

Hazen,
Henderson,
Hodgins,
Hutchins,
Ingram,
Jamieson,
Kaulbach,
Kenny,
Kirkpatrick,
Langevin (Sir Hector),

Thompson (Sir John),
Tisdale,
Tupper,
Tyrwhitt,
Wallace,
Weldon,
White (Cardwell),
White (Shelburne),
Wood (Brockville).—103.

PAIRS :

For :

Messieurs

Against :

Frémont,
Flint,
Scriven,
Joncas,
Cartwright (Sir Richard),
Mackenzie,
Casey,
Bernier,
Legris,
Préfontaine,
Bourassa,
Gibson,

Ives,
Wood (Westmoreland),
Stevenson,
Chapleau,
Foster,
Smith (Sir Donald),
Reid,
Baker,
Pope,
Burnham,
Quimet,
Wilmot.

Mr. TROW. The hon. member for Gaspé, the hon. member for Yarmouth, and the hon. member for Huntingdon, have not voted.

Mr. SCRIVER. I am paired with the hon. member for West Peterborough (Mr. Stevenson).

Mr. JONCAS. I am paired with the hon. Secretary of State. It is almost needless for me to say that if I had voted, I would have recorded my vote in favour of the motion.

Mr. GUAY. The hon. member for Quebec County has not voted.

Mr. FRÉMONT. I am paired with the hon. member for Sherbrooke (Mr. Ives). I would have voted for the motion.

Mr. TAYLOR. The hon. member for Grenville has not voted.

Mr. REID. I am paired with the hon. member for West Elgin (Mr. Casey).

Motion negatived.

TRADE RELATIONS WITH THE UNITED STATES.

Sir JOHN THOMPSON presented a Message from His Excellency the Governor General.

Mr. SPEAKER read the Message as follows :—

STANLEY OF PRESTON.

The Governor General transmits to the House of Commons, further papers relating to the extension and development of trade between the United States and the Dominion of Canada, including the Colony of Newfoundland.

GOVERNMENT HOUSE,

OTTAWA, 16th June, 1891.

IN COMMITTEE—THIRD READING.

Bill (No. 47) to amend an Act to incorporate the Collingwood and Bay of Quinté Railway Company.—(Mr. McCarthy.)

ADJOURNMENT.

Sir HECTOR LANGEVIN moved the adjournment of the House.

Motion agreed to ; and House adjourned at 1.50 a. m. (Tuesday).

Mr. SAVARD.

HOUSE OF COMMONS.

TUESDAY, 23rd June, 1891.

The SPEAKER took the Chair at Three o'clock.

PRAYERS.

OFFICIAL REPORT OF THE DEBATES.

Mr. DESJARDINS (Hochelaga) presented the second report of the Committee appointed to supervise the Official Report of the Debates.

SHIPMENT OF LIVE STOCK.

Mr. TUPPER moved that the House resolve itself into Committee, to-morrow, to consider the following resolution :—

That it is expedient to pass an Act respecting the shipping of live stock, and to provide that the Governor in Council may appoint inspectors under the said Act and determine the remuneration to be paid them out of the fees which the Governor in Council may establish to be paid on live stock shipped on any ships carrying live stock.

Motion agreed to.

RED DEER VALLEY RAILWAY AND COAL COMPANY.

Mr. DEWDNEY moved that the House resolve itself into Committee to-morrow, to consider the following resolution :—

That it is expedient further to amend the Act forty-second Victoria, chapter four, intituled: "An Act to authorize the granting of subsidies in land to certain Railway Companies," and to provide that Dominion lands may be granted to the Red Deer Valley Railway and Coal Company to an extent not exceeding six thousand four hundred acres for each mile of the said company's railway, either from Cheadle Station on the Canadian Pacific Railway, to its terminus at a point in or near Township twenty-nine, Range twenty-three, west of the 4th Meridian, a distance of about fifty-five miles, or from the Town of Calgary, in the District of Alberta, in the North-West Territories, to its said terminus in Township twenty-nine, Range twenty-three, west of the 4th Meridian, a distance of about seventy-five miles.

Motion agreed to.

WAYS AND MEANS—THE BUDGET.

Mr. FOSTER. Mr. Speaker, in rising to move that the House go into Committee of Ways and Means to consider of the Supply to be granted to Her Majesty, I desire to ask the indulgence of the members present for a very short time while I make a very brief, I hope a plain and pertinent statement with respect to the finances of the country, the operations of the past and present years, so far as the present year has gone, and some estimates with respect to the succeeding year. It may be stated that in two particulars Canada has not in the past years we have under review been so fortunate as we could have desired her to have been. The harvest, which gave good promise in the opening of the last year, did not fulfil the prospects which were formed with respect to it, and was, therefore, not so abundant as could have been wished, and not so abundant as we have had in some former years. The lumber interest of the country finds itself handicapped to a certain extent in the British markets, chiefly by the overcrowding and overstocking of that market, and to a certain extent as well in the South American markets, owing to the general disturbances which have taken place in some of those countries which were large customers for certain classes of lumber, as a result of

financial mismanagement and internal revolution and commotion. Outside of these two points in which we hoped that Canada would have had a more prosperous year than she has had, I think there is nothing to prevent us from congratulating ourselves in this House and in the country upon the general state and condition of our trade, our industries and our products. Our harvests, although, as I have said, not very abundant, were, taking the country all round, of a fair average, and the prices received for our agricultural products were probably a considerable amount higher than in the preceding year, so that the total net results for the country at large was not so unfortunate as might have been thought at first. For the present year, although we cannot, of course, tell what may happen as the months develop, the prospects, especially in Manitoba and the North-West and in certain parts of the older Provinces, are fair; a largely increased area, especially in our western country, has been placed under crop, and at the present time the prospects there are of the brightest. With reference to the foreign trade for the year 1889-90, I may say that the aggregate trade was some \$14,000,000 in excess of its preceding year and marked one of the best years in the history of Confederation, being some \$65,000,000 in excess of the trade in 1878-79, the last year of the Administration which preceded the present Government. The exports for the past year under review were \$7,500,000 more than they were in the year 1888-89 and some \$25,000,000 in advance of the exports for the year 1878-79. There was a gratifying increase of the trade between Canada and Great Britain of \$7,000,000 over and above the year 1888-89, and our trade increased to a greater or lesser degree with France, Germany, Portugal, Italy, Holland, Belgium, China, Japan and Switzerland. There was a decrease of about \$1,000,000 in our trade with the United States of America, a slight decrease in our trade with Spain, and somewhat larger with Newfoundland and with South America and the West India Islands. The decrease in trade with some of these countries was because of reasons which I have previously stated, and I may say as well in this connection that, carrying out the promise of the preceding year, the current year which we have now completed will show a gratifying increase of exports over the very large increase of the previous year. Our home trade, taking our country through, so far as it appears to one looking with a broad glance at it, is, on the whole, in sound condition. Some branches of our industries are flourishing, while others are not so fortunate in that respect. But taking it all in all, I think it is an opinion which will be borne out by financial men, that the trade condition of the country is a sound one if it is not a very flourishing one. Our inter-provincial trade, which year by year has been becoming more and more a factor and an incident of our development, has its steady increase, and although we have not at hand an unerring means of denoting by statistical records what the exact increase in volume of this trade is, yet from certain large indications that we get we are assured that it is a constantly increasing factor, and that it carries with it all that increased energy and life and prosperity which comes from such a field of activity. Aided by our railways; trunk lines which have been built and which are now in the best of running condition, and smaller and more circumscribed lines, but in

their way not less important railways, which develop certain local centres and pour out upon the trunk lines their contributions to commerce, both of these conjoined are, year by year, under prudent and skilful management in the main, accessory to the development of the trade of the country in this respect. Last year has seen an increase, too, in the mining activity of Canada. The Government, by its regulations put in last year's tariff providing that mining machinery of a class and kind not made here should be admitted free of duty for three years, has aided in that activity. The iron bounty is having its results, and in some parts of our country there will be this year large accessions to the productive power of Canada in that respect by capital which is at present being invested in that industry. The visit of the British Association of Miners and Engineers, which was paid incidentally to this country in connection with their annual meeting, has been, I am assured, of great importance to the future development of our mineral wealth. The opinion of experts and the actual views in the country of men who were pre-eminently practical and scientific in this regard, is having its effect in making better known the large and important resources of the Dominion. I must not omit to mention the benefit arising from the labours of our own department, which is partially charged with that, nor ought I incidentally to omit referring to the good which has come from the Commission which was appointed by the Ontario Government, whose labours were very thorough and the information given by which was very complete and of great importance. The immigration of the past year, although it has not been so large in volume as some of the preceding years, has been of a class which is thoroughly satisfactory, I think, to this country. It comprises a class of men who have responsibilities, who have money, who have experience more or less in actual farming, and who come into this country prepared to make their home and stay here, and with a skill and knowledge which is necessary for the development of the properties into which they come. I am sure that the recent visit of the Farmers' Delegates, so thorough and general as it was, and which has been succeeded by one of the most practical and complete reports which I have ever had the pleasure of reading, will have the effect of awakening an increased interest in Great Britain and other countries of Europe, and will be followed by its fruits of an increased immigration of the class of settlers which we particularly desire to have in this country. Our moneyed institutions have, on the whole, stood well the trying crisis of the past year. Whilst in the United States of America bank after bank has fallen under the stress and stringency of the money market, whilst in Great Britain and in London, the centre of the world's money market, there has been great suspense and great trouble and great stringency; our banks in this country have pursued the even tenor of their way; a gratifying fact which is, I think, partly due to the good system of banking which we have in Canada, but which is, perhaps, chiefly due to the practical knowledge and prudent skill of the men who have our banking institutions in charge, and who take cognizance of the signs of the trade of the world as they appear from time to time and accommodate themselves in a skilful and prudent way to these necessities, and who also heed the warnings which are obtained in that way and so steer a prudent course.

Our credit abroad stands as in preceding years ; and although the financial troubles which have occurred over the civilized world, and which have been especially felt in the money markets of Europe, have had the effect of depreciating our securities, as the securities of all other countries and all other colonies have been for the time depreciated, and even the British consols themselves, yet our securities stand in comparison better than those of our sister colonies, and, taking all things into consideration, they hold their own in every respect. I think we can congratulate ourselves upon the buoyant nature of the revenue of the past financial year, a revenue the largest in the history of this country, a revenue which did not come from increased taxation as a result of changes and additions to the tariff, but which is an evidence of the power of the people to buy, and consequently marks to a certain extent their prosperity and the soundness of their financial condition. I think we may congratulate ourselves, too, upon the balance which has been kept between the revenues and expenditures of the country, as will be more apparent when I take up those matters in detail. Altogether, Mr. Speaker, to leave this branch, which may serve as an introduction to what is still more germane and pertinent to the question in hand, I think we may say that we have a happy, a united, a progressive, and a right-minded people, who are glad to live in this country and under Canadian institutions, who have a hopeful outlook with reference to the future, and who are full of progress and activity at present. Now, Mr. Speaker, if the House will allow me, I wish to deal for a moment with some more general trade interests. It is within the memory of the members of this House that some two or three years ago I had the pleasure of introducing resolutions which looked to the formation of lines of steamship communication towards the West Indies, towards Great Britain in the matter of a more rapid and better equipped Atlantic line, and towards Australia, China and Japan in respect to improved and regular steamship communications on the Pacific Ocean. I am very glad to say, with reference to these lines, that two of them have been established, and at the present time, I believe, have been well established. Different lines of steamers to the West Indies were started in part as an experiment, and with a desire, if possible, to open up trade by couriers of a regular and more speedy kind, with the islands of the Carribean Sea and some of the coasts of South America ; and although difficulties have been met—very great difficulties, of which the House will know when we take up those particular subjects—I believe I may say to the House that these lines are now fairly well established, under conditions as good as we may hope to obtain at the present, and on a standing and a basis upon which they will be able to prove in the course of two or three years, I hope to the satisfaction of this House and the country, that there lie in those islands to the south of us possibilities of a large and remunerative commerce, as regards especially branches of trade which are complements of each other, and to which in neither country is there home competition, but only the competition from outside. With reference to the Pacific, I may state that the line of vessels which was subsidized by the British Government, and in part by the Canadian Government, has at length been established ; and within

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the last two months the first of those well-built, finely-equipped and speedy vessels has been put upon the route, and passengers and mails have come from the far East across the Pacific Ocean, across our Canadian part of this continent and home to the old country in a space of time surprisingly short, which has elicited astonishment and comment of the most gratifying kind from the press and public men of Great Britain and the continent of Europe. We have, as a Government, put forth every possible energy to have the fast Atlantic line established as well. The House is cognizant of the history of that line up to the past year. During last year we entered into a provisional contract with a company which had very great financial strength, and of which Mr. Bryce Douglas was the agent on this side of the sea. Mr. Douglas visited this country and personally inspected the Canadian Pacific Railway and the ports upon the Pacific ; and I may state that he was very enthusiastic both with reference to the prospects of this country and the prospects of a remunerative trade being built up across the country and across the Atlantic, sufficient to warrant the placing of vessels of the best style and equipment between our ports and the ports of Great Britain. A provisional contract was entered into, and, if it had not been for two reasons, one of which, and not the least important, was the disorganization which took place in the money markets at home, for reasons which are well known to hon. gentlemen on both sides of the House, but, more especially, the sudden and lamented death of Mr. Bryce Douglas himself, who was the soul and the inspiring genius of the company, I think we would have been able to inform this House that a hard and fast contract had been entered into for a line of steamships equal in style and equipment to the best that plies between the ports of New York and the ports of Great Britain and the continent ; but the death of Mr. Douglas, especially, and the disorganized state of the money markets, has postponed this project, and the Government has again to try its hand, with the aid of the liberal donation which Parliament has placed at its disposal, with the view of bringing about what both sides of this House have declared by their votes and confidence they wish to see accomplished. Since last year the McKinley Bill, which was under discussion when this House was in session, and the main features of which were thoroughly settled before we separated, has gone into active operation. That Bill was looked upon with much apprehension and much hesitation by large interests in every part of this country. It threatened some of our trade interests ; it certainly pointed to a displacement and a diversion of trade in several important particulars. Canada has had some months of experience of its operation ; and, so far as I can see, upon a fair and just retrospect of the months that have passed, and the industries that have been affected, the industrial interests of Canada have stood the strain well, being far less harmed than was anticipated when that Bill was under discussion and when it was about to be passed by the Congress of the United States. The people of Canada, whilst, in some respects, they deplored some features of that Bill, knew that, so far as the Governments of Canada had been concerned, from 1867 up, no fault could be attached to them if there was not a better basis of trade relations between the United States and this country than actually existed. They

knew that when, in 1866, the old reciprocity treaty was abrogated, that abrogation took place, not at the desire of Canada, but at the express instance of the United States, and they knew that, from that time up to the present, time and again, Canada has made advances, in a fair and honourable spirit, for the resumption of the old or the inauguration of new relations upon some fair and equitable basis. Looking back at the results which followed the abrogation of the old reciprocity treaty, the people of Canada, although they deplored some features of the McKinley Bill, did not think, viewing their past circumstances, present condition, and future prospects, that they had reason to become discouraged or be less hopeful than before. Looking back to 1866, and knowing that there was then found sufficient trade energy and skill and purpose in this country to convert what was then supposed to have been a great evil into what actually turned out to be a real good, inasmuch as it put Canadians upon their own mettle and energy and made them carve out for themselves fresh and remunerative channels of trade and commerce, they felt that, though they would fain have wished for better relations with the United States, they had ample resources, ample energy and a wide field about them; and setting to work, with that business energy and pluck which is characteristic of Canadians, they met the situation without grumbling or becoming despondent, and with a cheerful and hopeful facing of the future. Sir, that McKinley Bill had barely passed when, at the instance of a large interest in this country, I sent a skilful and practical man to Great Britain, who made a thorough investigation into one branch of trade which, it was supposed, would be seriously affected by the McKinley Bill, namely, the egg trade; and the investigations he made, and which have been since continued, by the High Commissioner, have resulted in a mass of information and a settled conviction, not only in this country but Great Britain as well, that for eggs and poultry there exists on that side a market of unlimited dimensions, in which home competition is at a minimum and the demand continually progressing, and in which, when we have studied and thoroughly mastered, as can be easily done, its wants and idiosyncracies, we may find a continual and unlimited market for the articles we may choose to raise and export. Statistics show, beyond a doubt, that in the United States market, the demand for our surplus eggs was becoming every year smaller, because of the home competition and the increase of the home supply. Statistics show, on the other hand, that in Great Britain the demand is constantly outrunning the supply, and that there is no probable time in the future when it will not be measurably greater than it is at present. And what is true with reference to eggs is true, in part, with reference to poultry and live animals, and hay and other commodities. And I do not fear to assert and stake my reputation on the future turn of events, when I say it, that, just as that market which, for live stock, cheese and certain other commodities, was a few years ago very limited and has since expanded, until to-day it gives to our trade millions of dollars and the certainty of remunerative prices, so it will, in regard to these other articles, follow the same line and be productive of equal profit to this country. I am sure that no man in this House could wish for any-

