

July 1900

THE GRITS AND THE TARIFF

The Grits have had as many policies on the great question of Trade and Tariff as the chameleon has colours, and they have changed them with about equal rapidity.

1. *They were advocates of continental free trade.*
We require continental free trade and without continental free trade we cannot progress satisfactorily.—*John Charles, M.P.*

It is not merely the policy but the fixed determination of the Liberal party in the Dominion to overthrow this system (protection) at all hazards, and after very full deliberation, they have come to the conclusion that the best and probably the only really available method which presents itself for that purpose is in introducing a system of perfect continental free trade, or unrestricted reciprocity with the United States.—*Sir Richard Cartwright in 1894.*

I desire to see free trade all over this continent.—*Sir Richard Cartwright.*

The Liberal party will never cease the agitation until they have finally triumphed and obtained continental freedom of trade. We will not be drawn away by this issue or that issue, and keeping our eyes upon the goal, will work till we accomplish our end. If the reformers of these days can accomplish what they have in view—the great principle of free trade in America—they will have done to their country and to the British race a service of which they will have reason to be proud.—*Wilfrid Laurier.*

2. *They nailed the colours of Commercial Union to their political masthead.*

We have greatly misused our advantage. We have been foolish in our expenditures. We have no means of satisfying the just demand of large portions of the Dominion, except through such an arrangement as commercial union.—*Sir Richard Cartwright.*

The *London Advertiser* declared:

Commercial union lies within the range of practical politics. In our opinion unrestricted reciprocity does not.

We cannot obtain the inestimable boon of free access to the States for our produce without accepting the closest approximation to the commercial position of a State of the Union. They will not favour us more than one another. Wise people do not refuse a good thing simply because it is not the best thing they can conceive of; they take all they can get. Unrestricted reciprocity without a customs union, is an unattainable boon; with a customs union, it would be very

good and that we can probably obtain.—*Toronto Globe.*

* * * The idea that we would be disloyal to the British flag under commercial union was humbug. He wanted to live under the flag as well as any one, but he wanted a flag under which he could live. The Reciprocity Treaty of 1854 he was prepared to accept, but he was afraid the Americans were unwilling to concede it. As commercial union seemed to be more easily attainable, he was prepared to support it, because he believed it would secure to us wealth, peace and happiness.—*Sir Louis Daries.*

3. *They fought the election of 1891 on the avowed policy of unrestricted reciprocity with the United States and discrimination against British goods.*

Free trade with the United States is vastly more valuable to Canada than free trade with all the rest of the world would be, with the United States left out.—*Sir Richard Cartwright.*

Sir, we tender the people a flag of which we are not ashamed, a flag upon which is inscribed Unrestricted Trade with the United States.—*Sir Louis Daries.*

If free trade with the United States will be good for us, let us vote for it, though it should involve discrimination against Great Britain twice over.—*Sir Richard Cartwright.*

If we come to power, on that day I promise you we will go to Washington, and if we can get a treaty in natural products and a list of manufactured articles, that treaty will be made. The policy of the Liberal party is to give you a market with the 65 million British men upon this continent.—*Sir Wilfrid Laurier.*

In the present condition of affairs, and in view of the recent action of the House of Representatives of the United States, it is expedient that steps should be taken to ascertain on what terms and conditions arrangements can be effected with the United States for the purpose of securing full and unrestricted reciprocity of trade therewith.—*Grit Party in House of Commons, 1889.*

There is no doubt whatever that before we can obtain such a measure of unrestricted reciprocity as the advocates of this system desire, it will be necessary for us to discriminate against the manufacturers of other countries, against those even of Great Britain.—*Sir Richard Cartwright.*

This involves that we should offer to the American nation advantages denied to the rest of the world. So it does, and it is a cause of bitter reproach to us by the Conservative party who charge us with disloyalty to England.—*Sir Wilfrid Laurier.*

4. *They preached the doctrine of Free Trade as it is in England.*

Sir Wilfrid declared :

At Winnipeg :

I come before you to-night to preach to you this new gospel of free trade—I denounce to you the policy of protection as bondage. Yes, bondage, and I refer to bondage in the same manner in which American slavery was bondage. Sir, our policy is freedom of trade such as exists in England, such as is practiced in Great Britain.

In Peel :

I propose that we should follow England's example and open our ports to the products of the world.

In the City of Montreal :

The Liberal party believe in free trade on broad lines such as exist in Great Britain, and upon that platform exemplified as I have told you, the Liberal party will fight its next battle.

In Quebec, in January, 1895 :

Gentlemen, the only way in which Quebec can recover the old-time prosperity as a maritime city, is by adopting the policy of freedom of trade as it exists in the mother country.

