

No. 6.
INFORMATION FOR THE ELECTORS.

CANADA

UNDER

THE NATIONAL POLICY.

On March 7th, 1878, Sir John Macdonald, in the House of Commons, moved the following resolution: Resolved,—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 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 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 a 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."

In the following year he was returned to power on that platform. Twelve years have passed. What has been the result?

In the first place the plan was as broad as the Dominion itself. It was truly national. It has benefited every part of the country. The coal mines of Nova Scotia and of British Columbia have alike felt the beneficial results. The town population everywhere has increased. Cities like Toronto, Montreal, St. John, Quebec, Ottawa, have been compelled to annex large areas of territory. Towns have been incorporated in every province to a larger degree than in any previous period in the history of this country. New towns have sprung up in various quarters. The assessed wealth of thirty-five cities and towns has more than doubled in the past twelve years.

The condition of the artisans and labourers has been so greatly improved that Sir Charles Dilke, an English free trader and a close observer, says that with the exception of the wage earners in Victoria, Australia (a colony which has had Protection for many years), the wage-earners of Canada are the best off in the world. He says, "Wages have risen since Confederation; hours of work have been reduced and the necessities of life are, on the whole, with the exception of rent, lower than they were before." He further says, "The growth in wealth of the Dominion by every test that can be applied has been rapid since Confederation, but more rapid since the adoption of the protective tariff policy than it was before."

Let us apply some of these tests in order to see to what extent the prophecy of Sir John Macdonald, in 1878, has been fulfilled.

In 1878 Canada had 6,143 miles of railway. In 1890 she had 13,988.

In 1878 she employed 23,102,551 tons of shipping in the coasting trade and in the transport of her exports and imports by sea and on the great lakes. In 1890 Canada, in the same service, employed 41,213,215 tons of shipping.

In 1878 the letters and post cards carried by the Post Office Department numbered 50,840,000. In 1890 they numbered 100,000,000.

In 1878 the deposits in the chartered banks and in the various savings banks in the Dominion were \$88,995,126. In 1890 they amounted to \$197,895,452.

In 1878, the money orders received and sent out by the Money Order Branch of the Post Office Department amounted to \$7,130,000; in 1890, they amounted to \$11,907,862.

In 1878, the business of the country required a note circulation of \$29,786,805; in 1890, it required a note circulation of \$47,417,071.

In 1878, the four per cent. bonds of Canada were six below par; the quotation for January 14th, 1891, shows they were on that date nine above par.

In 1878, the production of coal in Canada was 1,152,783 tons; in 1890, it was nearly 3,000,000.

In 1878, the value of exported Canadian-made cheese was \$3,997,521; and during the whole period of Liberal rule this important industry had stood still. In 1890, the value of exported cheese was \$9,372,212, the highest in any year, and greater than that of the United States, as it has been for three years past.

In 1878, the exports of cattle amounted to \$1,152,334, and of sheep to \$699,337. In 1890, the exports of cattle were \$6,949,417, and of sheep, \$1,234,347.

In 1878, the exports of manufactures of wood, including sawn lumber, staves, shingles, box-shooks &c., were \$13,908,629 in value; in 1890, these exports were valued at \$20,659,348.

In 1878, the exports of home manufactures, including manufactures of wood as above, were \$18,182,647; in 1890, they were \$25,530,003.

The extent to which the National Policy has developed the manufactures of the country is partly seen in the fact that the import of raw materials for manufacturing purposes, in 1879, was \$5,342,912, and in 1890 it had risen to over \$16,000,000.

Pig iron is at the basis of so many industries that it is a good index of the development of all industries of a certain class. In 1879, the pig iron entered for home consumption was 15,504 tons, which, with the quantity manufactured within the Dominion, was sufficient to meet all demands. In 1890, the import of pig iron for home consumption was 87,613 tons, and the amount manufactured within the country was nearly 25,000 tons. This is an increase of more than four times the amount used in 1879, and is the measure of the development that has taken place in this important class of manufactures.