thing else, and all must wish for this result. And I see no reason, from past experience, after studying the conditions of the trade, to warrant me in making my statement less strong than I have made it. With reference to the West India trade, some attempt has been made in past years to foster the Canadian trade with these islands. Steamship companies were subsidized with that end in view, and last year, under the authority of Council, I had the pleasure of visiting those islands and of having conferences with their Governments, and merchants and people, in order to find out for myself something more intimately of the condition and the prospects of trade between our country and those islands. And what did I find there? I found, in the first place, the people of the British West India Islands most fairly disposed towards this country. They greeted with pleasure the interest which had been evinced by my visit to them. They had only the warmest feelings for their brethren further to the north and, without exception, expressed themselves as heartily in favour of all possible extension of trade between those islands and Canada. Just about that time, the McKinley Bill came into operation, with its diverse effects upon the people of the West India Islands, and this measure gave them much to think about before they could accept the proposition I was authorized to make, of a differential treatment of the products required by the one country from the other. Owing to the passage of the McKinley Bill, very grave thought and very serious consideration had to be given by them at that particular juncture before they could accept our terms or declare themselves in any way with reference to my proposition. Sir, the mistake Canada made was in not putting steamships upon that route 12 or 15 years ago. If we had done that, we would have opened the channels of trade between both countries previously to the opening of the steamship lines between the islands and the United States, and we would have had already a trade in large part established with all the advantages that come from it. But while we were lying idle, not doing our duty, steamship lines regular and frequent had been sent from the ports of the United States, business channels had been opened, and business relations formed, and along these the lines of trade and interest ran until at present Canada has to introduce her wares in competition with an old and long-established business interest. But, Sir, I am convinced that, when careful thought has been given to this, and when the results of the McKinley tariff and the reciprocity clause in connection with it comes to be fully worked out, there is a great probability that the people of the West India Islands, who are so well disposed towards us and are so willing to trade with us in every possible way, will be willing, and not only willing but glad, to meet with us in order to arrange a mutually beneficial system of trade between their islands and this country. Sir, it may be—it ought not to be—but it may be a favourite pastime of some people to ridicule the idea of trade between Canada and the West India Islands. We ought not to do that. The West India Islands, inhabited, it is true, in large part by black people, have a large population which consumes very largely, and the aggregate trade of those islands to-day amounts to more than \$75,000,000, nearly one-half of which consists of the import of articles

which are specialties of Canada, so far as their production is concerned. They consume those articles which are our natural products and the products of our industries which, when they are introduced into the West India Islands will, I am convinced, find a ready reception there. That this is the fact is proved by the result of the last year's work, and by the results which are just beginning to be apparent, of the exhibition which took place in Jamaica, where Canada made a most important and a most successful exhibit, where she disabused the minds of our island brethren of many prejudices and wrong conceptions which they had had in regard to us, where she displayed her wares and her goods to the best advantage, and where she proved to them that a mutually advantageous trade could take place, and laid the foundation for that trade in actual sales, in many orders, and in prospective trade, which those who had their exhibits there informed me speaks well for future commerce between that country and ours. Then, we have had, during the past year, an answer from the United States of America, different from any answer which has been received from 1866 up to the present time. The papers have been laid on the Table of the House, or at least a part of them. They will form a subject of discussion later on. Suffice it for me to say at the present moment that on an invitation given by Mr. Secretary Blaine—

Some hon. MEMBERS. Hear, hear.

Mr. FOSTER,—the delegates from Canada went to Washington for the purpose of having an informal conversation with Mr. Blaine, and talking over the possibilities of trade relations between their country and ours. They went there, and at the expressed desire of the United States, and, for their convenience and not for ours, the President of the United States asked us to postpone that informal conference which was appointed at that time, and to meet on his own invitation in a formal conference to be held in Washington in the month of October next. That is the state of things as it exists. In response to the offers which have often been made through the British Ministers and otherwise, that is the first time when the United States Government have intimated that they are willing to sit down with us and canvass fairly and freely the basis of a trade arrangement. It is not my business at present, nor would it be prudent for me to lay down the lines or go into details as to what will be the policy of the Government, when this meeting takes place in October. But I may say this, that the Government holds itself ready, as the Liberal-Conservative Governments have always done, to meet the United States on a fair and equitable basis and with the sincere and earnest desire to remove all differences that exist and to give the greatest freedom of trade compatible with the best interests of this country in its relations with the United States of America. Certainly no Government of a self-governing and self-respecting country should be asked to do more. Further than this, we can state that while we are willing to make all the concessions that on these lines can fairly be made, we are not willing to go so far as to injuriously shut ourselves out from the trade which we have with Great Britain and the other countries in the world, that we are not willing to forego, for a doubtful gain, the substantial advantages which we have enjoyed

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and expect to enjoy from our relations with the mother country, from which connection we have reaped so much in the past and from which we hope so much in the future. But, so far as is consistent with the best interests of this country and in the broadest commercial and national sense, having regard to our standing as a country forming a portion of the Empire, we are prepared to go as far as these considerations will allow us, and not one single step further. And the Government of the United States would not require more. The Government of no self-respecting country would ask for more, but would honour that country which would maintain the position of self-respect which we inevitably must take. I do not despair that, when our conference takes place in October, if disturbing conditions are not injected which might bring about a defeat, it may be found possible for relations to be formed which will place our intercourse with the United States on a more satisfactory footing than it is to-day. So much with regard to these general matters. Passing to another point, I wish to take up the change which has been made in regard to our Dominion Savings Banks. The members of the House who have followed the constitution of these banks, and the regulations under which they have been conducted, know that the rate of interest and the amount of the deposit have been frequently changed. On December 24th, 1877, the limit was placed at \$1,000. In 1880, the limit was \$3,000. In 1886, it was made \$1,000; and in 1887, the maximum was placed at \$1,000, with a further limit of \$300 a year as the maximum for a yearly deposit, and in 1889 the rate of interest was reduced to 3½ p.c. Previous to making that Order in Council and subsequent to it, the balance which had heretofore existed upon the side of deposits, came to be changed, and from August, 1889, up to the present time, each month, almost without exception, has seen a withdrawal from the savings banks of the country, larger than the deposits which were placed therein. This is not wholly due to the change in the rate of interest, inasmuch as the withdrawals commenced in excess of deposits some months before the lower rate of interest came into operation. However, it has gone on, and for several causes which might be named, until we find that in the year 1889-90 there was a net reduction of nearly \$2,000,000. This reduction, however, does not show a loss in the gross deposits of the country, and consequently in the earnings of the country at large, but rather a transference. As proof of the statement I make, I have here a table prepared as follows:—

	1889.		1890.		1891.	
	\$	cts.	\$	cts.	\$	cts.
In Post Office Savings Banks	22,132,854	19	21,357,554	67	21,130,429	26
In Dominion Savings Banks	19,214,227	95	18,498,290	34	17,114,889	84
In Chartered Banks payable on demand	55,165,595	67	51,440,101	67	56,522,473	82
In Chartered Banks payable after notice or on a fixed day.	68,795,851	55	74,629,147	67	84,679,400	27
City and District Savings Bank and La Caisse d'Economie.....	10,728,563	45	10,778,164	86	10,994,546	49
	176,037,092	81	176,703,258	81	190,441,739	68

From this it appears that the gross sum of the savings of the country and the deposits of the country in the different savings banks for 1889, amount to \$176,000,000 ; in 1890, to \$176,700,000 ; in 1891, to \$190,500,000, thus showing that the total savings and deposits of the people of the country in 1891 had increased about \$14,000,000 ; so that whatever withdrawal there was from the Government and savings banks, is not at all to be taken as a sign of lessened earnings or of lessened savings of the country. Part of it has been due, since the Order in Council was passed, to the change which has taken place in the policy of the banks of the country, the Bank of Montreal, and by other banks, having introduced savings departments or branches, in which they take sums as low as one dollar, and have been paying interest at the rate of 4 per cent. upon them, and this accounts in part for the withdrawal, I am sure, of some of the savings from our banks. However, in order to meet the withdrawals from the savings banks, and which is, in some respects, a redemption of debt, and in order to meet the redemption of debt which fell due from time to time instead of going upon the the market for loans, I have been, during the last year, obliged to have temporary loans negotiated by our agents with banks in London, in order to meet these withdrawals and these redemptions of debt. These loans are, as I have said, temporary ; they run for twelve and six months, to expire on the first of July in the present year, when arrangements will be made and are now nearly completed, I believe, for their being carried on for six or twelve months longer. This is necessitated from the fact that the state of the London money market, and the state of securities upon that market, make it an imprudent thing for the Dominion of Canada, with a due regard to the high position that our credit has obtained, to go for any regular loans under present conditions.

Sir RICHARD CARTWRIGHT. The hon. gentleman might as well state the amount of the loan, and the rate of interest paid ?

Mr. FOSTER. The amount of the loan is £400,000, on the 30th June, 1890 ; and £600,000 in December, 1890, one running for twelve and the other for six months, the rate of interest being, the first 4 per cent., and the second 4½ per cent.

Sir RICHARD CARTWRIGHT. Is that all, or did you borrow any more ?

Mr. FOSTER. That is all we have borrowed.

Sir RICHARD CARTWRIGHT. Do you propose to borrow more ?

Mr. FOSTER. We may have to borrow a little more. It depends largely upon the withdrawals which we have to meet. Turning now to the year 1889-90, the results may be tabulated as follows :—

	Estimates.	Receipts.	Difference.
Customs.....	\$24,000,000	\$23,988,953	— \$ 31,046
Excise.....	7,000,000	7,618,118	+ 618,118
Miscellaneous	8,200,000	8,292,853	+ 92,853
Totals..	\$39,200,000	\$39,879,935	\$679,935

From this it is seen that while there was a slight falling off from my estimate in Customs, there was a large increase in both Excise and Miscellaneous, making the receipts in all nearly \$700,000 in excess of the estimated revenue. It is, however,

only fair to say that the large increase in Excise was due to the fact that on the 1st July of the current year, the law respecting the keeping of spirit in tanks for ageing purposes, for two years, came into effect, and that a large withdrawal, contributing duties amounting to \$400,000 or \$500,000, was thereby thrown upon that year, instead of coming, as it otherwise would, into the current year. Compared with the revenue of 1888-89, there has been an increase of \$1,097,055, of which—

Customs gives an increase of.....	\$ 242,170	or 1·02 p.c.
Excise gives an increase of.....	731,379	“ 10·62 “
Miscellaneous gives an increase of.....	123,506	“ 1·51 “
Totals.....	\$1,097,055	“ 2·90 “

The following is a list of articles from which we received increased Customs duties in the year under review. None of them are very large, the largest item being that of wines and spirits, which was partly in anticipation and to a certain extent the result of the higher duties which were placed on these last year.

Ale, beer and porter.....	\$ 7,424
Animals, living.....	15,178
Arrowroot, biscuit, &c.....	22,359
Grain of all kinds.....	71,093
Cement.....	26,804
Coal and coke	96,486
Copper, and manufactures of.....	7,997
Drugs, dyes, chemicals, and medicines..	25,955
Embroideries, N.E.S.....	4,639
Fish, and products of.....	4,212
Fruit and nuts (dried).....	12,776
Fruits, green.....	12,598
Gloves and mitts.....	112,975
Gold and silver, manufactures of.....	7,616
Gunpowder and other explosives.....	10,486
Gutta percha and India rubber, manufactures of.....	29,716
Lead, and manufactures of.....	16,565
Oils, coal and kerosene.....	23,486
Oils, all other.....	26,003
Paper, and manufactures of.....	23,843
Paints and colours	2,878
Provisions.....	36,807
Salt.....	7,149
Soap.....	19,836
Spirits and wines.....	179,410
Stone.....	17,019
Molasses.....	10,012
Sugar candy.....	8,787
Seeds and roots.....	15,713
Tea.....	5,030
Tobacco, and manufactures of.....	12,912
Vegetables	21,337
Watches.....	10,315
Wool, and manufactures of.....	193,661
All other.....	254,535

In the undermentioned articles there has been a decrease in the duties collected as compared with 1888-89 :

Flour and meal of all kinds.....	\$ 25,586
Brick and tiles.....	6,215
Carriages.....	29,384
Cottons, manufactures of	60,988
Fancy goods.....	9,967

Flax, hemp and jute, manufactures of..\$	17,888
Furs, and manufactures of.....	11,693
Glass, and manufactures of.....	15,520
Iron and steel.....	35,218
Leather, and manufactures of.....	93,700
Musical instruments.....	26,248
Silk, manufactures of.....	33,311
Sugar of all kinds.....	824,176

I may mention that the largest article in the items of decrease is that of sugar of all kinds, which show a decrease of \$824,176, showing that that year was not at all a normal year, the causes for which are variously explained. In Excise an increase has taken place in respect of every item upon which Excise duties are levied, as will be seen from the following table, in which it will be found that there was a large increase in Excise, explained, as I have stated; an increase not to a very large amount in malt, an increase in cigars, and a slight increase in tobaccos and snuffs. In Excise an increase has taken place in respect of every item upon which Excise duties are levied, as will be seen from the following :—

	1888-89. Gals.	1889-90. Gals.	Duty accrued, 1889-90.	Increase over, 1888-89.
Spirits	2,972,931	3,574,799	\$4,617,643	\$746,910
Malt..	Lbs. 51,111,429	Lbs. 54,974,013	557,021	39,597
Cigars	No. 92,579,570	No. 98,802,951	593,710	40,008
Tobacco and Snuff.	Lbs. 9,749,143	Lbs. 9,802,951	1,850,621	12,027
Total.....			\$7,618,995	\$838,622

On the whole, it cannot be said this shows a very great increase in the consumption of these liquors the country through, inasmuch as if you take the estimate I made with respect to Excise and the increase of population, the increase *per capita* shows no very great increase over the preceding years, and stands at the present time far less than it did on the average in 1867. This will appear from the following table :—

PER CAPATA CONSUMPTION OF LIQUORS AND TOBACCO.				
	Spirits. Beer. Wine. Tobacco.			
	Gals.	Gals.	Gals.	Lbs.
Average since 1867.....	1'168	2'664	'142	2'117
do 1888-89.....	'776	3'263	'097	2'153
do 1889-90.....	'883	3'360	'104	2'143

The expenditure in 1889-90 I estimated at \$36,500,000, the actual expenditure was \$35,994,031 ; that is, the actual expenditure fell below the estimate \$505,969. On the other hand, the expenditure of that year fell below the expenditure of the previous year \$923,803. So that, with a saving in expenditure as regards the estimated amount, a saving in the total expenditure as compared with the preceding year and an excess of revenue over what was estimated, there is a gain which accounts for the large surplus over and above what I had anticipated. Increases took place as compared with the expenditures of the previous year, as follows :—

Sinking Fund.....	\$150,593
Civil Government.....	27,133
Legislation.....	231,017
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Administration of Justice.....	23,978
Penitentiaries.....	30,403
Superannuations.....	22,831
Railways and Canals.....	25,529

And an increase of \$309,603 in the services chargeable to Collection of Revenue. But, on the other hand, there were marked decreases in the following :—

Interest on Public Debt.....	\$492,090
Charges of Management.....	15,940
Premium, Discount and Exchange.....	27,242
Immigration.....	92,408
Quarantine.....	17,807
Militia.....	36,538
North-West Mounted Police.....	76,608
Public Works.....	326,730
Mail Subsidies, &c.....	17,939
Ocean and River Service.....	154,052
Lighthouse and Coast Service.....	45,664
Marine Hospitals.....	10,603
Fisheries.....	26,702
Subsidies to Provinces.....	146,505
Miscellaneous.....	237,964

Taking, then, into consideration the fact that the revenue gave more than I anticipated, that the actual expenditure fell below the receipts, I am able to say to the House that on Consolidated Fund Account, after all the services for which appropriations have been made had been taken care of by the Government, there remains a surplus of \$3,885,893 over the ordinary receipts. That is not, however, to say that we have the sum of \$3,885,893 actually in pocket. There are capital expenditures as follows :—Railways and Canals, \$3,419,132 ; on Public Works, \$495,421 ; Dominion Lands, \$133,832 ; North-West rebellion claims, \$4,773, to which, if we add the railway subsidies, \$1,678,196, and the transfer of the Cobourg debentures, \$44,496, we have a total capital expenditure of \$5,776,301. So that, Mr. Speaker, the account as a whole of expenditure and income stands in this way : That we took care of the ordinary expenses of the country out of the Consolidated Fund, that we laid up in the Sinking Fund against our debt and for the reduction of the debt, \$1,887,237, and had a surplus of \$3,885,893 which we placed over against capital expenditure, and came out at the end with an increase of debt of only \$3,170. It, therefore, appears that the statement I made in this House three years ago, and which met with severe ridicule from hon. gentlemen opposite, comes out very nearly verified. I stated that I thought by 1891 an equilibrium ought to be had between expenditure and income, taking in capital expenditure as well as expenditure on Consolidated Fund account, and this has taken place with the trifling exception of \$3,170, which is merely nominal. So that the net debt on 30th June, 1890, is \$237,533,211, or within a few dollars of the sum it was one year previous. Sir, it may not be amiss to lay before the House the course of the finances during the last three years. The expenditure on Consolidated Fund in 1887-88 was \$36,718,494 ; 1888-89, \$36,917,834 ; 1889-90, \$35,994,031. The revenue was, 1887-88, \$35,908,463 ; 1888-89, \$38,732,870 ; 1889-90, \$39,879,925. The deficit in 1887-88 was \$810,031, in 1888-89 the surplus was \$1,865,035, in 1889-90 it was \$3,885,893. The capital expenditure has kept almost the same for three years, being nearly an average of \$5,500,000, the amounts being : 1887-88,