Whatever doubts or difficulties there may have been about our trade policy in times past, there is none now. Our platform is clear and definite. To-day the people stand face to face with such an issue, and the next contest is to be won between free trade and protection.—*Sir Louis Davies.*

5. *They declared their ability to get Reciprocity with the United States if only the people would put them in power.*

What we have proposed in that platform is a broad and generous measure of reciprocity, embracing natural products and a fair list of manufactured goods.

We have proposed the adoption of such a treaty as Mr. Blaine in his official report to Congress says that he was willing to negotiate with the Canadian commissioners.—*Louis Davies.*

RASY TO GET A TREATY.

Mr. Davies, in 1892, says :

This result can be obtained by those whose hearts are in the business. It is quite possible for the honest man who goes to the United States ; it is quite possible for the honest man, with a sincere desire to negotiate a fair treaty, to negotiate one in a very short time. Is the fact that you are going to discriminate against Britain to stop you from negotiating altogether. Are we to legislate

in the interests of Canada or of the British exporter.

If the people of Canada approach the United States in a fair and reasonable spirit, they would obtain a reciprocity treaty in a short time.

Mr. Fisher, now the Minister of Agriculture, declared :

If my leader comes into power it would not be a rash prediction to say that within six months from that day, by a scratch of the pen, a treaty of reciprocity would be put in force between Canada and the United States.

And the Hon. David Mills, now Minister of Justice, declared :

If hon. gentlemen on this side of the House cross to the Treasury benches, I can promise there would be no difficulty in establishing trade with the neighbouring republic.

WANTED A PREFERENCE THEN.

6. *They solemnly pledged the party to a mutual and exclusive preference between Canada and Great Britain.*

Here are the words of Sir Wilfrid Laurier, the Leader of the Party, uttered in the election canvass in 1896 :

Now, the statesmen of Great Britain have thought that the governments of the colonies have come to a time when a new step can be taken in their development. What is that? That there shall be a commercial agreement between England and the colonies. That practical statesman, Mr. Joseph Chamberlain, has come to the conclusion that the time has come when it is possible to have within the bounds of the empire a new step taken, which will give to the colonies in England a preference for their products over the products of other nations. What would be the possibilities of such a step if it was taken? We sell our goods in England. We send our wheat, our butter, our cheese, all our natural products, but there we have to compete with similar products from the United States, from Russia, and from other nations. Just see what a great advantage it would be to Canada, if the wheat, cheese and butter, which we would send to England should be met in England with a preference over similar products of other nations. The possibilities are immense.

I would be in a far better position to obtain this boon for Canada than Sir Charles Tupper, because his is a protective tariff, whereas mine is a revenue tariff, pure and simple, and Mr. Chamberlain says that is all that is necessary in order to obtain it.

My hope is, nay my conviction is, that on the 23rd of June the Liberal party will be at the head of the poll, and then it will be the Liberal party that will send commissioners to London to arrange for a basis of preferential trade.

7. *They proclaimed their adhesion to the principle of preferential trade with all countries in the world, especially including the United States, on the basis of mutual tariff concessions.*

Sir Richard Cartwright, in speaking of the attitude of the party in regard to the tariff offer of 1897, said:

"I tell the hon. gentleman that this is an offer of preferential trade to all countries that are qualified to come in. * * * If the Americans were willing to give us full, and fair and reciprocal advantages, I would recommend trading with them for the benefit of Canada and the Empire, too. I think Mr. Foster may find out before he is many years older that very probably, although I admit it is a little roundabout way, this is not a bad way to get it."

Sir Louis Davies said:

"I say this resolution neither discriminates nor differentiates. It attaches no terms which are not common to Great Britain and to all countries."

No matter how self-contradictory or how inconsistent and impossible each of these policies was in regard to the other, they advocated them all in turn, seemingly oblivious to the fact that they were mutually irreconcilable both in principle and practical operation.

But in one thing they were always consistent in profession at least. *They were the sworn and irreconcilable enemies of protection in principle and in practice.*

LIBERAL PROFESSIONS.

Here is a sample of their professions:

"We denounce the principle of protection as radically unsound and unjust to the masses of the people, and we declare our convictions that any tariff changes based on that principle, must fail to afford any substantial relief from the burdens under which the country labours. This issue we unhesitatingly accept, and upon it we await with the fullest confidence the verdict of the electorate of Canada."—Convention 1893.

"We will tax for revenue, but not one cent for protection. Taxation is an evil that nothing but the requirements of the Government can justify. When we are in power—and I don't want to sell the skin of the bear until the bear is shot; yet I think the Tory bear is about to be skinned—we will free the people from protection, which is a fraud, a delusion and a robbery. For it is robbery to take money from one man and give it to another."—Wilfrid Laurier, convention speech, 1893.

"I will not be satisfied until the last vestige of protection has been removed from the soil of Canada. Our great reform is to put away from

the soil of Canada the last vestige of protection."—Wilfrid Laurier at Newmarket, 1893.

"If the Liberals were successful, they would cut off the head of protection at once, and trample on its body."—Wilfrid Laurier at Victoria, B.C.