The agricultural interests of this country, as prophesied by Sir John in 1878, have benefited largely by the National Policy. The increase in the town population, already referred to, has given an increased number of consumers for the near home market. At the same time the chances of varied employment have taken many from the farms, who would otherwise have been rivals of the farmers. With the increase in agricultural machinery, there would have been a plethora of agricultural labor, leading to great distress, had not the National Policy provided new openings for farmers' sons.

The general result of the tariff may be seen in the proportion of produce of Canadian farms taken by Great Britain, which is the market of ultimate consumption; and by the United States, which is a market of convenience, during the period of Confederation.

In 1868 the percentage of all the farm products taken by England was 34.31, as against 60.36 taken by the United States. In 1890 the English market for our products had become so developed that over 60 per cent. of our surplus products seeking foreign markets were taken there, only 36 per cent. going to the United States.

With respect to inter-provincial trade, there is considerable difficulty in providing the figures, but it is a well known fact, taken from the Trade and Navigation returns of the various provinces now constituting the Dominion, that before Confederation the value of interchange of products between the Province of Canada and the other provinces amounted to less than \$2,000,000 a year. That interchange is now estimated at \$80,000,000. Whether that estimate is a correct one, it is a fact that notwithstanding the great development of railway transport between the provinces, the coasting trade of Canada requires over two tons of shipping to one ton in 1876. It is also a fact that before a committee of the United States Senate, United States merchants gave evidence showing the enormous increase of direct inter-provincial trade.

With respect to the effect of the National Policy upon the movement of population to the United States, two facts are presented:—

1st—The fact that farmers of Dakota are streaming across the border into Manitoba; and,

2nd—The returns of the census of the State of Massachusetts for 1885 show that during the period of 1880-85 the "exodus" from Ontario and Quebec (chiefly the latter) averaged 1,772 persons annually, against an annual average of 3,273 persons in the period of 1870-80. In other words, the movement outward was reduced almost one-half.

With respect to the general effect of the railway policy of the Government—the direct outcome of the National Policy—it may be summed up by giving three facts:—

1st—The tons of freight carried have increased from 1½ tons per inhabitant carried in 1876 to nearly 4 tons per inhabitant carried in 1890.

2nd—The average charge per ton per mile on freight traffic has been reduced until Canada has now a lower charge than England, Germany, Belgium, France, Holland and the United States. The Royal Commission on Railways gave Canada's charge at the sum of ninety-three one-hundredths of a cent per ton per mile, against one cent and four mills for the United States, the lowest of the countries mentioned.

3rd The saving effected every year, for the farmer and for all who use railways as transporting agents, is equal to the net interest paid on the whole public debt of Canada annually.

That prosperity has attended the National Policy may further be seen in the condition of life insurance, which an eminent writer has declared to be the best test of all as to the prosperity of the people. The life insurances in force in 1879 were \$86,250,000. In 1889 they were nearly \$232,000,000. But that is not the whole story. When the country is in a depressed state life insurances are dropped, or as it is termed, become "lapsed."

For the three years 1877, 1879 and 1878 the average per year of "lapsed" was \$703.31 in every \$1,000 effected.

For the three years 1887, 1888 and 1889 the average per year of "Lapsed" was \$347.05 in every \$1000 effected.

During the former period the people were too poor to keep up their life insurances and consequently had to let them drop to an extent equal to \$700 in each \$1000 of insurance effected. In

1887-89 period the people were able to keep up their insurance so well that only \$347 in each \$1000 lapsed. In 1887-89 period the lapses were less than half what they were in 1877-79.

These results have been produced not only without an addition to the general cost of living, but with a decided decrease in the cost of living.

Sir Richard Cartwright says that he admits the enormous increase in the activities of the country in every branch of industry. But he declares that it would have been greater if the policy of his Party had been continued. Facts are against his assertions. During the period he had charge, the exports of animals and their products grew less, being \$14,243,000 in 1873 and \$14,018,000 in 1878. The total exports of Canada in 1873 were \$89,789,900 and in 1878, \$79,323,600.

The exports of the products of the Mines in 1873 were \$6,471,000 and in 1878 they were \$2,816,347.

The exports of the products of our forests in 1873 were \$28,586,000 and in 1878 they were \$19,511,500.