\$5,464,502; 1888-89, \$5,267,035; 1889-90, \$5,731,354. The net debt had increased, in 1887-88, \$7,216,583; in 1888-89, \$2,998,983, and in 1889-90, \$3,170. The rate of interest on the gross debt was, in 1887-88, 3.45; in 1888-89, 3.52; in 1889-90, 3.37, the lowest rate it has reached, with the exception of one year, since Confederation. The net rate of interest on debt was, in 1887-88, 3.12; in 1888-89, 3.07; in 1889-90, 2.99, the lowest point it has reached since 1867. The average interest *per capita* on the net debt, which is the burden of the debt on the people as shown by the payment for interest, was, in 1887-88, 1.79; in 1888-89, 1.74; in 1889-90, 1.65, or only 6 cents more per head than it was in 1879, before the Canadian Pacific Railway was begun to be built or the vast expenditure on canals made. Coming now to the present year, which is pretty near completed, and about which, therefore, we have fairly certain data, I may state that the estimate for Customs made last year was \$23,500,000, for Excise \$7,000,000, and for Miscellaneous \$8,700,000, or a total of \$39,200,000. Up to 20th June, 1891, the receipts amounted to \$36,606,357, and if we receive the same revenue for the remaining ten days as we received last year, the total revenue will reach \$38,858,701. So there will be a decrease from my estimate of somewhere in the neighbourhood of \$800,000. The expenditure up to 20th June, 1891, was \$30,249,329, and if we take the expenditure of last year as a measure for the expenditure for the remaining period of this year, which was \$5,619,427, our total expenditure on that basis will be \$35,868,757. But between 20th June and 30th June of this year there are extraordinary expenses which were not met in the same period of time last year, the items for legislation, for the census, and one or two others. Therefore we must add \$345,000, which will make the expenditure in all probability about the region of \$36,000,000, so that the expenditure for 1890-91, deducted from the income of 1890-91, will give for this year a surplus of about \$2,100,000, which is again on the right side of the account. The capital expenditure for 1890-91 has been kept far below that of the preceding year. For Public Works we estimate altogether, with what we know has been actually spent, \$500,000; Railways and Canals, \$2,300,000; Dominion Lands and Railway Subsidies, \$1,400,000, making a total capital expenditure in the neighbourhood of \$4,200,000. If we take the Sinking Fund, \$1,900,000, which again is laid up against our debt and is so much in reduction of debt, and the surplus of \$2,100,000, we will find that as between that and the capital expenditure we will come out within \$100,000 or \$150,000 of being equal, whereas last year we came out within \$3,071. This cannot be stated at present to a certainty, but it will not exceed the sum I have named. As regards 1891-92 I cannot make any well-defined estimate. There may be certain changes in the tariff, if the good will of this House carries out the intention of the Government which will affect to a certain extent any estimate which could be made; suffice it to say that the revenues for next year, upon what basis I can estimate for at the present time, will be in the neighbourhood of \$37,500,000.

Sir RICHARD CARTWRIGHT. Will you give the details?

Mr. FOSTER. The details I can scarcely give,

but I think I will have a little more to say about that by-and-by. So much, then, with reference to the condition of our finances. I now go to another and, may be, more interesting section of my subject. Last year the House will remember that we had a rather extended revision of the tariff. I am not one of those who believe that in a country like this, with a protective tariff which is based upon the condition of the industries which require protection, and the condition of industries in other countries and of the labour markets of other countries—I am not one of those who believe that there should be a cast-iron tariff for a stated period of years; conditions change, and with them, if we are reasonable and prudent, we must change the conditions of our fiscal policy. Neither am I, on the other hand, one of those who believe that it is best for the general interest of the country that too frequent tariff revisions should be made. This year I have had pressed upon me, not a very large number I must say, but still a considerable number of changes in the tariff, some of which possess great merit, and if I were making a general revision of the tariff I should certainly recommend them for the consideration of the House; but taking into account the fact that last year we had a rather extended tariff revision, that this is a summer session and is going to be a short and a hot one, and that we have commercial negotiations on foot between ourselves and the United States, I put these three considerations together as a very good reason, which I think the House will approve of, for the decision that the Government has come to, to make no general revision of the tariff this year. There is, however, one article which appeals to every man's palate and to most men's pockets, and which has claimed the attention of the people of this country for the last few months more largely than perhaps any other; I refer to the article of sugar. Sugar has always been looked upon in Canada as a large producer of revenue, and it has always been made to pay its tribute into the public treasury. Sugar, in one respect, is one of the best articles possible for distributing the taxation, the rich and the poor use it largely in proportion to their means, it is diffused through every section of the country and is used by every class of the people, and there is possibly no article upon which a part of the revenues of the country can be more equitably placed. For fear that some may have, as some have intimated to me, the idea that the Liberal-Conservative Government is the only Government which has put taxation upon sugar and levied large duties from it, I had a table prepared of the course of the sugar duties of the Dominion of Canada, since 1868, and I find that commencing in 1868 with a tax of 1 cent a pound, and 25 per cent. upon all over No. 9 Dutch standard, we have gone on consecutively raising the impost in 1878, 1879 and 1882—I think that was the last revision of the sugar duties, if I mistake not. Therefore a large proportion of the revenue of the country in all these periods from 1868 up to the present time has been obtained from the article of sugar. The course of the sugar industry has been a remarkable one in this country; upon it two parties have had their policies clearly and sharply defined, and I have prepared the following table for insertion in the Official Debates of the House on this subject:

SUGAR ENTERED FOR HOME CONSUMPTION IN CANADA DURING YEARS NAMED.

Year ended June 30.	Quantity.	Value.	Duty Collected.	Rate of Duty.	Cost per lb. of Sugar.	Duty per lb. of Sugar.	Per cent. Raw Sugar.	Per cent. Refined.
	Lbs.	\$	\$	p. c.	Cents.	Cents.		
1878.....	109,463,915	6,186,226	2,595,074	41·95	5·65	2·37	6	94
1880.....	116,847,050	3,004,287	2,026,692	51·93	3·35	1·73	68	32
1881.....	136,406,513	5,110,993	2,459,142	48·00	3·74	1·80	78	22
1882.....	135,329,697	4,846,066	2,999,761	47·50	3·59	1·70	88	12
1883.....	152,729,569	5,091,530	2,467,730	48·00	3·33	1·61	94	6
1884.....	173,742,477	5,509,429	2,609,509	47·36	3·17	1·50	94	10
1885.....	200,011,541	5,100,478	2,544,920	50·00	2·55	1·27	95	5
1886.....	177,897,735	4,573,574	2,303,397	50·30	2·57	1·29	94	6
1887.....	200,466,072	4,862,042	3,167,528	65·20	2·42	1·58	93	7
1888.....	201,839,821	5,154,143	3,433,334	61·50	2·55	1·70	92	8
1889.....	223,841,171	5,837,895	3,675,724	62·96	2·60	1·64	95	5
1890.....	174,045,720	5,186,158	2,851,547	55·20	2·92	1·63	94	6

In 1878, under the regime and policy of hon. gentlemen opposite, this country imported and took for home consumption 109,000,000 pounds of sugar at a value of \$6,186,000 paid to the outside producer, with a duty of \$2,595,000, the rate of duty being 41 per cent. That sugar cost 5·65 cents per pound, the duty upon it was 2·37 cents per pound, and the extraordinary fact—not extraordinary, but remarkable fact which I wish noted is that of this sugar, only 6 per cent. was raw while 94 per cent. was refined, and had been refined by the labour and the capital and within the confines of other countries than our own. What I want to note in that is, the small consumption of sugar, the very large price paid to the outside world for it, the high cost per pound as payment to the outside world, the high duty per pound, and the almost total absence of the refining industry in this country. Well, Sir, in 1879, another policy was introduced; that was the policy of refining the sugar in our own country. That year had its results, and, in 1880, 118,800,000 pounds of sugar was taken for home consumption, costing \$4,000,000 instead of \$6,000,000, with a cost per pound of 3·35 cents instead of 5·65 cents, and a duty of 1·75 cents per pound instead of 2·37 cents, and with the other result, that the percentage of raw sugar imported rose from 6 to 68, and the percentage of refined sugar fell from 94 to 32. And so has gone on the history and progress of the sugar question until 1889, the last normal year, when, without disturbance of McKinley Bills, prospective or actual, the consumption of sugar in the Dominion of Canada reached the enormous amount of 223,841,171 pounds, more than twice the quantity consumed in 1878, the cost of that quantity being \$5,000,000 to us as regards the outside world, as against \$6,000,000 in 1878 for less than half the amount—2·60 cents per pound being the cost and 1·64 cents per pound the duty, whilst the amount of sugar brought in raw, and refined in this country, rose to 95 per cent., and the refined sugar brought into the country fell to 5 per cent. This table will be for the members on both sides of the House to see and to criticize. What I want to draw the attention of the House to is the fact of the decreased burdens represented in the reduced price we have paid for sugar to the outside world,

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in the cheaper sugar itself, in the lower duty per pound, in the increased consumption, due, in part, to greater cheapness, and to the growth of the industry of refining in our own country, amounting at the present time to 95 per cent. of all the sugar that we use in this country, and a further accompanying result, the enlarged trade with the native sugar-growing and producing countries. So that, whereas in 1878 our sugar was bought, refined, entirely from Great Britain and the United States, almost none coming from the countries of production, now it is mostly all from countries of production, and an increased trade takes place between ourselves and them as a consequence. Now, Sir, at this particular juncture of circumstances, it becomes necessary for the Government to look over the whole question and to consider its policy with reference to this question of sugar. The amount which was consumed in 1889, the last full year, was 223,841,171 pounds, from which a duty was collected of \$3,675,724. If the Government yield to the demand for free sugar, it has to face the reduction of the duties in a normal year of pretty near \$3,675,000, because the most of that is upon raw sugar, very little being refined sugar. Taking the last three normal years, we will say roughly that the amount of the duty which has accrued, has been \$3,500,000 per year, and it is a difficult question for a Government to face, considering, on the one hand, its desire to give cheap sugar to the masses of the people, and on the other, the imperative necessity for maintaining a fair balance between expenditure and revenue. But the Government has looked over this whole question, and on two conditions, it has come to the conclusion to sweep away, from the burden of the great mass of the people, with one stroke of the pen, \$3,500,000 of taxation; and I venture to say, Sir, that never in the history of Canada, either before Confederation or since Confederation, has any Government come down to the House with such a large reduction of taxes as is involved in this proposition.

Sir RICHARD CARTWRIGHT. Now let us hear your conditions.

Mr. FOSTER. The hon. gentleman asks for my conditions. I shall present them to the House in all kindness, and yet with all the emphasis pos-

sible. They are two—first, that we shall assent to a greater economy in public expenditures.

Some hon. MEMBERS. Good; hear, hear.

Mr. FOSTER. I am glad to know that I have the assent of hon. members opposite to that proposal, and I know, and knew previous to this, that I would have the assent of hon. gentlemen on this side of the House; and I promise them and the House that if this Government continues to supervise the expenditures—as we intend to do despite the different motions for adjournment which may, from time to time, be moved—we shall practise this economy in no niggardly spirit, but we will, while giving cheap and free sugar to the people, give them as much as the country ought reasonably to ask for the public works and services and improvements of the country. The other condition is that there shall be compensating duties to a certain extent

Some hon. MEMBERS. Oh, oh.

Mr. FOSTER. Hon. gentlemen must not say "oh" yet. You must not expect to have all the sugar without having something bitter to mix with it. The compensating duty will not be to the full amount of the burden of taxation of which the country will be relieved; for, while we propose to take off \$3,500,000, we propose to ask the House to allow us to put on \$1,500,000, and the question is, where can that be put? It has been urged that we should put a duty on tea and coffee, and if we followed the example of hon. gentlemen opposite, an example which in the main is bad, and which in this instance I do not propose to follow, we would clap a duty of 2 and 3 cents a pound on coffee, and 5 and 6 cents a pound upon tea, and thereby invade the poor man's breakfast-table afresh. Instead of doing that, we propose to make the breakfast-table a freedom in reality—to keep the coffee free, to keep the tea free, and to give the sugar free as well; and we look to a different source for raising the \$1,500,000, a source from which we think it can be raised most easily, with the least burden upon the great masses of the people, and we hope with the least dissatisfaction to the country at large. I propose to ask that the House consent to the imposition of 1 cent per pound additional on malt. Malt has, up to the present, with few exceptions, borne a duty of 1 cent per pound, and this addition will add, according to my calculation, 3 cents in cost to every gallon of beer; and I ask the brewers, the maltsters, the wholesale sellers and retail sellers, and, if need be, the drinkers, to divide this 3 cents among them and make a cheerful and pleasant face over it. This, on the basis of last year's consumption of malt, will give a revenue in the neighbourhood of \$500,000. For fear there should be any jealousy in this matter, I propose to ask the distillers to consent to the imposition of a slight increase in the Excise duty upon distilled spirits, which will add but very little, 20 cents per gallon, to the cost of that article; and if it is necessary, I want to ask the distillers, and the wholesale sellers, and the retail traders, and the drinkers as well, to divide this equitably among them and make a pleasant face over the operation. That increase will give, upon the basis of last year's output, about \$600,000; and then, that we may all have our luxuries put on an even basis, I am going to ask the tobacco men to submit to 5 cents per pound upon tobacco as an Excise duty, and a similar amount upon

the import, which will figure up to \$400,000. All these, added together, will give \$1,500,000; and with the imposition of \$1,500,000 taxes in these ways, which I think the great mass of the people will approve, when we take into account the large relief given to them, we propose to remit the sugar tax of \$3,500,000.

Sir RICHARD CARTWRIGHT. Are the sugar duties to be absolutely and totally abolished without reserve?

Mr. FOSTER. The hon. gentleman must understand me to mean, as I have no doubt he does, that when I have said that the duty upon raw sugars amounted to \$3,500,000 and that it is remitted, it is the duty of course upon raw sugar which is remitted.

Some hon. MEMBERS. Hear, hear.

Mr. FOSTER. Hon. gentlemen opposite would even violate the precious example of the United States, when all along they have been asking us to imitate their example and be guided by them in all our commercial policy.

Sir RICHARD CARTWRIGHT. The hon. gentleman's proposition, as I understand it, is to leave the duties on refined sugar as they are and free raw sugar.

Mr. FOSTER. The hon. gentleman must wait until I get through, when, I trust, all will be made plain. I hold in my hand a list of the resolutions which I propose to ask the House to go into committee upon after the hon. gentleman has replied, and I will briefly run over the recommendations which I propose to make to the committee. A change will be made in the molasses duty, which at present is $1\frac{1}{2}$ cents per gallon. The change that will be made is that all molasses between certain degrees, 40 and 56, which takes in all fairly good and extra molasses, shall pay the duty they now pay of $1\frac{1}{2}$ cents per gallon, but when they test over 56 degrees, they become in reality of the consistency and value of sugar, and come in free, as does all raw sugar. When they test less than 40 degrees, they approach that perilously narrowed margin beyond which lies the mass of stuff which is sometimes imposed upon the people for molasses, but which is simply rubbish, with, coming down to certain degrees, scarcely a percentage of saccharine matter in it at all. I propose that the duty shall be $1\frac{1}{2}$ cents per gallon below 40 degrees, and one-quarter of 1 cent per degree additional as it grades below, in order to protect consumers from the stuff which is known as "black strap" or something worse, being mere washings, and doctored products, which no man ought to put in his mouth and think he is taking molasses. In addition to the foregoing rates, I propose to keep up what is in the present tariff, a specific duty in all cases of $2\frac{1}{2}$ cents per gallon, when not imported direct without transshipment. Upon all cane sugar and beet root sugar, and so on, not over No. 14 Dutch standard in colour,—that is, the raw sugar which comes in free—upon all that kind, when not imported direct without transshipment from the country of growth and production I propose to keep the same duty on as at present—the same relative duty, I mean. There was charged on this before, $7\frac{1}{2}$ per cent. of the duty, and what I propose to put on now is 5 per cent. of the value, which is as near as can be equivalent

to $7\frac{1}{2}$ per cent. of the duty. There is also a provision that in all the cases of cane sugar produced in the East Indies and exported therefrom *ad valorem* shall not be exacted, if the sugar is transhipped at Hong Kong. A trade of large prospective growth is opening up between us and the East Indian sugar-producing countries by way of Hong Kong and the Canadian Pacific Railway Steamship Line and railway lines, and for the benefit of the western coast especially and Canada as a whole, I propose that sugar so imported shall not be subject to the duty of 5 per cent. Now, then, my hon. friend will get his answer. The duties now upon raw sugar, which the refiner has to pay in order to make his better grades of sugar, it being so much per pound and so much per degree over 70 degrees, amounts to about 2 cents per pound on granulated. The amount of protection that the refiner has at present on refined sugar amounts to about 3 cents, so that there is a difference in the neighbourhood of 1 cent between what he has to pay on his raw material required to make a pound of refined sugar and the pound of refined sugar that he competes with. All those sugars which come in under that head are to be not free, but to bear a duty of eight-tenths of 1 cent per pound. That is the duty upon refined sugars and upon all over No. 14 Dutch standard. Under the old tariff, glucose or grape sugar came under the general rate. As we have changed the tariff in regard to the rest, we have placed the duty on glucose or grape sugar at $1\frac{1}{2}$ cents per lb. Cut tobacco, which is now 40 cents and $12\frac{1}{2}$ per cent., is to be 45 cents and $12\frac{1}{2}$ per cent. Manufactured tobacco and snuff, which is now at 30 cents and $12\frac{1}{2}$ per cent., is to be 35 cents and $12\frac{1}{2}$ per cent. Ale, beer and porter, when imported in casks or otherwise than in bottles, which is now at 10 cents per gallon, becomes 13 cents per gallon; and ale, beer and porter, when imported in bottles, which is now 18 cents per gallon, becomes 21 cents per gallon. That is, that what is added to the cost of malt liquors by the addition of a cent a pound on malt, is added to the imported articles in order to make the equivalent.

