merchants who purchase part of the cargoes of American ships landing at San Francisco, but that is the entire extent of the tea trade. And why? Our market for tea is limited to small quantities of a certain kind merely, and a large percentage of the packs of tea, as they are made up and sold in China, our merchants could not sell here at all, so we are forced to continue to purchase from the wholesale shippers, and pay an additional tax to our paternal Government.

#### THE COTTON TRADE.

In this city of Montreal no monopoly is more admirably regarded by Protectionists than the cotton industry. Their essayist asserts that "under the Cartwright tariff it had but a *sickly existence*, which was contracted in its operations and maintained with great difficulty." This statement is incorrect, for all the principal cotton mills that exist to-day were flourishing at that period, viz., the mills of Dundas, Cornwall, Lybster, Valleyfield, Brantford and of the Hudon Company. The only mill whose prosperity was dubious was that at Cornwall, and its mismanagement was notorious. As far as as the "sickly existence" of the Hudon and Valleyfield factories were concerned under the Cartwright tariff, it was manifested by profits in the one case of 27 per cent. and in the other of 22 per cent. (Laughter.) Yet the cotton kings were not satisfied, and last year the Hudon Company made more than 50 per cent. profits, and the Valleyfield Company 45 per cent. The Valleyfield concern has just declared its quarterly dividend of 5 per cent. The original Hudon stock is quoted at 240 or 180 in the watered stock. The Hudon Company has built a new mill, watered its stock in the ratio of one to three, and paid its dividend of 10 per cent. Altogether it has made 55 per cent. on its capital. That good man the member for Montreal West (laughter), who was fortunate enough to buy his stock at 65, must be fairly reveling in his 84 per cent. per annum. He most feelingly exemplified his gratitude by moving the other day from his seat in Parliament that the deposits of workmen in the Government savings banks be reduced from 4 to 3 per cent. The capital of the Valleyfield Company is \$370,000. On this last year they earned as profits \$140,000. It will thus be seen that these mills are not run merely in the workmen's interest. What is the effect on the price of cotton? While raw cotton has rarely been cheaper, the manufactured article has never been more costly. The majority of the hands employed can barely eke out an existence

They are, as a rule, a sickly lot of women, boys and girls wearing out a diseased life for mere pittance. In the Hudon Mills out of 500 hands employed, 50 men cannot be found. The wages vary from 20 cents a day to \$1. A good weaver, who can keep four looms going, earning the latter sum. Compared as to importance with the

#### LUMBER INDUSTRY,

the cotton milling sinks into insignificance, nor is it by any means so profitable to the people. Nine-tenths of the value of the lumber is paid out for the labour that produces it, and is spent in the country, while 50 per cent. of the value of cotton is sent out of the country for raw material. Yet the tariff works injury to the lumber trade. All materials employed in producing it are increased in price, thus the blanket the lumberman formerly bought for \$2.50 or \$2.75, he cannot now get under \$4, and so with his axe, and all his necessaries. The enhanced price of lumber is accounted for in this way, and goes, not into the pockets of any one engaged in that trade, but into the stuffed safes of a few petted industries. We in Montreal are in danger of measuring the effects of the N. P. by the cotton mill and the sugar factory; but these contribute to the country but as one in a 100. The whole country is unjustly taxed; the farmers, the lumberers, and the entire consuming class, which constitute the immense proportion of the nation, that one or two favourite industries and capitalists may flourish. The policy of the Liberal party is to deal out equal justice to all, and to rightly distribute the burdens of taxation. It should be kept in remembrance that a revenue tariff, such as must exist in this country, affords a very large measure of incidental protection. The 17½ per cent. of the Cartwright tariff enabled the Hudon Company to make profits of 27 per cent. in 1878, and any industry which cannot exist without adding a heavier taxation than 17½ per cent. scarcely deserves fostering at the expense of the great mass of the people. It cannot be denied that every single factory erected under the protection system is paid for at a very heavy rate by the consumers. It is all very well for the factory-owners to appeal to the patriotism of the masses for such a result, but not one cent does their own patriotism lead them to expend for the support of the masses. There has been a factory craze in the land. The Conservatives promised that there would be a factory on every hill-side, and the people were delighted. But factories are not altogether a benefit. (Hear, hear.) While we import our goods we support factories elsewhere, and send as pay the product of our labour,

not money as the Protectionists falsely teach. If we establish the foreign industry in Canada by protection, two things result. First, we withdraw a certain number of our men from the employment the country naturally gives them, such as lumbering, farming, etc., and set them at an employment for which they are not so well fitted. Thus, one industry is damaged and we produce another article at a heavier cost, for, as a result of our not having natural facilities for that industry, we shall have to employ a hundred men to do the work eighty men could do where there are natural facilities. Then it is apparent the country gains nothing unless we bring the foreign labour, the foreign operatives, too. Otherwise we simply transfer labour from one industry to another. Secondly, the mass of the people are taxed to support a certain branch of trade, and the country loses the revenue it would otherwise derive from the importation of the foreign article. The factories, too, are sources of social and political disorders, and we have already had instances of this in the strikes at the Hudon and Valleyfield mills. It is a mistake to consider that prosperity and numerous population depend on manufactures. Holland, the most thickly town-settled country in the world, owes its multitudes entirely to commerce and agriculture. In France, a larger per cent. of the people are engaged in agriculture and commerce apart from factories than in any other country. Of cities, Chicago, San Francisco, Sidney, London and New York, owe their prosperity to commerce. In the meantime it is the duty of the Liberal party to demand a readjustment of taxation. While remembering the manufacturing industries we have and that are suited to this country, we remember also the farmer at the plough, the fisherman at his nets, and the lumberman in the forest. We protest against the promotion, growth and prosperity of one interest at the expense of all. We protest against a policy which injures the great iron industry and the manufacture of agricultural implements, by an insane tax on raw material, on coal and pig iron. We protest against a Tariff that works injury to the mill owners, by imposing a restriction on importation of wheat, by which certain large mill owners are given a monopoly of grinding in bond; which injures the lumberman by increasing the cost of his supplies; which injures the fisherman by imposing heavy duties on his food and clothing, while he derives no benefit whatever from this policy; which injures the farmer and the railways by placing a tax on inter-communication. We protest against a policy which has worked mischief to three-fourths of our manufactures and is killing their export trade;

we protest in the people's name against a tariff that has almost annihilated our ship-building, and which is a curse to labour in every department; we protest against legislation which creates rich monopolists. We demand a re-adjustment of taxation in the interest of the masses; and can any one doubt that in '83 the people will answer the demand by sweeping away a false and pernicious system. (Applause.)

Gentlemen, in conclusion, let me say that there can be no doubt that our side is the side of Right. The great forces and laws of the universe, the great economic

principles and truths that are inherent in the nature of things, we take to guide us. They are the sources to which we look for knowledge, and be the day quick in coming or be it slow, its irresistible advent is none the less certain, when the false and unsound, the ruinous and calamitous policy which has tarnished the great word National will either meet its end by starving on the famine it will create or by being hurled from its place by the hands of an awakened and indignant people! (Loud applause.)