"We have been attacking this policy year by year. This is an accursed system, a system accursed of God and man."—Louis Davies.

"I say our protective system was a huge mistake, in so far as it was honest at all, and in so far as it was not honest, it was a huge scheme of robbery."—Sir Richard Cartwright.

"I stand by the declaration I have made, that protection is nothing more nor less than a deliberate, legalized and organized robbery; and, more than that, if you do not stamp it out it is the very high road to political slavery first and industrial slavery afterwards."—Sir Richard Cartwright.

"Our policy from first to last has been to destroy the villainous system of protection by free trade, a revenue tariff or continental free trade."—Sir Richard Cartwright.

Why multiply these? They would fill volumes if collected. "Death to protection" was the slogan that resounded from 1878 to 1896.

THE TARIFFS COMPARED.

When was this principle of protection which for 25 years they denounced introduced, and what was the average rate of the protection given? It was embodied in the tariff by Sir Leonard Tilley in 1879 in fulfillment of pledges made to the electorate in 1878, and in obedience to the mandate of the electorate given in September of that year. The rates of the protective tariff as given in the trade and navigation reports from 1879 to 1899 are herewith:

AVERAGE RATE OF DUTY ON IMPORTS FOR HOME CONSUMPTION—DUTIABLE AND FREE.

Under Conservatism.		Under Liberalism.	
1879 15.10 p.c.	1886 19.36 p.c.	1894 17.31 p.c.	
1880 15.73 p.c.	1887 21.24 p.c.	1895 16.99 p.c.	
1881 20.19 p.c.	1888 21.57 p.c.	1896 18.24 p.c.	
	1889 22.67 p.c.		
1882 15.22 p.c.	1890 21.21 p.c.	1897 17.82 p.c.	
1883 18.82 p.c.	1891 20.06 p.c.	1898 16.26 p.c.	
1884 18.94 p.c.	1892 17.56 p.c.	1899 16.70 p.c.	
1885 18.41 p.c.	1893 17.28 p.c.	1899 17.33 p.c. (as corrected)	

Average rate 1879 to 1886, 19.36 p.c.	} Conservatism.
Average rate 1887 to 1891, 21.15 p.c.	
Average rate 1892 to 1896, 17.47 p.c.	
Average rate 1897 to 1899, 17.17 p.c.	
Reduction 1892-96 over 1887-91, 3.68 p.c.	} Grit.
Reduction 1897-99 over 1892-96, 30.160 of 1 p.c.	

The rate per cent. given above is found in each year by dividing the total value of goods entered for home consumption dutiable and free into the total amount of duty collected.

Now, in 1898-99 it appears that 16,009,847 bushels of corn from the United States, bearing no duty, not intended for consumption in Canada and which simply passed through Canada on its way to the old country, was put through the books as entered for Home Consumption. This was valued at \$6,149,392. Subtracting this amount from the import for Home Consumption \$154,951,593 and dividing the remainder \$147,902,201 into the total duty collected \$25,641,734 gives the rate p.c. 17.33 instead of 16.70 as given wrongly in the Trade and Navigation report.

The average rate 1892 to 1896 is 17.47
The correct rate for 1899 is 17.33

Reduction effected by the grits 14-100 of 1 p.c.!!

The tiniest hair from the farthest tip of the tail of the devouring fox, protection, has been softly pulled out by these men whose battle cry was "Death to protection."

What policy have they in power carried out?

Nothing which when out of power they advocated. Neither continental trade, nor commercial union, nor unrestricted reciprocity, nor free trade as in England, nor reciprocity, nor preferential trade with all countries, nor exclusive preferential trade with any one country. All of these they hotly advocated, so one of them have they ventured to try in practice.

For 18 years they hotly and diligently denounced protection; now they embrace it and embody it

in their tariff within 14-100 of 1 p.c. of the old average!

They pledge themselves to get if possible a mutual preferential arrangement with Great Britain; Sir Wilfrid goes to England and denounces any preference for Canadian products in British markets, whilst he gives $\frac{1}{2}$ of the duty as preference to British goods in our markets.

From the preceding statement it is apparent that such a thing as conviction or principle has had no place in the grit trade and tariff policies.

They were and are simply opportunists, watching for what they think will catch the public eye, and ready to abandon to-morrow what they to-day proclaim to be right and necessary.

Let the business man ask himself what security he can have with men who change at every election and clutch wildly at every fad which presents itself.

What would have been the position of Canada to-day had their wild dream of unrestricted reciprocity with the United States and discrimination against Great Britain been carried out?

Is there any security or guarantee that these men will hold steadily to any policy, and is not reasonable stability absolutely necessary in commercial matters?

Are men who do not know their own minds one year at a time, safe men to administer the affairs of a great country like Canada?

What policy is certain, what industry is safe in this succession of caprices and fads?