Sir RICHARD CARTWRIGHT. You might state what the equivalent is?

Mr. FOSTER. 3 cents a gallon. The House will recollect that I have asked that 20 cents be added to the Excise duty. Last year I raised the duty on imported spirits and wines, while I made no change in the Excise duty, and it was argued by some hon. gentlemen that I had disturbed the proper proportion which should exist and that some addition should be made to the Excise duty as well. After looking over the whole question, I have come to the conclusion to restore pretty nearly the former equilibrium by adding 20 cents on Excise, while making a smaller increase on the imported article, so that the relative position of the two is brought back to nearly the position they previously occupied.

Sir RICHARD CARTWRIGHT. Did you take account of that in estimating for the million and a half?

Mr. FOSTER. Yes. In regard to the import duties, I do not look for much increase. The increased duty is small and it may have the effect of reducing the importation, and I have made no

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estimate for any particular increase in that branch. There is another article in which we have decided to make a change, and that is the article of salt, which is now at 10 cents and 15 cents per 100 lbs., and which we propose to reduce one-half, making it 5 cents and $7\frac{1}{2}$ cents. This we have been impelled to do because we considered that, owing to the protection which was given and certain combinations which have been entered into, a monopoly has been created, and it is a wise and prudent thing for us to meet that state of things by reducing the duty one-half. It will also be observed that it is provided that these resolutions shall take effect on and after the 24th June, 1891:

"Provided, however, that nothing herein shall be construed as excepting any sugars now held to be in bond for refining purposes in any bonded premises connected with or occupied in whole or in part by any sugar refinery, which may be found on examination of the stock in such premises to have been removed therefrom, from payment of the duty properly payable thereon under item No. 419 in schedule A to the Act, chap. 33, Revised Statutes, which shall continue in force as regards such sugars, until proper entry thereof and payment of duty thereon has been made."

Mr. PATERSON (Brant). Does that cover sugar in bond in merchants' bonded warehouses?

Mr. FOSTER. It covers all the sugar put in bond by the refiners, no matter where they may be.

Mr. BOWELL. It covers everything in bond.

Mr. PATERSON (Brant). The wholesale men have lately been allowed to hold sugar in bond.

Mr. BOWELL. Yes, it covers that.

Mr. FOSTER. There is another matter to which I will refer. Certain members of the House have been aware that during the last ten or fifteen years a great change has taken place in the world in reference to the production of sugar. Whereas, a few years ago, a very small proportion of the world's consumption of sugar was other than cane sugar, within the last ten years, in European countries especially, a great change has taken place. The cultivation of the beet has been encouraged, and beet root sugar has been manufactured under Government bounties; and this has been so successful under that system that at the present time a little more than 65 per cent. of the world's consumption of sugar is made from the beet. For the last twelve or thirteen years we in Canada have had more or less spasmodic or continued attempts to introduce the culture of the beet in order to make sugar therefrom. The attempts have been to a large extent experimental, and I do not think, from what information I have so far, that the results can be said to have been successful. However, I am not here to-day to argue that question *pro* or *con*. I have my own opinion in reference to it. I am not here to say that I believe that, by the introduction of the bounty system in Canada, it will be possible for us, under fair conditions and without undue impositions on the people, to make the cultivation of beet in this country successful, with our climate, our soil, our prices of labour and all the attendant circumstances, but I am not unmindful of the fact that in the Province of Quebec there are one or two beet root sugar factories whose promoters have gone in good faith into the enterprise of the manufacture of beet root sugar. They have their machinery there, they have made their investments, they have sowed their beets, and they are now, through the farmers,

raising the crop for this year, and to take off all the protection they had when they commenced the season's operations would appear to be a hardship, and I think will so strike hon. members of this House. So that I have this to recommend, that for one year, this season only, whatever beet root sugar is made wholly from the beet in the Dominion of Canada, shall be paid, out of the finances of the country, a bounty equal to the protection which it would have enjoyed if the tariff had remained for the year as it was when the farmers planted their beets and went into that industry. When I make this statement I also wish it to be accompanied by the emphatic statement, that this proposition does not commit me or the Government to the principle of bounty with reference to the culture of beet root sugar in this country; we do not propose to commit ourselves to that principle, and the legislation we ask for now is for this season only, and solely upon the grounds which I have mentioned to the House, and which I believe will approve themselves to the fair sense of the House.

Mr. PATERSON (Brant). Does the hon. gentleman know the amount of bounty per pound?

Mr. FOSTER. I will read the resolution:

Resolved, That it is expedient to provide that, under such regulations and restrictions as may be by the Minister of Customs deemed necessary, there may be paid to the producers of any raw beet root sugar produced in Canada wholly from beets grown therein between the first day of July, one thousand eight hundred and ninety-one, and the first day of July, one thousand eight hundred and ninety-two, a bounty equal to one dollar per one hundred pounds, and in addition thereto, three and one-third cents per one hundred pounds for each degree or fraction of a degree of test by polariscope over seventy degrees.

This will apply to the present season only, when the farmers have distributed their seed and are looking forward to the season's operations, and it secures to them the amount of protection which they would have had under the tariff as it was at the time when they sowed their seed.

Mr. SCRIVER. What about maple sugar?

Mr. FOSTER. Maple sugar remains just as sweet and just as good as it was, without any bounty. I have another resolution which I will read on behalf of the Minister of Customs:

Resolved, That it is expedient to amend the Act, Chapter 32, Revised Statutes, intituled "An Act respecting the Customs," by repealing section 94 thereof—respecting the refining in bond of sugar, molasses or other material from which refined sugar can be produced.

Now, of course, that the Government has taken the duty off from raw sugar, there needs to be no regulation, or no law upon which regulations can be based, for the refining of sugar in bond. Mr. Speaker, I thank you, and I thank the House, for their kindly indulgence in the remarks I have made, and their kindly reception of the conclusions which the Government, through me, have been able to announce. I beg leave now to move that the House resolve itself into Committee of Ways and Means on the following resolutions:—

1. *Resolved*, That it is expedient to amend the Act, chapter 33, Revised Statutes, intituled: "An Act respecting the Duties of Customs," by repealing the items numbered 9, 10, 400, 419, 420, 421, 422, 423 and 431, in schedule "A" to the said Act; and to amend the Act 50-51 Victoria, chapter 39, intituled: "An Act to amend the Act respecting the Duties of Customs," by repealing the items numbered 126, 127 and 128, under section 1 of the said Act; and to amend the Act 53 Victoria, chapter 20, intituled: "An Act to amend the Acts respecting the Duties of Customs," by repealing the items numbered 148, 156, 157, 158, 159, 165 and 166, under section 10 of the said Act,—

and to provide otherwise by enacting that the following rates of duty be substituted in lieu thereof:—

1. All molasses and (or) syrup N.O.P., including all tank bottoms and) or tank washings, all cane juice and (or) concentrated cane juice, and all beet-root juice and) or concentrated beet-root juice, when imported direct, without transshipment, from the country of growth and production.
 - (a) Testing by polariscope, forty degrees or over and not over fifty-six degrees, a specific duty of one and one-half cents per gallon.
 - (b) When testing less than forty degrees, a specific duty of one and one-half cents per gallon and in addition thereto, one-fourth of one cent per gallon for each degree or fraction of a degree less than forty degrees.
 - (c) And in addition to the foregoing rates, a further specific duty in all cases of two and one-half cents per gallon when not so imported direct without transshipment.
2. All cane sugar and or beet-root sugar not above number fourteen Dutch Standard in colour, all sugar sweepings, all sugar drainings or pumpings drained in transit, all melado and or concentrated melado, all molasses and or concentrated molasses N.E.S., all cane juice and or concentrated cane juice N.E.S., all beet-root juice and or concentrated beet-root juice N.E.S., all tank bottoms, N.E.S., and concrete, when not imported direct without transshipment from the country of growth and production, five per cent. *ad valorem*; provided, however, that in the case of cane sugar produced in the East Indies and imported therefrom *via* Hong Kong, such rate of five per cent. *ad valorem* shall not be exacted if transhipped at Hong Kong.
3. All sugars above number fourteen Dutch Standard in colour, and refined sugar of all kinds, grades or standards, and all sugar syrups derived from refined sugars, a specific duty of eight-tenths of a cent per pound.
4. Glucose or grape sugar, glucose syrup and, or corn syrup, a specific duty on one and one-half cents per pound.
5. Cut tobacco, forty-five cents per pound and twelve and one-half per cent. *ad valorem*.
6. Manufactured tobacco, N.E.S., and snuff, thirty-five cents per pound and twelve and one-half per cent. *ad valorem*.
7. Ale, beer and porter, when imported in casks or otherwise than in bottles, thirteen cents per gallon.
8. Ale, beer and porter, when imported in bottles (six quart or twelve pint bottles to be held to contain one gallon) twenty-one cents per gallon.
9. Spirituous or alcoholic liquors, distilled from any material, or containing or compounded from or with distilled spirits of any kind, and any mixture thereof with water, for every gallon thereof of the strength of proof, and when of a greater strength than that of proof, at the same rate on the increased quantity that there would be if the liquors were reduced to the strength of proof. When the liquors are of a less strength than that of proof, the duty shall be at the rate herein provided, but computed on a reduced quantity of the liquors in proportion to the lesser degree of strength; provided, however, that no reduction in quantity shall be computed or made on any liquors below the strength of fifteen per cent. under proof, but all such liquors shall be computed as of the strength of fifteen per cent. under proof, as follows:—
 - (a) Ethyl alcohol, or the substance commonly known as alcohol, hydrated oxide of ethyl or spirits of wine; gin of all kinds, N.E.S.; rum, whiskey, and all spirituous or alcoholic liquors, N.O.P., two dollars and twelve and one-half cents per gallon.
 - (b) Amyl alcohol or fusil oil, or any substance known as potato spirits or potato oil, two dollars and twelve and one-half cents per gallon.
 - (c) Methyl alcohol, wood alcohol, wood naphtha, pyroxylic spirit, or any substance known as wood spirit or methylated spirit; absinthe, arrack or palm spirit, brandy, including artificial brandy and imitations of brandy; cordials and liquours of all kinds, N.E.S., mescal, pulque, rum shrub, schiedam and other schnapps; tafia, angostura and similar alcoholic bitters or beverages, two dollars and twelve and one-half cents per gallon.
 - (d) Spirits and strong waters of any kind, mixed with any ingredient or ingredients, and being known or designated as anodynes, elixirs, essences, extracts, lotions, tinctures or medicines, N.E.S., two dollars and twelve and one-half cents per gallon, and thirty per cent. *ad valorem*.

- (e) Alcoholic perfumes and perfumed spirits, bay rum, cologne and lavender waters, hair, tooth and skin washes, and other toilet preparations containing spirits of any kind, when in bottles or flasks weighing not more than four ounces each, fifty per cent. *ad valorem*; when in bottles, flasks, or other packages weighing more than four ounces each, two dollars and twelve and one-half cents per gallon, and forty per cent. *ad valorem*.
- (f) Nitrous ether, sweet spirits of nitre and aromatic spirits of ammonia, two dollars and twelve and one-half cents per gallon, and thirty per cent. *ad valorem*.
- (g) Vermouth and ginger wine, containing not more than forty per cent. of proof spirits, seventy-five cents; if containing more than forty per cent. of proof spirits, two dollars and twelve and one-half cents per gallon.
- (h) In all cases where the strength of any of the foregoing articles cannot be correctly ascertained by the direct application of the hydrometer, it shall be ascertained by the distillation of a sample, or in such other manner as the Minister of Customs directs.
10. Champagne and all other sparkling wines, in bottles containing each not more than a quart and more than one pint, three dollars and thirty cents per dozen bottles; containing not more than a pint each and more than one-half pint, one dollar and sixty-five cents per dozen bottles; containing one-half pint each or less, eighty-two cents per dozen bottles; bottles containing more than one quart each shall pay, in addition to three dollars and thirty cents per dozen bottles, at the rate of one dollar and sixty-five cents per gallon on the quantity in excess of one quart per bottle, the quarts and pints in each case being old wine measure; in addition to the above specific duty, there shall be an *ad valorem* duty of thirty per cent.
11. Salt, coarse, five cents per one hundred pounds (not to include salt imported from the United Kingdom or any British possession, or salt imported for the use of the sea or gulf fisheries, which shall be free of duty).
12. Salt, fine, in bulk, five cents per one hundred pounds.
13. Salt in bags, barrels or other packages, seven and one-half cents per one hundred pounds, the bags, barrels or other packages to bear the same duty as if imported empty.

2. *Resolved*, That it is expedient to provide that there be added to the schedule "C," to the Act, Chapter 33, Revised Statutes, as being exempt from Customs duties, the following, viz.:—

All cane sugar and, or beet root sugar not above number fourteen, Dutch Standard, in colour, all sugar sweepings, all sugar drainings or pumpings drained in transit, all melado and, or concentrated melado, all molasses and, or concentrated molasses, N.O.P., all cane juice and, or concentrated cane juice, N.O.P., all beet root juice, and, or concentrated beet root juice, N.O.P., all tank bottoms, N.O.P., and concrete, when imported direct without transshipment from the country of growth and production, Free.

3. *Resolved*, That it is expedient to amend the Act, Chapter 32, Revised Statutes, intituled: "An Act respecting the Customs," by repealing section 94 thereof, respecting the refining in bond of sugar, molasses or other material from which refined sugar can be produced.

4. *Resolved*, That it is expedient to provide, that under such regulations and restrictions as may be by the Minister of Customs deemed necessary, there may be paid to the producers of any raw beet root sugar produced in Canada wholly from beets grown therein, between the first day of July, one thousand eight hundred and ninety-one, and the first day of July, one thousand eight hundred and ninety-two, a bounty equal to one dollar per one hundred pounds; and, in addition thereto, three and one-third cents per one hundred pounds for each degree or fraction of a degree of test by polariscope over seventy degrees.

5. *Resolved*. That it is expedient to repeal so much of sections 130, 192, 177 and 253 of the Act 49 Victoria, chapter 34, and of any Acts amending the same, so far as the said sections or amendments thereto determine the Excise duties to be levied upon the respective articles hereinafter mentioned; and to provide that the Excise duties thereon shall hereafter be as follows:—

1. Upon spirits, as described in sub-section (a) of the above first cited section, one dollar and fifty cents.
2. Upon spirits, as described in sub-section (b) of the said section, one dollar and fifty-two cents.
3. Upon spirits, as described in sub-section (c) of the said section, one dollar and fifty-three cents.

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4. Upon malt, as described in sub-sections (a and b) of section one hundred and ninety-two, for every pound, two cents.

5. Upon fermented beverages, made in imitation of malt liquor, as described in section one hundred and seventy-seven, on every gallon, eight cents.

6. Upon tobacco, as described in the first five paragraphs of section two hundred and fifty-eight—for every pound, twenty-five cents.

Except that cut tobacco when put up in packages of one-twentieth of a pound or less, shall, on every pound, pay forty cents.

7. Upon cigarettes, as described in the sixth paragraph of the said section—two dollars per thousand.

8. Upon snuff, as described in paragraph nine of the said section—on every pound, eighteen cents.

9. Upon snuff, as described in paragraphs ten and eleven of said section—on every pound, twenty-five cents.

6. *Resolved*, That it is expedient to provide that the foregoing Resolutions and the alterations thereby made in the duties of Customs and Excise on the articles therein mentioned, shall take effect on and after twenty-fourth day of June, one thousand eight hundred and ninety-one.

Provided, however, that nothing herein shall be construed as exempting any sugars now held to be in bond for refining purposes, in any bonded premises connected with, or occupied in whole or in part, by any sugar refinery, which may be found on examination of the stock in such premises to have been removed therefrom, from payment of the duty properly payable thereon, under item number 419, in Schedule "A" to the Act, Chapter 33, Revised Statutes, which shall continue in force as regards such sugars, until proper entry thereof and payment of duty thereon, has been made.