The imports in 1873 for home consumption were \$127,514,000, and in 1878 they were \$91,200,000, without any National Policy to reduce imports.

The note circulation in 1873 was \$41,830,302.

Business of all kinds had so shrunk under Sir Richard's management that in 1878 the note circulation was \$29,786,805, or over \$11,000,000 less than in 1873.

The shipping employed steadily decreased and in the years of Sir Richard's regime reached the lowest point it ever reached in the history of this country.

The production of coal declined. Fire insurance felt the baneful influence. Life insurance stood still.

The only increases during Sir Richard's regime were in the business failures recorded, and in the percentage of over due notes in the banks.

In view of these facts it is evident that Sir Richard has no warrant for his assertion that a continuance of his regime would have given greater prosperity to the people of Canada than the National Policy has given. The facts all point in the other direction.

The National Policy still further embraces the development of Canada's external trade by means of fast sailing steamship lines. Arrangements have been entered into for this purpose, and when these are completed and in successful operation, the National Policy will have its complete development and the prophecy of Sir John Macdonald in 1878 will be fulfilled in its every particular.

HOW CANADA APPEARS TO OUTSIDERS.

Sir George Baden Powell, a warm friend of this country, who has studied the condition on the spot, in the *Fortnightly Review* for January, 1891, remarks:—"It is said that with the time comes the man, and Canada certainly produced at this crisis the sagacious Sir John A. Macdonald, who with a national policy, which meets with wholesome criticism and opposition, has, with the aid of such able lieutenants as Sir Charles Tupper, on the whole satisfied the bulk of Canadians, and certainly given evidence of the strength of the rapidly growing conviction that to the north of the United States are found all the elements necessary to the existence of a prosperous, industrial and self-contained people."

Mr. Longstaff, an eminent English statistician, in a work entitled "Studies in Statistics," just published, gives the conclusion he reaches from a study of Canada on the spot, and from a comparison of the statistics for the past few years with those of an earlier date:—"The Canadians are undoubtedly an energetic people; they have overcome great difficulties in the past, both political and physical; they have made progress in all directions and never did the future of Canada appear so brilliant as at this moment. Their present political difficulties are but the result of the impetuous energy of the people, and the tact of their prime minister, one of the greatest living statesmen, Sir John A. Macdonald, may be trusted."

In 1880, Mr. Anderson, an English writer in the *Contemporary Review*, after studying the doleful story of Canada's condition, as told by the statistics, which covered the period of the Cartwright regime, declared that Canada was "in the slack between two tides"—the two tides being, the "stately flow of English national life,

and the youthful, tumultuous and energetic national life of the United States." The contrast between Mr. Anderson's description of 1880, when Canada's movement for the then preceding six or seven years had been backwards, and Mr. Longstaff's description of 1891, when Canada is presented as possessing a national life brimming with hope and purpose, is the contrast between Sir John A. Macdonald's leadership and Sir Richard Cartwright's, between Liberal-Conservative rule and Reform rule.

THE TAXATION CRY

The illustration which is the subject of the foregoing taxation of the country, and it is well to look into this matter for a moment and see how much there is in it.

The total revenue for 1890 was \$38,410,000.

But it is well to remember that of this amount \$2,232,553 does not represent taxation at all, but simply the earnings of our public works, our post office, our railways, our canals, and the interest on our investments. For every dollar we paid in these ways this service is given.

This leaves the sum of \$36,177,447 raised by customs and excise. This is generally termed taxation, but it must not be forgotten that it represents two very different kinds of burden. There is a large sum derived from the duties paid upon imports and tobacco, amounting in 1890 to \$10,365,000.

This, to say the least, represents a voluntary and not a compulsory taxation. If one does not choose to drink intoxicants, he does not pay any portion of tax thereon. If he does choose to indulge in what is by no means a necessary and thereby pays a tax, he has no right to complain on that account.

Taking this from the former amount it leaves \$25,812,447 which is paid in duties upon articles of necessity, such as food and clothing. From this we may deduct \$1,500,000 paid in duties upon such luxuries and the like—such as jewelry, and the like—leaving \$24,312,447.