Sir RICHARD CARTWRIGHT. Mr. Speaker, so far as regards what I may call the more mechanical portion of the Budget, that is to say, a fair and reasonable presentation of the several financial facts with which we are tolerably well familiar through the Trade and Navigation Returns, also through the Estimates laid on the Table, and the Public Accounts, I have no fault whatever to find with my hon. friend opposite. But I think it will strike the House as somewhat curious, after the various declarations we have heard from time to time from that hon. gentleman and his associates, of their desire to retain complete and absolute independence of the neighbouring Republic, of their determination to go their own path unchecked and untrammelled by any American legislation, to observe that by far the most important change which he mentions to-day, and by far the most important act that was done during recess by the Finance Minister, has been done, I may say, in obedience to, and at the dictation of, the United States Government. Why is it, Sir, that the hon. gentleman has come down to-day and has proposed to abolish, not the duties on sugar, as I shall presently show the House, but the duties on raw sugar? Is it because the hon. gentleman had been convinced that it was in the interest of the public to do so? Not a bit of it, Sir; it is solely because the United States Government had taken similar legislation about a year ago, and our hon. friend, in humble obedience and subservience to the United States, has followed suit. Now, Sir, during the late recess, another most important alteration in the policy of the loyal and independent set of hon. gentlemen opposite, took place. A year or two ago, with great flourish of trumpets, for the sake of protecting our forests, for the sake of encouraging our lumber manufacturers, those gentlemen had determined that it was in the highest degree necessary, in the interest of the people of Canada, that an export duty should be placed on logs. Sir, the Government of the United States told these hon. gentlemen: You must abolish that duty at your peril, or we will

tax the timber coming into this country from Canada; and straightway, during the recess, our friends scarcely waited until the ink of the President's signature to the McKinley tariff was dry, when, in obedience to this dictation from Washington, they straightway abolished the export duty, and set another example of subservience to American tariff legislation. Now, Sir, the hon. gentleman—and perhaps therein he was well advised—said very little indeed about certain facts to which I will call your attention, which disclosed themselves in the Estimates which he has recently submitted. I think he might well enough have said a word or two about that. It was rather a curious omission on the hon. gentleman's part, that he did not think fit to go over the Estimates which he has submitted to us. I do not much object to that myself, because they are in the hands of every hon. gentleman, who can see them for himself. But I can fancy, Mr. Speaker, why it was that my hon. friend did not care to call our attention in particular to those Estimates which he has recently submitted. I have glanced at those Estimates a little, and I would say, after looking at them, that they are, to my mind, very suspicious, in fact I do not think those Estimates are the Estimates originally submitted by my hon. friend to Council. They look to me very like Estimates which have been taken and hacked, as I may say; they look to me very much like Estimates which have been prepared or doctored for a particular purpose and emergency. There is one very remarkable thing about them. On the whole the decreases and the increases in the Estimates for 1892 very nearly balance each other; but the House will do well to notice one thing curious about them, that whereas, on the face of them, the reductions the hon. gentleman has made are in their essence purely temporary reductions which it is very unlikely he will be able to maintain (although I can assure him that we will do our best on this side to encourage him in his new-born zeal for the reduction of the expenditure on public works) these reductions, as the House will see, are all purely temporary in character, but the increases, Mr. Speaker, one and all, are there to stay. Sir, we look at Public Works and we see a reduction of \$624,135, and it is not for me to say, in view of certain recent developments, that the hon. gentleman and his colleagues are not perfectly right in thinking that the smaller the sum put at the disposal of the Public Works Department, the better for the morals and good government of this country. The second item, I notice, is this: The hon. gentleman has reduced the supplies for destitute Indians by \$119,731.

Mr. FOSTER. They are getting more self-sustaining.

Sir RICHARD CARTWRIGHT. They are said to be so, I know; but the Governor General's warrants we have seen on a great many occasions remind us of the means by which the hon. gentleman, if it be found necessary, as I fear it may be, may increase the expenditure. I should be very glad indeed if that reduction becomes a permanent one; but for years and years we have seen that kind of reduction attempted, and year after year we have found under Governor General's warrants or under supplementary estimates the sum ordinarily expended re-demanded

and re-voted by this House. And so that, also, is one of those items which I would not advise the hon. Minister to build upon too much. Then I see, and this makes up, let it be remembered, the bulk of all these reductions, that the hon. gentleman proposes a reduction in the subsidies to the ocean steamship service, of \$126,000. How does he pretend to tell us, in view of what we know was pledged by the High Commissioner at Quebec, and in view of his own statement, that he expected to have a fast line equal in all respects to the fastest line now plying between New York and Liverpool, that that is to be looked upon as a permanent reduction? On the contrary, if we take the hon. gentleman's estimate we might strike our pens through the item and place plus \$500,000 instead of minus \$126,000, and if the hon. gentleman thinks himself in the slightest degree bound by the statement made not long since at Quebec by the High Commissioner, instead of \$500,000, we will have \$750,000, as the annual expenditure to which this country is now pledged. But when I turn to the other side I find, as I have said, the increases are there to stay. First, we find that the Post Office, which, including the charges for its head department, now costs us over \$1,000,000 more than the annual expenditure, demands a further sum of \$274,110. Does the House want to know why, when there is a deficit of well nigh \$1,000,000, we are asked for an additional sum of \$274,110 annually, forever? The reason is this: By a most curious coincidence, I do not say it is anything more, by a sequence of events, the Postmaster General visited the President of the Canadian Pacific Railway a few days before a certain interesting letter appeared, which a good many hon. gentlemen heard of in their constituencies, and now we find the first instalment of that arrangement I speak of in the shape of an addition to our expenditure for the Post Office service of \$274,000. I find that our public works, which are such a credit to us, the management of which, and I include our railways as well as our ordinary public works, has reflected such infinite credit on the people of this Dominion, demand for the current year \$401,768 more. This is an increase which has come to stay. That is a proof of the wise discretion with which our public works have been administered, a proof of the wisdom of aiding cut-throat lines for the purpose of adding to the enormous deficit which we have incurred on our Intercolonial and other railways. Sir, looking over the hon. gentleman's speech as a whole, there are two things which are very clear to me, there are two things which I think will be very clear to the House, and one of these is this, that the hon. gentleman, whatever his qualifications for his office may be, is at present very ill-acquainted with the conditions of large and important sections of the country. Were it otherwise, the hon. gentleman would most assuredly not have indulged in the statements he made respecting the general prosperity of our people. Although the hon. gentleman in his time has been a professional philanthropist, nevertheless I have never believed he was at bottom a cruel-hearted man, and, therefore, I think it is ignorance on his part which has induced him to describe the present condition of this country as one of considerable and even of great prosperity as what he called a united, a happy, a prosperous, a right-minded, a progressive people. He described our prospects as of the brightest, the condition of

a sound one, and everything was going well. Sir, I take issue in the strongest possible manner with the hon. gentleman. I do not mean to say that to-day in Canada we have reached the last stage of trade degradation in which large bodies of the people are in actual need of food.

Some hon. MEMBERS. Oh, oh.

Sir RICHARD CARTWRIGHT. So far as moral degradation is concerned, hon. gentlemen opposite have tried hard to drag us there, and have succeeded only too well, as certain investigations are proving, and as their past history from 1873 shows, too. But the hon. Minister, I believe, spoke in ignorance. I tell the hon. gentleman and those around him—and there are plenty of hon. gentlemen who can corroborate everything I say—that, to-day, in large sections of the country, among the most prosperous portions in former times, there are a great many men who, day after day and hour after hour, are finding it harder to make ends meet, who are having to contend with daily depreciation in the value of their farms, who have to look forward, unless some change, and a great change, too, is brought about within a reasonable period, to seeing themselves sink from the condition of prosperous and independent yeomen to that of mere day labourers on the farms which they once owned, or, what is almost worse, who find themselves with highly-mortgaged farms, utterly unable to extricate themselves from the clutches of the usurer. That is the condition to-day, I tell the hon. gentleman and his friends, of a large number of our fellow-countrymen in what were formerly the most prosperous portions of Canada. That is one thing which the hon. gentleman has not understood, which the hon. gentleman has not appreciated, but which, before the end of this debate, I think the country at large will be made to appreciate and understand.

Mr. FERGUSON (Leeds). In what portion of the Dominion does this condition prevail?

Sir RICHARD CARTWRIGHT. From one end of Ontario to the other, in what were the most prosperous portions of Canada.

Mr. McNEILL. What about free trade England?

Sir RICHARD CARTWRIGHT. There are provinces in which the hon. Minister can hardly show one county in ten where the rural population to-day is not absolutely decreasing in number, and he cannot show one in fifty where the farms of the people are within 25 or, perhaps, 33 per cent. of the value they were twelve years ago. That is clear. The hon. gentleman does not understand the condition of the large mass of his fellow-countrymen to-day. Another thing which is at least equally plain and equally clear in every syllable of the hon. gentleman's speech is, that he does not at the present moment entertain the slightest hope, and I fear if the truth was known, the hon. gentleman and his colleagues do not entertain the slightest real desire, to obtain a reciprocity treaty of any form, kind or shape, from the people of the United States. I do the hon. gentleman the justice to say that when he spoke on this question he spoke with bated breath and whispering humbleness. He did not absolutely despair of obtaining a reciprocity treaty; he thought it was just

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possible it might be obtained. Well, he could not well have said less, and, knowing what he does, he could not well have said more as to the prospects of obtaining a reciprocity treaty under his guidance and management, and on the conditions which he lays down as those which alone he would accept. But, Sir, after all said and done, why should our hon. friend desire reciprocity so long as the Government has funds? So long as the till is full that is all that the hon. gentleman feels bound to regard. It is no concern of his, it is no concern of his colleagues, it is no concern of his colleagues' paymasters and bottle-holders, how the mass of the people fare. This policy of excessive taxation, I grant you, suits certain interested parties, and suits them well; these persons control the Government of Canada, these sustain the Government of Canada; the thing is a fair equation, as the hon. gentleman would say; the Government gives these interested parties the power to plunder the people and in return they are always ready, and why should they not be, to tithe the plunder for the purpose of keeping the hon. gentleman and his friends in power. And so, Sir, with cash on hand, plus Gerrymander Act, plus Franchise Acts, Railway Subsidies, Quebec Harbour Works and all that depends thereon, everything goes merrily as a marriage bell in the hon. gentleman's opinion; and to quote Mr. Lowell:

"Each sturdy protectionist gets what he axes,
And the people: their annual soft sawder and taxes."

Now, Sir, what is the real condition of things here in Canada? The real condition of things here in Canada is this;—and the hon. gentleman knows it well, and the census which is about to be taken, and as to which we are about to get information if it be fairly and honestly taken, will confirm every statement that I make—the actual condition of things in Canada, which ought to be one of the most prosperous and progressive countries on the face of the earth, is: that of every male born in Canada within the last fifty years, probably to-day one man in three is to be found a denizen of the United States. Our condition in Canada to-day is that after twenty years have come and gone, after \$100,000,000 of the capital of the people of the country at large, and nearly half as much more from private sources have been sunk in an attempt to develop our North-West; after we have incurred an annual charge of nearly \$7,000,000, over and above all we get from that country, which is an annual dead loss to the older provinces, we have this result: that to-day in our fertile belt which ought to be able to sustain 30,000,000 or 40,000,000 of people; after twenty years, after spending \$100,000,000, after charging ourselves with \$7,000,000 a year, we find, Sir, that we have got scarcely one family to the square league as the fruit of all our exertions. We find that according to the returns of the Province of Ontario—and the same thing is true of Quebec, as my hon. friend from that province can testify—as regards the rural districts of that province, we find, as I said just now, that in almost all our counties the farm populations have absolutely retrograded; that there are fewer men engaged in agriculture to-day from one end of Canada to the other, as far as the older provinces are concerned, than were engaged in it a few years ago. And we find more; we

find that if we take the actual taxation—not the nominal taxation, but the sum which is wrung out of the people's pockets, part of which, and part only, goes into the public treasury, the balance going to those gentlemen who, as I said, sustain and control the Government—we find, Sir, that we are approaching the position of being among the most heavily-taxed countries in the world, if we look to the real and not the nominal taxation. With that condition of things staring us in the face we are told that it is disloyal, that it is treasonable, that it is positively indecent for us to call the attention of our people to the way in which their resources have been squandered, and in which their burdens have been deliberately increased by hon. gentlemen opposite. Now, Mr. Speaker, there are a few little things which the hon. gentleman might have noticed. The hon. gentleman might have gone, I think, a little more into the effects of the McKinley Bill; however, I will not enter into that subject now, for I hardly have time, but I will treat of it later on. But, Sir, when the hon. gentleman was good enough to enlarge on the increase of trade which we have obtained within the last year I think the hon. gentleman might have remembered—hesurely must have known what used to be said from that side of the House by his own predecessor as to its being the primal function of the National Policy to restore the balance of trade. We were told we would have an equilibrium between our exports and imports, but what is the fact of the matter? According to the Trade Returns of last year we exported \$96,749,000 worth of goods and we imported \$121,858,000 worth: the balance of trade was dead against us to the tune of \$25,109,000. Now, I do not attach, and I never did attach very much importance to that, although bearing in mind that Canada is to a very great extent a tribute-paying country it is not a thing to be entirely overlooked. But, Sir, what has the hon. gentleman and his friends to say now? Why, they used to deafen our ears talking of the mischiefs that were going to result to Canada from the heavy balance of trade that subsisted against us from year to year, and yet our Minister of Finance has not one word to say in explanation of the fact to which I call his attention, that to-day there is a balance of trade of over \$25,000,000 against us. The hon. gentleman dealt very gingerly, and I do not wonder at it, with the reduction which took place in our Savings Banks deposits. In September, 1889, we had \$43,202,000 deposits in the savings banks, and in April of this current year our savings banks deposits had fallen to \$38,398,000, or, in other words, we have lost \$4,804,000. I can recollect well that the hon. gentleman and his friends would cram it down our throats that there was no proof so perfect and so complete of the progress of the country as the fact of the increase of the deposits in these Government savings banks. Now you have lost \$5,000,000, and it is hardly a circumstance worth mentioning in the mind of my hon. friend. I pointed out then, and I recall the hon. gentleman's attention to the fact, that the thing on which he plumed himself was entirely a fallacy and a mistake. He and his friends were paying at that time 30 per cent. more for money than its worth in the open market; they were disturbing trade; they were artificially raising the rates of interest and doing a good deal of harm; and, moreover, instead of following the

wise example of the English Government of treating money obtained in this fashion as it ought to be treated, namely, as trust funds to be invested in Government funds and not otherwise, they were using that money for permanent investment, with the result which the hon. gentleman has just pointed out to the House, that when our savings banks deposits began to diminish, straight away he must borrow in England at 4 or 5 per cent. to the tune of \$5,000,000 or \$6,000,000 to make up the deficit in these deposits which under that unwise and improper system of financing had been invested in permanent works. Neither, Sir, has the hon. gentleman, and I do not much wonder at it, one word to say to the House as to the enormous increase in the deficits on the Intercolonial and Prince Edward Island Railways. It was bad enough the year before, for we had then a deficit of \$300,000, but what is the deficit to-day? I find that the total receipts of the Intercolonial and Prince Edward Island Railways for the last year were \$3,204,000 and the total expenses were \$3,846,000; being a dead loss under the wise Government opposite of \$641,000, and an admitted dead loss of working expenses over receipts, (without allowing one penny for the loss of interest) on the cost of construction incurred within the last year, and incurred mainly, as I pointed out a little while ago, by the suicidal policy of subsidising out of the pockets of the people a cut-throat line to destroy a property in which we had invested \$50,000,000. Nor, Sir, had the hon. gentleman a word to say about what he well knows is going on in every part of Canada: he had nothing at all to say about the continuous exodus of the people of this country—

Some hon. MEMBERS. Oh.

Sir RICHARD CARTWRIGHT,—which has been going on ever since the introduction of this National Policy in a ratio two or three hundred per cent. faster than ever occurred before. Hon. gentlemen opposite exclaim at this. Have we not got our own North-West Census returns taken four or five years ago, which show that notwithstanding a most profuse expenditure we had succeeded in placing perhaps 9,000 families in the North-West and Manitoba in five years, as against a reported immigration by the Department of Agriculture of about 130,000 strong. There was another very extraordinary omission made by the hon. gentleman. He boasts of having maintained, and I dare say he desires for his own part to maintain, the expenditures and receipts at an equilibrium. I have said, and I repeat, that our best sympathies are with him in his endeavours to control his colleagues in that matter; but it is extraordinary that the hon. gentleman had not a word to say about the vast mass of contingent liabilities to which he and his colleagues have committed themselves. But, perhaps, he thinks that ante-election promises do not count, and are not to be taken into consideration by a prudent Finance Minister. Sir, we have a vast mass of promises made as to undertakings of all kinds—for Trent Valley Canals, for Prince Edward Island tunnels, for Quebec bridges; the municipalities of Ontario and other Provinces are preferring claims, which the past conduct of hon. gentlemen opposite will render it very difficult for them to resist. Then the hon. gentleman knows that knotty questions regarding

provincial subsidies are likely soon to engage our attention ; but about all these he had not one word to say. Nor did he say anything, though he admitted the fact, as to the drop in revenue which took place between this time last year and the present, amounting to about a million dollars, which certainly does not indicate quite that condition of prosperity to which the hon. gentleman alluded. Sir, I hope and trust that the anticipations of the hon. gentleman as to a good harvest may be fulfilled. I hope and trust that all over this country there will be a good harvest, although I am bound to say that the accounts which have reached me do not entirely confirm the statement which I understood the hon. gentleman to make. Doubtless we all desire to see a good harvest, for never did any community stand more in need of a good harvest than does the greater portion of Canada to-day. But on the question of general prosperity, I take issue squarely and directly with the hon. gentlemen. He was good enough to tell us that under existing circumstances—which I suppose meant in view of the threatened loss of the American markets—it was necessary and desirable to search for new markets. I entirely approve of that. The object was excellent ; nothing could be more desirable. Whether we succeed in regaining the American markets or not, I hold that we should obtain new markets wherever they are to be found. But while I approve of the hon. gentleman's purpose, I cannot but think that the methods he pursued during his somewhat celebrated West Indian trip, were open to a little criticism. I shall be very glad indeed if, when we meet again, or at any time, the hon. gentleman is able to report to us that we have secured large and valuable markets either in the West Indies or elsewhere. But, Sir, according to the recorded statements of the most influential men in the West Indies who have spoken of the hon. gentleman's trip, I am sorry to find that not only, as the hon. gentleman prudently and cautiously put it, are they likely to take a great deal of time in making up their minds about the advantages of dealing with us, but the concurrence of opinion among them, whether he is responsible for it or not, appears to be that it is much more to their advantage to deal with the United States than to deal with us ; and if I may venture to make the criticism, I might say that it was not wise in the hon. gentleman to speak in public on the subject as he did in those various places. I think it was not wise, for two reasons. In the first place, it was his duty to have ascertained privately and quietly what could be done ; and in the next place, the fact to which I have alluded, that many of those people have already declared their preference for the United States market and for treaties with the United States in preference to treaties with us, is likely to place him at a very serious disadvantage when he goes to Washington for the purpose, as he hopes, though very faintly, of obtaining extended trade relations with the United States. I fear, from what I have seen, that, if the hon. gentleman tells those people that if they refuse to treat with us he will find new markets elsewhere, we may be competitors of theirs in other countries wherein they have hitherto held the monopoly. I fear, Sir, that this very trip of his, and the very statements made by those with whom he has been carrying on negotiations, will be very likely to rise up against him, and that the United States

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Government will say to him: You have been to the West Indies, you have seen the authorities there, you have made your proposals to them, and they have told you that they do not want to treat with you.

It being six o'clock, the Speaker left the Chair.

After Recess.

Sir RICHARD CARTWRIGHT. There was one declaration made by my hon. friend the Minister of Finance which demands my most hearty sympathy, and with respect to which I can beforehand pledge him the sympathy and assistance of every hon. gentleman on this side. That was the declaration he made, that now, in his judgment—and I might add, in mine long ago—the time had come when we should call a halt in the profuse expenditure we have been indulging in for this many a year. The hon. gentleman's intention is most excellent. I commend it, although I cannot help recollecting the fate which has befallen many other good intentions of many other equally good men ; and I might tell him also that we, on this side, cannot very well forget how often we have been promised reductions in expenditure, how often we have been vainly promised, for example, enormous returns from our new territory in the North-West, notably by one of his predecessors who was good enough to assure us that in a very few years we should be exporting 640,000,000 bushels of wheat from the North-West, and by another, now no longer here, who worked out in elaborate details the prediction that on the 1st day of January of this current year last past, every cent we had expended on the Canadian Pacific Railway would be back in our coffers in cash or securities better than cash. I will give the hon. gentleman all the assistance in my power to keep down the expenditure, but I must remind him that the record of his party and of himself on that subject is a very bad one indeed. Twenty-four years ago, the total expenditure of this country was \$13,500,000. In six years, under the administration of the hon. gentleman's friends, between 1867 and the autumn of 1873, our annual expenditure had risen from \$13,500,000 to \$23,316,000, nearly \$10,000,000 in six years. Then, from 1874 to 1878, there was indeed a halt in the expenditure, and in those five years our expenditure rose—what ? From \$23,316,000 to \$23,519,000. Then, from 1878 to 1890, hon. gentlemen opposite, returning to their old tricks, succeeded in raising the expenditure of Canada from \$23,500,000 to, as nearly as possible, \$36,000,000, being a further addition of \$12,500,000 ; so that in two periods of about seventeen years, those hon. gentlemen are responsible for an addition of \$22,500,000 to the annual expenditure of Canada. I say their record is not an encouraging one, but we will do our best to aid the hon. gentleman in his good intentions. Sir, within a period of twenty-four years, or, more strictly, I should say within the two periods of six and of twelve years, while our population has increased, if it has increased, by barely one-half, our expenditure has been nearly trebled. Our expenditure, therefore, has increased in that interval exactly six times as fast as our population. Undoubtedly there is cause to call a halt. What reason did the hon. gentleman allege on various

occasions during the late election for this increase of expenditure? His pleas were these two: First of all, he stated, and has repeated here to-night, that it was necessary to construct great and expensive public works. Next he alleged it was necessary to acquire new territory, and in acquiring new territory, we had incurred enormous expenses. I will treat of these two pleas in succession. First, as to his plea that our expenditure is sufficiently accounted for by the fact that we had to construct very expensive public works, I would like to know, when the hon. gentleman and his friends take credit for that, what value they attach to those assets. Now I have here a statement from the hon. gentleman's own Public Accounts showing the sum of money that was expended in 1890 in maintaining our railways and canals; also showing the receipts therefrom, and the expenditure the hon. gentleman proposes to incur during the present year. It is instructive. It sheds a light on the enormous value, as an asset to Canada, of those public works, in consequence of which, says the hon. gentleman, this enormous increase in our expenditure is justified. I find that in 1890, under the head of public works, railways and canals, we spent \$4,362,000, and under the head of railways and canals, chargeable to income, we spent \$214,000, and for the department over which the Minister of Public Works presides, a charge of \$62,783 is made, and for other items connected with public works, \$186,000. On these public works, be it remembered, we have expended all told about \$50,000,000 for canals, about \$50,000,000 more for railways, being \$100,000,000 of capital sunk. These public works cost us in 1890 for their maintenance \$4,825,000, and our total receipts were \$3,800,000, according to the Public Accounts. We have sunk \$100,000,000 of capital on which we do not get one copper of interest and never will, and, more than that, not merely have we got these unproductive public works costing us \$100,000,000 for which we receive no return, but we are absolutely unable to make both ends meet by at least \$1,025,000 a year, and I perceive that for the year 1891-92, the hon. gentleman proposes to expend on the maintenance and keeping in order of these same works and on the other items I have enumerated the sum of \$5,214,000, so that, if these receipts remain as they were before, our public works which justify this enormous increase of expenditure, according to the hon. gentleman, will be a dead loss to us for maintenance of \$1,414,000, over and above the annual charge of \$4,000,000 a year for interest on the sum they have cost. Sir, if that were, in my opinion, an accurate statement of the necessities of the case, I would say that our position was a very bad one, but for my part I do not believe that this enormous disproportion between receipts and expenditure is justified. I do not believe that this dead loss we sustain is the cost of the maintenance of public works properly administered, but I believe it is the cost of maintaining a radically corrupt Government. Now, the House will remember this, I hope all my hon. friends will remember this, and I hope our press will take occasion to make the statement ring from one end of the country to the other: the nominal expenditure is not, under our protective system, any measure at all of the burdens of the people. Sir, every intelligent protectionist, if there be such a thing as an intelligent protectionist—there are intelligent men who, for their own party purposes and their own

personal interest support protection, I grant you—but an intelligent protectionist is an anomaly yet to find—an intelligent and honest protectionist. Now, if there be an intelligent and honest protectionist, capable of discussing the question from a fair and honest standpoint, that man never will deny, never can deny—be protection right or wrong, be it wise or foolish according to his idea—that under any protective system you choose to imagine, in all human probability the very minimum of taxation taken out of the people is twice as much as the sum which goes into the treasury. In a great many cases, that is far too small a proportion. In many cases—and I am going to give the House a very notable example presently—for every dollar that goes into the treasury, \$3 or \$5, or even \$10, are taken out of the pockets of the people. There are cases in which an enormous sum of money is taken out of the pockets of the people, and not one cent goes into the treasury. I have said that the hon. gentleman had given us a most admirable instance of how the protective policy works, and he could not have selected a better one than what he chooses to call the boon he is going to give to the people of Canada in the reduction of the sugar duties. The hon. gentleman had a great opportunity, and he has thrown it away. Had he come down to the House to-night and said: Gentlemen, the Government of Canada have decided, in view of the fact that they have a considerable surplus, in view of the action of the United States, in view of the burdens which the people now have to bear, to give the people of Canada free sugar, I would have frankly applauded the action of the hon. gentleman and I would have said it was a very good one as far as it went. But he has done nothing of the kind, and he has had the effrontery, I was going to say,—at all events he has had the boldness to state that the Government propose to restore three millions and a half of duties to the people of Canada. They do not propose to do anything of the kind. They propose to substitute one million and a half for another million and a half. What, then, do they propose to do with the other two millions? They intend to present them to their friends, Drummond & Co.

Mr. FOSTER. That must be a fortunate man.

Sir RICHARD CARTWRIGHT. Yes, he and his friends are fortunate. It is well known that these gentlemen have for years been running branch Custom-houses for their own private advantage. It is well known that the sugar refiners, who are headed by Mr. Drummond, have been the largest subscribers to the corruption fund of hon. gentlemen opposite. Verily, they are wise in their generation, and verily they have their reward. Thus we have the maximum of loss to the revenue, the minimum of advantage to the people, and the maximum of advantage to these monopolists, the refiners and their friends opposite. They profess to give a free breakfast-table, forsooth. They do not give it at all. On every pound of sugar which the poorest man consumes, according to the statement of the hon. the Finance Minister himself, he will have to pay, not into the public treasury but to the sugar refiners, eight-tenths of a cent. The hon. gentleman told us that the normal consumption of sugar in Canada is 224,000,000 lbs. And that will represent about \$1,800,000 of taxes, of which, according to the hon. gentleman's own

statement, not one cent is to go into the treasury of Canada. The people of Canada are to be taxed to the extent of nearly two million dollars for the benefit of an industry which has been of great assistance to hon. gentlemen opposite and their friends. That is the boon which the hon. gentleman has brought down to this House. Here is a case in which the people are to be taxed nearly two million dollars, and yet, according to the statement of the hon. gentleman himself, he does not expect that a penny of that will go into the treasury. I do not object in the least to his substitution of taxes on tobacco, whiskey and beer, although I remember the time when some of his colleagues would have raised a great objection to the tax on the poor man's beer, but it appears that since one hon. gentleman has been translated to upper regions, his influence is not what it used to be. I do not object to the substitution proposed, but I do object to the hon. gentleman telling us that it is a boon for the people of Canada to have free sugar when we can see that they are not to have free sugar at all, but that we are called upon to pay nearly \$2,000,000, not for the benefit of the public but for the benefit of those gentlemen who have endeared themselves, by methods to which I have already referred, to the hon. gentleman and his political friends. I could give another instance, and perhaps I may as well give it to the House now, as to the way in which this protective tariff works, as to the way in which it takes an enormous sum out of the pockets of the people without putting one cent into the treasury. The hon. gentleman says he has been imitating to some extent American legislation, and I will just quote to him an illustration lately made in the American Congress, showing how that system works there. They were discussing the duties on woollens and worsted, and one of the speakers said :

"For instance, in 1880, we consumed 193 million dollars worth of domestic-made woollens and worsted, and only 83 million dollars worth of imported. The same year, 335 million dollars worth of our iron and steel consumption was domestic-made, while only 35 million dollars worth was imported. Now, it is evident that, while a 10 per cent. reduction of tariff on these two items would reduce the Government revenues only some 7 millions (that is, 10 per cent. of the 33 plus 35 millions of these two imports), it would save the domestic consumer from paying this 7 million tariff duties plus some 53 million (that is 10 per cent. of the 193 plus 335 million of these two domestic products) of 'protection' to domestic monopolists, thus making a total saving of some 60 millions in these two items alone. Moreover, when duties are inordinately high, a reduction in them frequently increases the revenue, by increasing importations to the extent of more than compensating, at the reduced rates, the former restricted importations at higher rates."

That is probably an extreme case, but it illustrates the point which I want to make, that, if you want to arrive at the cost of a protective tariff, you must double and probably treble the amount that actually goes into the treasury. Take, for example, a very much smaller article than sugar. We imported of clean rice 2,861,000 lbs., on which a duty was paid of \$35,773. Of unhulled or uncleaned rice we imported 23,076,000 lbs., on which a duty was paid of \$38,365. That unhulled rice, I am informed, yielded at least 20,000,000 lbs. of clean rice, and, as we know, the price of that was regulated by the price of the clean rice imported. What, then, was the result? The amount lost, if the consumer paid the same for the one as the other, the receipts to the revenue being only \$38,000 for this unhulled rice, was about \$250,000, and that is a very fair illustration of the

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results of the present tariff in many cases. And what is true of rice, what is true of sugar is, to say the least of it, equally true of cottons, and of woollens, and of iron goods, and of a vast variety of other articles of general consumption, with this difference: that in all these cases under the system introduced by the Government, the system of substituting specific duties for *ad valorem* duties, the vice is intensified to a higher degree. The poor man, in all these cases, is compelled to pay enormously more than his richer brother; on the finer classes of goods, the tax, in all probability, averages 25 per cent. When you come to the coarser class of goods consumed by the majority of the population, you will find the tax under this mixed specific and *ad valorem* system rises to 40, 50, 60, aye, in some cases, to 70 and 80 per cent.; so that the poorer the man, under the system of which the hon. gentleman is the champion, the larger his family, the greater his needs, the more, in proportion to his income, is taken out of him under the specific duties of the hon. gentleman. Sir, is it any very great wonder that under this condition of things the increase of population in our country is lamentably slow? I believe that if an honest census were taken, if, for the miserable *de jure* system, which is conceived for the purpose of lending aid to fraud, an honest *de facto* system had been substituted, no doubt the truth would come out even more clearly; but even as it is, I have not the slightest doubt that the result of the present census, unless extreme fraud is resorted to, will show most clearly and distinctly what I have asserted, that there has been an enormous loss of population, both relative and absolute, in a very great number of the most important districts of Canada; and at the same time there has been an enormous displacement of wealth. Now, I admit for my part that this displacement was in part inevitable, for it arose from causes which neither I nor the hon. gentleman, nor any party could control. But I say that it is a grave crime, a grave offence against good statesmanship, for the Government to do as the hon. gentleman's Government has done, wantonly, wilfully, needlessly and maliciously, I might almost say, to aggravate those tendencies which a wise Government would have checked, or at least would not have increased. Sir, the whole policy of the Government has been to aggravate the evil; the whole policy of the Government has been to drive the people from our shores; the whole policy of the Government has been to increase the population and wealth of a certain small number of favoured localities at the expense of the great mass of the people. Sir, it is true, and I make the hon. gentleman a present of the statement, that under his regime there are ten millionaires, perhaps twenty, perhaps fifty, for one that existed under the regime of my hon. friend from West York (Mr. Mackenzie); but for each of these there are a thousand men who have been obliged to leave their country, and hundreds of thousands who, as I have said before, are in danger of sinking into a position a little better than serfs, by reason of the hon. gentleman's policy. Certain towns and cities have done well so far, although it is extremely likely they will speedily experience a check; but the vast majority of our cities, the vast majority of our towns and villages, and with scarcely any exception, all our country districts, are to-day stationary or retrograde. Our country districts,

as every man knows, have lost very heavily in population; scarcely one in five can show an increase in population equal to the natural increase, not to speak of the immigration that might have come. I tell the hon. gentleman that were an honest national balance sheet to be struck, were we to set on one side the additional national debt, the additional municipal debt, the additional provincial debt, the additional railway debt, the immense depreciation of farm property in all the older provinces of Canada, the immense depreciation in the value of real estate in almost all the towns and villages in Canada during the last twelve years, and were we to put on the other side all that can be imagined as to the growth of wealth in a few hands, and as to the growth of wealth in two or three pet towns and cities—if such a statement were made, the result would be a demonstration that we have made no progress at all during the last twelve years in national wealth; at the best we have been but marking time. The bulk of the people are poorer to-day than they were 12 years ago, although a few are much richer, but the aggregate of burthens has enormously increased. Now, Sir, I turn to hon. gentlemen's other plea. They justify the fact that the expenditure of Canada has increased six fold as fast as the population has done, by the allegation that the money has been well spent, inasmuch as we have acquired vast territories. Now, Sir, we are not dealing with what might have been, we are dealing with what is. Had those territories been well and wisely managed, were the hon. gentlemen able to-day, as with moderate good management they might have been able, to point to a population of a million, or even three-quarters of a million, in our North-West country and Manitoba, I am not prepared to say that I would have thought the money altogether thrown away. But if there be one thing clearer or more notable than another, if there be one fact more manifest than another, to every man who has paid the slightest attention to public affairs, it is this, that the so-called national development has resulted in the most pitiable failure in developing the North-West, and the Province of Manitoba in particular. I alluded just now to the fact that the late Sir John A. Macdonald, in 1880, had solemnly promised the people of this country that by the 1st of January, 1891, six months ago, or thereabouts, we would have had all expenses paid and at least sixty-nine millions in cash, and assets as good as cash, to pay for the construction of the Canadian Pacific Railway. Sir, I think nothing can give a better illustration of the difference between the promises and performances of those hon. gentlemen than the promise made by the late Premier and endorsed by the High Commissioner, as to what we should receive, and the actual facts as disclosed by these Public Accounts. We were promised a clear profit of sixty-nine millions on the 1st of January, and on the 1st day of July last our account stood: Expended in the North-West Territories, \$6,043,000; received, \$4,275,000; difference, \$1,768,000. Promised sixty-nine millions plus, performance nearly two millions minus. That, Sir, is the way those hon. gentlemen have developed the North-West, and they have effected this result at a most enormous cost to the older provinces. I cast no blame on the people of the North-West; they are fellow-sufferers with ourselves, and fellow-sufferers to a great

extent, for each and every one of them has cause to deplore the miserable mismanagement and the miserable mis-government that have left that great inheritance in the condition in which I state it to be. Still we cannot shut our eyes to the fact that an enormous proportion of our present expenditure is wholly and entirely due to the culpable way in which our funds have been expended in the so-called development of the North-West. I stated a little while ago that our annual expenditure there was, as nearly as possible, something like \$7,000,000. That is to say, the older provinces of Canada to-day are expending out of their taxes about \$7,000,000 a year more than they receive in the attempt to develop the North-West, and this is the way the sum is made out: In one way and another we have sunk at least \$100,000,000 of public money in that country, the interest on which amounts to at least \$4,000,000 annually. The charges for Indians in the North-West foot up to \$940,000 a year; our Post Office service costs us \$120,000 a year more than we receive; our Mounted Police costs us \$753,000; our Dominion Lands cost us \$90,000 more than we receive, and over above these items there is a vast mass of expenditure amounting in all to \$1,450,000 charged to the North-West, against which we receive perhaps a sum of \$924,000 all told. So that if you make an accurate estimate of the mode in which the present Government have conducted the development of the North-West you find there is a loss on capital account of \$100,000,000 and an annual charge of \$7,000,000 a year, and for a result there is perhaps in the fertile belt (capable of supporting in peace, prosperity, and comfort, twenty or thirty millions of people), perhaps, I doubt if there is that number, one man to the square mile. That is the way and those are the results by which hon. gentlemen opposite justify the expenditure of the enormous sums of money that are annually extracted from the people of Canada. I say this, that all of these details indicate scandalous extravagance. I do not say they necessarily indicate corruption, but they do indicate scandalous extravagance, and the practical result of all is this, that we have expended over \$100,000,000 on the Intercolonial Railway and other railways and on our canals. We do not receive one penny in return. They cost us \$1,000,000 a year more for working expenses, and the North-West costs \$7,000,000 besides. I say nothing about extras. Year after year we are called on to provide hundreds of thousands of dollars charged to the so-called capital account of the Intercolonial Railway and to ordinary capital account millions and millions from time to time. But I do call attention to these two facts: I do call attention to the gross waste and mismanagement which must have existed when, with such wonderful resources in the North-West Territories, the results are such as I have just depicted. While this has been going on, what has been the position of the great mass of the people of Canada, notably what has been the position of the agricultural classes? It is plain to demonstration that the home market on which hon. gentlemen opposite profess to rely, which was to consume all our farmers could possibly raise, is quite inadequate to realize the conception formed of it. A vastly smaller number than those now engaged in agriculture could supply the needs of the home market. It is clear, on the other hand, that, with the exception of the United States, the foreign

market is an utter failure. The hon. gentleman talked to us before six o'clock of his hopes of obtaining markets for us elsewhere, and he went over a list of our exports to France, Germany, Spain, Portugal, Italy, Holland, and all the rest of them. I will take the years 1873 and 1890, and we will see what we have to hope from these foreign markets. Our population has increased, our means of communication are better and the cost of freight has been vastly lessened during these 18 years. What have we done to increase our exports to foreign countries during this period? In 1873 we sold to France \$631,000 worth, in 1890 \$278,000 worth; to Spain we sold in 1873, \$25,000 worth and in 1890, \$69,000 worth, an increase; to Portugal, in 1873, we sold \$191,000 worth, in 1890, \$207,000 worth; to Italy we sold in 1873, \$177,000 worth, in 1890 it had fallen to \$81,000 worth; to Holland we sold in 1873, \$13,000 worth, and in 1890, \$1,042 worth. To Newfoundland we sold \$2,800,000 worth in 1873, last year only \$1,185,000, a loss of \$1,700,000 in our trade with that sister colony alone. To the West Indies collectively, and this is important, we sold in 1873 \$3,988,000 worth; in 1890, under the fostering auspices during twelve years of the National Policy, we sold \$2,719,000 worth, a loss of \$1,200,000. During that interval the trade occasionally increased and diminished, but the grand result is this, that in 18 years, as these tables show too well, we have not succeeded in adding any appreciable percentage to our total exports to those countries, and that although our population is greater, although transportation is much easier and better, although freight is much cheaper, although under ordinary circumstances we ought to have enormously increased our exports. But what are they worth all put together, even multiply them by two or four or six, compared with the trade in which the hon. Minister of Finance takes no interest, for which he cares nothing, for which he hardly raises his hand to try to restore to us—the trade we had with the United States, which, in spite of all disadvantages, in spite of two hostile tariff walls, is to-day very nearly equal to the half of all our trade with the whole of the world? Now, Mr. Speaker, as I have said, our home market is inadequate, foreign markets out of the United States afford no tangible prospect of relief; but what is the condition of the agriculturists of Canada? Under existing circumstances we are called upon by the recent legislation in the United States to sustain enormous new and additional burdens. Sir, what will be the effect of the McKinley tariff? The hon. Minister of Finance disposed of it in a few half a dozen sentences. The hon. gentleman told us that the McKinley tariff is not going to cause any very great strain on the people of Canada; Canada, he says, has stood the strain well. If the hon. gentleman understood the situation, as I think he ought, he would have known that the McKinley tariff, or its effects up to date, were almost wholly anticipated before 1st October, that almost all the goods likely to be affected by it had been rushed across the border. It will be more than a year before we will experience the true effect of the McKinley tariff. The hon. gentleman was good enough to tell us that he has sent an exceedingly well trained commissioner to England, and that this gentleman tells us that we need not despair or be discouraged, for it is not going to affect us much. He says our egg market in Eng-

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land is going to prove quite as good as the egg market we lost in the United States. Well, the merchants who deal in that commodity to the tune of hundreds of thousands of dollars do not think so, the farmers' wives who have eggs to sell do not think so; and any man who has any practical acquaintance with the agricultural population of Canada does not think so. I heard the hon. gentleman actually declare that what was true as to the egg market was true as to the hay market also. He absolutely rose in his place to tell us that we can find as good a market for our hay in England as we can in the United States if the duty was removed. I commend that statement to my agricultural friends around me, and I think before this debate is concluded the hon. gentleman will hear from them their opinions as to the practical acquaintance with the interest of that great class of our people which is evidenced by the statement of the Finance Minister, that the people of Canada can find as good a market for their hay in England as they can in the United States. The actual effect is this: The farmer of Canada is to-day paying many millions of dollars of taxes to the United States Government in addition to the enormous tax which is levied upon him by the present Government under their protective tariff for the joint benefit of themselves and the Red Parlour. What is the total of these taxes we are called upon to pay? I will give the hon. gentleman a few details as to that, as he appears to regard as a matter of very small moment the amount of taxes the people of Canada are obliged to pay to the United States. According to his own Trade Returns last year, we sold to the United States 9,939,000 bushels of barley, on which the duty, the trifling duty, amounted to \$2,982,000; of beans and pease we sold 710,000 bushels, on which the duty amounted to \$284,000; of horses we sold 16,000, on which the duty was \$566,000; of the article of eggs alone we sold 12,835,000 dozens, on which the duty amounted to \$640,000; of hay we sold 101,000 tons, on which the duty was \$400,000; of sheep we sold 251,000, on which the duty was \$502,000; of potatoes we sold 1,053,000 bushels, on which the duty was \$263,000. Now there is no doubt whatever that almost all that duty comes practically out of the pockets of the Canadian farmers. It is perfectly true, I have never denied and I do not deny it now, that the American consumer pays the duty likewise, but let the hon. gentleman and his friends lay this lesson to heart: while the American consumer pays the Canadian producer loses. That is the result of that tariff, and in our relative position that will always be the result of that tariff. The hon. gentleman's late chief knew that well, and stated it often as did many of his colleagues, and it is not unreasonable that it should be so in view of the fact that our total production is such a very small portion of the total consumption of the United States. But do not let the hon. gentleman suppose, and do let not the House suppose, that the sum of \$7,000,000 or \$8,000,000 which is paid to the United States is all that the Canadian farmer loses. Recollect that the price which he obtains for his surplus products in the United States affects the price which he obtains at home; not merely does he lose on what he sells to the United States but he loses, and loses enormously, on what he sells at home. True, that cer-

tain persons may make a benefit out of it, true, as I think was suggested by the Minister of Customs, that some of these people who live in the country and who are not particularly interested in the welfare of the farmers may make a paltry few dollars out of their distress, but in the meantime the Canadian farmer not merely loses the whole amount or vastly the greater part of the amount of the American duty, but he loses much more also. His home prices are cut down by reason of his being deprived of a market for his surplus production in the United States. Does the Government pretend, will there be found a man on that side of the House to pretend, with the facts now before us, that there is the slightest chance of our obtaining as good a market outside of Canada in any other country except the United States for many of the articles we have to sell? Are we likely to get as good a market elsewhere for our hay, or for our barley, or for our horses, or for our eggs, or for the thousand and one minor articles for which there is practically an unlimited demand in the United States? No wonder that in this state of things the farmers of Canada demand relief. They have a right to get relief, and there is but one way in my judgment in which that relief can be obtained, and that is by reciprocity with the United States; free and unrestricted reciprocity, the right to buy in that market as well as the right to sell in that market—unrestricted reciprocity in the fullest sense; that and nothing else is the only cure for the evils under which that great section of our population is at present suffering. I tell the Minister of Finance, who does not absolutely despair of obtaining reciprocity and who thinks that it is possible to obtain it, that this present Government cannot get it, that this present Government does not desire to get it, does not hope to get it and is not making any provision for it. I call the attention of the House to the fact that all through the Budget speech there is not any provision made, there is not any indication given that the hon. gentleman considers the obtaining of reciprocity with the United States within the limit of practical possibilities. He has lost his opportunity, he has dallied and delayed with the question, and if there is one thing touching reciprocity as to which he and his colleagues have manifested a general eagerness, it is an eagerness to find out arguments against it. The hon. gentleman told us this afternoon that he was going to Washington, and he alluded to the recent visit of himself and his associates, and if I did not misunderstand him altogether, the hon. gentleman intimated that he and his colleagues had been invited by the United States to go there, and he implied, if he did not exactly state, that the invitation came in the first place from the United States.

Some hon. MEMBERS. He said so.

Sir RICHARD CARTWRIGHT. Perhaps he said so. I desire to call the attention of the House to the fact that there is a most wonderful discrepancy between the letter addressed by the High Commissioner to Sir John Macdonald, in regard to that matter, from the statement made by himself. Sir Charles Tupper states in a letter under date 21st April, 1891:

"Mr. Blaine also said that he did not agree with the reference which had been made by Sir John Macdonald and Sir Charles Tupper during the elections as to what

took place concerning the initiation of the proposed informal discussion between the United States and the Dominion. I told Mr. Blaine that I wished in the outset to recognize the accuracy of the statement contained in his letter to Sir Julian Paunceforte, which I had seen, regarding the initiation of the negotiations respecting reciprocity arrangements between the two countries."

Who are to be believed? Are we to believe the High Commissioner?

Mr. FOSTER. You can believe both, so far as that is concerned.

Sir RICHARD CARTWRIGHT. Believe both? I was not able, last night, to get hold of the despatches from Washington; but I perceive this in the letter of Mr. Blaine:

"In view of the fact that you had come to the State Department with the proposals, and that the subject was then for the first time mentioned between us, and in view of the further fact that I agreed to a private conference, as explained in my minutes, I confess that it was a surprise to me, when several weeks later, during the Canadian canvass, Sir John Macdonald and Sir Charles Tupper both stated before public assemblages that an informal discussion of a Reciprocity Treaty would take place at Washington after March 4, by the invitation of the Secretary of State. I detail these facts, because I deem it important, since the matter has been, for some weeks, open to public remarks, to have it settled, that the conference was not initiated by me, but, on the contrary, that the private arrangement of which I spoke was but a modification of your proposal, and in no sense an original suggestion from the Government of the United States."

Sir, I caution the hon. gentleman. We do not desire to see the representatives of Canada treated to another three-minutes conference at Washington. We do not desire to see the representatives of Canada compelled, as Sir Charles Tupper was compelled, to state before the British Ambassador that Mr. Blaine was right, and that the Canadian Cabinet had incorrectly represented—for what purpose I will not now stop to inquire—the so-called invitation to discuss a reciprocity treaty with Mr. Blaine; and I might remind the hon. gentleman that, before they went down there at any rate, they had, under Mr. Blaine's own hand and seal, the most explicit declaration that if all they had to propose was the sort of reciprocity the hon. gentleman indicated, they had much better stay at home. Sir, the hon. gentlemen have been beaten out of their first contention. It is not twelve months since we heard their avowed representative, a member of their Cabinet, the gentleman set up to answer my motion last session, formally declaring—and his colleagues did not dare to disavow it then—that the Government of Canada did not want reciprocity in natural products. They have been beaten out of that contention; for they now admit, or say, that it is desirable. I much fear that their conversion is half-hearted; at the best it is purely negative. We were told, Sir, by the leader of the House, that the financial and trade policy of the Government would be announced by the Finance Minister to-day; but that hon. gentleman, though he has been very careful to tell us the kind of reciprocity he does not want, is dumb as an oyster as to the sort of reciprocity he does propose to ask for or is willing to accept. I fear that my hon. friend beside me is right—that in their heart of hearts they want none; but they say they love reciprocity, and in proof of it, not merely here, but on every hustings, they have exercised all their ingenuity to conjure up objections to every practical scheme of reciprocity. Now, to-night I propose to discuss their three leading objections to it. They do not now for one moment pretend to say that it would not be an advantage; but their loyal

souls are appalled at the idea that if we had reciprocity with the United States we must necessarily, more or less, discriminate against Great Britain. Now, there may be, and probably are, some hon. gentlemen on the other side to whose minds that is a most grave and serious objection *per se*. I do not mean to say that I myself would not avoid that necessity if it could be avoided; but I may say that, as regards the greater number of hon. gentlemen opposite, there never was a more arrant piece of hypocrisy than for them to oppose reciprocity because, forsooth, it entails discrimination against Great Britain. What has their whole tariff itself been during these last twelve years but practical discrimination against Great Britain? What is their tariff to-day? Why, Sir, to-day we import about \$43,000,000 worth of goods from Great Britain which we tax to the tune of \$9,576,000, while we import \$52,000,000 from the United States, which we tax \$8,220,000. There if you like is practical discrimination against England. What is their whole tariff but an attempt to bar out manufactured goods; and what has Great Britain to send us except manufactured goods? Does the hon. gentleman pretend to tell me that any appreciable percentage of the goods which are admitted free consist of manufactured goods from Great Britain for general consumption here? All the goods manufactured in Great Britain the hon. gentleman severely taxes. What does he admit free from Great Britain? Well, he admits Australian wools free; he admits hemp for the benefit of the manufacturers; he admits railway iron for the benefit of some great corporations; he admits chemicals of most descriptions for the advantage of his friends, the protected manufacturers and possibly some other manufacturers; he admits tea and coffee from China and Japan; and he admits articles for the use of the Dominion Government; and these practically constitute the vast bulk of the free goods which come to Canada from Great Britain. In the whole lot, not one article manufactured in Great Britain and coming into general use in this country, is admitted free, but all such articles are taxed enormously—far more heavily in effect than articles coming from the United States. But, Sir, these hon. gentlemen, who twelve years ago turned their backs on the British fiscal system and deliberately adopted the American fiscal system, in spite of the warnings we gave them, in spite of the fact which we stated then and repeat now, that in so doing they struck a serious blow at British connection—these 35 per cent. loyalists are appalled at the notion of discriminating against the mother country. Sir, so far as her material interests are concerned, Great Britain is an investor in one way or another to the tune of eight hundred, perhaps a thousand millions, in British North America. It is of more interest to Great Britain by far that we should be able to pay interest on the vast sums we owe her than it is that a small paltry fraction of her insignificant trade with us—for insignificant it is, looking to her vast resources—should be interfered with. But the hon. gentlemen have no right to say that if Canada became richer, our trade with Great Britain would diminish. They assume that because the United States, which is—at least a great portion of it—situated in a totally different zone, do not import per head as much as we do, therefore our trade with Great Britain would be enormously reduced.

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I deny the inference. If these hon. gentlemen were able to show me that there is an enormous difference per head between our imports and the imports of those portions of the United States, whose climate and other conditions closely resemble ours, then there might be something more or less in their argument. I do not believe that if Canada became much richer the material interests of Great Britain would suffer at all, nay, I believe that, on the whole, they would be greatly advantaged. And there were other considerations to which I have often alluded. There is the consideration that it is in the highest degree a necessity for the material and political interests, and, I might add, the social interests of Great Britain, that she and her descendant, the United States, should be on the best possible terms, and free and full trade relations between us and the United States would be the very best means of bringing about that very desirable result. But even were it true that an injury was going to be done to Great Britain, though I would be sorry for it, I deny that any injury would be done her, but I cannot admit that that is a conclusive argument. I am not here to give advice to the British Parliament, I am not here to advise Her Imperial Majesty in her capacity of Queen of Great Britain. I am here as a Canadian representative, to advise the Queen of Canada what is best for the interests of the people of Canada, and if it is best in the interest of Canada, it will be her duty to take that advice. Let us understand this question and thresh it out. For my part I would rather see an ounce of loyalty to the people of Canada than a ton of this windy, worthless, spurious bastard loyalty of these thirty five per cent. loyalists. More than that, the hon. gentleman knows, every man who has studied the question knows, right well that reciprocity, from the very nature of the case, means, as against all other countries, discrimination more or less. We do not propose to discriminate against Great Britain *per se*, but we propose to enter into a treaty of commercial relations with the United States, whereby certain privileges will be given by Canada to the United States, and by the United States to Canada against all the world. That is what we propose to do. Does Great Britain hesitate to discriminate against us when it serves her turn? Look at her many commercial treaties, and you will find, Sir, that British statesmen do not consider whether a favourable commercial treaty for Great Britain may or may not tread on our corns, and I claim the right to do for Canada what British statesmen do for England. Then hon. gentlemen have a second objection, which, I must say, they ought to know and must know to be wholly unfounded in fact. They declare that it is the policy on this side to surrender control of our tariff. That is a most wilful misrepresentation. Hon. gentlemen know right well, for they have been told it times without number, that the distinguishing feature of our policy, the distinguishing feature of unrestricted reciprocity, is this, that both sides retain control of their own tariff. The United States do not propose to resign control of their tariff, nor does Canada propose to resign control of hers. Sir, the adjustment of the tariff, no doubt will require thought and consideration.

Some hon. MEMBERS. Explain.

Sir RICHARD CARTWRIGHT. I will prescribe when I am called in. Walk out of that side

and give us a chance, and we will do it; but do not imagine that I am going to interfere with another man's patient. More, I may add this, regarding this question of the tariff, that, if there be any truth in the indications of popular sentiment in the United States, there is a very strong probability that the United States are a great deal more likely to reduce their tariff than to raise it, and hence the difficulty which hon. gentlemen opposite fear, is likely, to a very great extent, to disappear in the course of the next few months, or, at furthest, in the course of the next year or two. Then comes up the vast difficulty that excited the fears of hon. gentlemen opposite—the question of revenue. Now, I do not mean to say that there will be no difficulty in making up the loss of revenue. I never contended that. There is a difficulty, and that difficulty is one directly created by the misconduct of those hon. gentlemen in increasing our expenditure from \$13,000,000 to \$36,000,000, in two periods of six and of twelve years. Sir, it is a very great impediment to our welfare, indeed, that we should have thus recklessly increased our taxes and our expenditure, at the very moment when the United States were largely reducing theirs. But these hon. gentlemen beg the question from the start. It appears to be a fundamental postulate of theirs that loss of revenue means loss to the people. Why, as I understand it, as my hon. friends on this side understand it, as every man of common sense will understand it, under a protective system, the loss of revenue is a gain to the people and doubly so in a case like ours. Now, the hon. gentleman and his friends want to know how we are to make up the deficit which may be caused by the loss of revenue on American imports. Well, Sir, that hon. gentleman boasts of a surplus. What better use can be made of that surplus than to employ it in giving the people of Canada this great boon? As I have hinted very plainly, the hon. gentleman is bound, or his successors would be bound to exhaust the economies, and they are neither few nor far between which might be exercised in carrying on the public business. I do not believe it will be necessary for an honest, a business-like, Government to spend every year \$1,000,000 or \$1,400,000 over the receipts as the hon. gentleman proposes to do in these estimates, in carrying on our railways and canals and public works. I do not think it will be necessary to spend, say, \$1,000,000, if proper management were used for the maintenance of Indians in the North-West. My hon. friend from Bothwell (Mr. Mills) did not find it necessary to do so. I do not think we require to spend the best part of \$1,000,000 in maintaining the Mounted Police, and there are innumerable other cases in which useful and valuable economies might be practised. Then the hon. gentleman has told us that it is quite possible to increase our Excise and make a good deal of that. But what I particularly want to point out is this, that under our scheme there is no question of additional taxation at all. It is a pure question of substitution. It is a pure question, at the worst, after all the resources I have spoken of have been exhausted, of substituting a cheap mode of taxation, if it comes to that, for an expensive mode. Now, the hon. gentlemen, over and over again, have deliberately misrepresented the position of the Reform party on this question, and I desire therefore to restate what I stated in 1888, when this question was first introduced. What I said

was that we intended to levy no poll tax, that we intended to add nothing to the burdens of the labouring man, the farmer, the artisan, the miner, or the fisherman—or the real productive classes. I said:

"Sir, I desire to say that, in my judgment, we ought not—I do not think that this Government would dare, I do not think any other Government would wish—to add by direct taxation one farthing or one penny to the taxes that now press most heavily on the agricultural classes, on the fishermen, on the miners, on the lumbermen, on all the great producing classes in this country."

"I shall be prepared to prove in some detail, at the proper place and time, that among the many faults with which our system abounds, perhaps the greatest is this; that under it the hard-working, industrious thrifty man is taxed enormously out of proportion to his earnings; and I say that with a system of direct taxation, if you must have recourse to it (although I doubt greatly whether you need, with proper economy, to have recourse to it) that crying injustice must be redressed, and the respectable, well-to-do, moneyed classes must be made to pay their fair proportion, no more should be asked, to the burdens of the country. This proportion they most assuredly do not contribute to-day and never will, under a system of purely indirect taxation."

And I went on to say:

"I dwell on that particularly, because I am aware that, at this very moment, there are certain persons, presumably in the interest of the hon. gentlemen opposite, who are losing no opportunity to impress upon the farmers of this country in particular, that if we get unrestricted reciprocity with the United States the federal revenues will have to be raised by direct taxation, levied in the same way as the municipal taxes are to-day. I, for one, will protest to the uttermost of my power against any such injustice; I, for one, declare here, speaking on my responsibility in my place in Parliament, speaking with a knowledge of the subject, that our present system is monstrously unjust to the poor man and too favourable to the rich man, and that injustice ought to be redressed, not by adding to the burden of the farmer, the labourer, the artisan, the mechanic, the fisherman, the miner, the lumberman, but by removing the burdens from these, and placing them upon the shoulders on which by right they ought to fall."

And not by taxing the people of Canada \$2,000,000 a year for the benefit of a half a dozen sugar millionaires. Hon. gentlemen opposite are pleased to state, and have stated again and again, that our Customs revenue would be almost wholly destroyed if we adopted a system in any way resembling that of the United States. We do not propose to make our system a mere *fac simile* of theirs, but, for argument's sake, suppose we did adopt their system, suppose we did adopt a system by which we would collect as much revenue from Customs as the United States do, in proportion to our population, is there any reason to suppose that we would obtain less than they do? On the contrary, there is a strong probability that we would obtain more as being the inhabitants of the northern temperate zone. What do the United States expect to receive from Customs during the year 1891-92? After losing all their sugar duties, they expect to receive \$190,000,000, and that amount may very probably be exceeded. Should we obtain a similar sum in proportion to our population, all we would lose would be the amount derived on the imports we now receive from the United States. But the Government and their friends wholly ignore this patent fact, that, if we were to obtain reciprocity with the United States, the wealth of this country would increase enormously and the population of this country would increase enormously. If the population of the country becomes more, and if it becomes richer, is it not perfectly clear and plain that that population will inevitably buy more luxuries and pay more taxes and add to the revenue in a thousand

and ways? Assail our fundamental proposition if you please; show if you can, what I do not think any hon. gentleman opposite will have the hardihood to attempt, that, if Canada obtains unrestricted reciprocity with the United States, we will not add greatly to our wealth, and in all probability be able to retain our own population here instead of losing them as we now do by the tens and hundreds of thousands in a decade. If you admit my fundamental proposition that unrestricted reciprocity means increased wealth and an increased population, your difficulty in regard to revenue vanishes into thin air, so that there is no need to be afraid of it on that ground, as the hon. gentleman opposite, when he called himself an independent member and sat on the back benches, was wont to say, when he advocated prohibition and advised us to sweep away all our Excise revenues by a stroke of the pen and trust to Providence for our income. If I thought our population was to remain stationary, I would still say this was by far our wisest course, but if you admit the increase in population and in wealth, there need be no fear, there need be no grave apprehension as to the difficulties we are to encounter. If there be any doubt that, if we had free trade with the United States, Canada would increase in wealth and population, it means to assert—and I challenge hon. gentlemen opposite to do so—either that the country we inhabit is inferior to the United States or that the people who inhabit it are inferior to their people. Have not the hon. gentlemen opposite always insisted that our country was as good as theirs, and sometimes have they not asserted that we had the best half of the continent? Have they not always insisted—and they are right in that—that Canadians are in ability and intelligence the equals of any people on the face of the earth? There is another point to which I might call attention. One great vice of our system is that we have too large a governmental machinery for our present population. You are altogether too extravagant in that matter.

Mr. FERGUSON (Leeds). Abolish the Locals.

Sir RICHARD CARTWRIGHT. I have not the slightest doubt that, looking at those who control well and wisely and honestly the Government of Ontario, they are a thorn in the flesh of my hon. friend, and he would be glad to see some of his friends on the other side of the House controlling that province, which may Heaven forefend. I say that one of our evils is that our governmental system is out of all proportion to our needs, that it is too large and too expensive for our real wants. We are spending four or five times in proportion what the United States found it necessary to expend at a similar period of their existence. Our present governmental machinery is large enough for ten or fifteen or probably twenty-five millions, so that, if there was an increase of population in this country, there would be a large increase of revenue with a very small increase in expenditure. You might double the population of Canada and hardly add 5 per cent. to the cost of the Government as now administered. Then there is another consideration. We are threatened with grave financial difficulties. If we could stop the exodus from this country and if, instead of increasing at the rate of 50,000, we were to increase, as we ought to do, at the rate of 150,000 or 200,000 a year, which is no extravagant supposition, then

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within two or three years we would add several millions to our annual income and would add very little to our expenditure. But the real fact is that, in what we propose to do, the money would not be lost, the money would go into the people's pockets. In point of fact a great deal more would go into the people's pockets than now goes into the treasury. Now, what is the position of the farmers of Canada to-day? They pay a large taxation to the United States on the principal portion of the goods they have to sell; they pay taxes to the Dominion Government, and to the combines which are so friendly to it on almost everything they have to buy. If we had reciprocity with the United States, the farmers would save all three taxes. They would save the taxes which they pay to the United States; they would save the taxes they are compelled to pay to the Dominion treasury, and they would save the taxes they have to pay to our friends of the combines. At the very least calculation on the proposition which I advance, we would save \$16,000,000 to the people, with a possible loss of \$8,000,000 to the revenue, and I think that is sound political economy and ought to commend itself to every man in this country. Hon. gentlemen opposite are always using their own extravagance as a reason why we should not have reciprocity with the United States. It is a good rule of law that no man is allowed to plead his own wrongdoing, and these gentlemen ought to be estopped, on that ground alone, from contending that, because they have been monstrously extravagant, because they have frittered away our money by the hundreds of millions, they are unable to obtain anything like reciprocity with the United States on even terms. They tell the farmers of Canada that they cannot afford to endure a mere temporary disturbance, a mere substitution of one form of taxation for another, for fear the revenue would suffer. Sir, what would be the result if unrestricted reciprocity with the United States were obtained, so far as the farming population of Canada are concerned, so far as the population of the greater number of towns and villages is concerned? I take the one single item of stock, and I show the hon. gentlemen that on that one item, more would be saved by far to the farmers of Canada than would compensate three times, four times over, for any disturbance in the revenue. Last decade, in 1880, the farmers of Canada possessed a little over one million horses; I believe to-day the number has increased to something like a million and a quarter, although of that we have not full details. Now, it is known to every farmer that if we had free trade with the United States, he might add, at the very least, \$30 more to the value of every horse that he possesses; on that one item of stock alone the farmers of Canada, by unrestricted reciprocity, would benefit to the tune of \$30,000,000 to \$37,000,000. In Ontario to-day, we have 22,000,000 acres held by farmers and under cultivation, more or less. Sir, it is not a matter of opinion with me but of knowledge, that given reciprocity with the United States, every one of those 22,000,000 acres would be worth, on the average, in the market \$10 more than it is to-day; and I venture to say that I can produce from the richest agricultural districts in Ontario, not one, but four and forty good men and true representing those counties here, to back up every word of that statement. So that on that

item alone, and for Ontario alone, unrestricted reciprocity with the United States would benefit the farmers in the increased value of their farms, by \$200,000,000. What it may be for Quebec, what it may be for Prince Edward Island, what it may be for the Maritime Provinces, I do not pretend to say; I have not the same knowledge. However, I well believe that at least an equal sum, particularly if you take into account Manitoba, will be added to the value of their property. Sir, beside me sits my hon. friend from Prince Edward Island (Mr. Davies), and that hon. gentleman showed me, some time ago, a letter from a former fellow townsman, whom evil legislation and the National Policy had turned into a citizen of the United States, giving my hon. friend the right to draw on him, I believe, for \$5,000, to invest in a farm in Prince Edward Island, if only he thought there was a chance of unrestricted reciprocity. Sir, I have not the slightest doubt that an enormous increase in value amounting to many hundreds of millions would accrue in the first place, to the farmers of Canada, in the next place to the lumbermen, to the fishermen, to the proprietors of lands and property in the towns and villages throughout Canada. I know of no class who would be endangered by it except those worthy gentlemen of the Red Parlour, who have fattened so long at our expense, and have feasted under the regime of the hon. gentleman. The reason why the hon. gentleman does not desire to get reciprocity, or that he is not able to get it, is what I stated at first. The hon. gentleman, in this matter, is not a free agent, he is not free to act as he thinks the interest of the whole country requires. Party exigencies and the necessity of providing party funds for party managers, are the real obstacles in the way of unrestricted reciprocity. It is three years now since the first motion was made in favour of unrestricted reciprocity in this House. What have hon. gentlemen done in those three years? Worse than nothing, Sir. They have prejudiced our case in every possible way, they have got themselves into such a position that it is doubtful, except by a very great stretch of courtesy, whether they can get a hearing in the United States. Now, it is clear that these hon. gentlemen propose still to refuse to get us reciprocity, and that being so, I for my part demand, speaking for myself, speaking for my friends here, the representatives of a great majority of the agriculturists of Ontario—and I believe the great majority of the agriculturists of Canada—I demand that the exorbitant taxation under which the people now labour shall be reduced, and that it shall be reduced in reality, that we should see a genuine and *bonâ fide* reduction, not a sham reduction such as that of which notice was given this afternoon. Sir, the need of reduction is extreme. The hon. gentleman may not know it, I do not suppose the hon. gentleman does know it; but all over Ontario, and I believe all over Quebec, I believe all over the Maritime Provinces, there are no facts better known than this, that on the one hand the value of farm property is depreciating, on the other, the number and extent of mortgages is increasing immensely. Now, if hon. gentlemen dispute the facts which I gave them last year, I challenge them to make use of the census, or of any other means they please for the purpose of obtaining real and correct information as to the true state of the mortgage indebtedness

throughout Canada. Sir, the hon. gentlemen declined the challenge I gave last year. I am not able, therefore, as they did not choose to accept, to obtain that minute information which I would like to have obtained for the purpose of showing how grievously the condition of the agricultural population of Canada has depreciated during the last twelve years. But, Sir, the information which they would not get, has been supplied in part, at least, by some returns recently furnished to the Ontario Government. I have here a list showing the total number of chattel mortgages on farms undischarged in twenty-eight counties, on the 31st December, 1889, and I find that there were no less than 6,474 such chattel mortgages. If that proportion be extended to the other counties, it means that in prosperous Ontario, a country which, under good government, under honest government, ought to be among the most prosperous sections, not merely of North America, but of the world, one farmer in every twelve is reduced to the extremest distress, is hoisting what is a true equivalent to the black flag. I need not tell my agricultural friends that the very last thing that any farmer does is to give a chattel mortgage on his stock and implements; he must be reduced to the most extreme distress before he does that. I repeat here the statement which I made last year, that I believe, if the truth were known, it would be found that almost every second farmer in the majority of our counties is heavily mortgaged. I shall not go into details as to the amount of the mortgages, because I have given evidence enough to show how great it is, and because, as I said, when the hon. gentlemen refused my challenge, it was proof enough to all fair and impartial men, that they knew if that challenge had been accepted, the result would have been substantially as I have stated. Sir, we have here vast embarrassments among a great number of our farmers, we have great depreciation in the value of land, we have great arrest in the growth of population. As I have repeatedly stated to-night there are very few agricultural counties in Ontario in which the farm population is not retrograding, there are very few of our towns and villages able to maintain the natural increase of births over deaths. I have a curious incidental proof taken from the hon. gentleman's own Trade and Navigation Returns, showing how things are going on in that direction. I turned, the other day, to our exports of manufactured goods. There appeared to be a nominal increase to the value of \$1,000,000 over 1878, no very large increase. But it is desirable to see what constitutes our exports of manufactured goods. Here are the principal items: Of leather goods we exported in 1890, after twelve years of the National Policy, \$309,000 worth, as against \$804,000 in 1878; of wood and manufactures, \$850,000 worth; ships to the value of \$442,000; lime, \$175,000 worth; extract of hemlock, \$161,000 worth, not one of these items being such as the National Policy could be said in any way to have protected, and almost all having been exported in quite as large quantities 12 years ago as they are to-day. There are two other items to which I call the special attention of the House. Under the heading of exports of manufactured goods, I find the item of ice to the value of \$247,000—ice as manufactured goods under the National Policy—and for a concluding item, household effects, the effects of men leaving the country,

\$818,000. I will admit there is one article of manufactured goods in which the increase has been most notable and extraordinary under the fostering care of the National Policy, and that is the item of household effects. Briefly, as I understand the case, our position may be compared to that of a man who owns a huge estate, but who is entirely cut out of the most profitable market for his produce. We have room in this Canada of ours, as I well believe, for one hundred millions of people, and perhaps for more, and yet we cannot keep, and have not been able to keep for the last 12 years, a decent proportion of our young men and women in our own country. Sir, we have resources of a great many kinds. Some of our resources, I believe, are calculated to give us a natural monopoly in various important articles, and yet for lack of markets, for the United States is really our only available market except Great Britain, we are quite unable to make use of them. This confederation is not twenty-five years old, and yet in those years we have contrived to weigh ourselves down with as heavy a debt in proportion to our population, with a much heavier taxation in proportion to our population, than most nations of 500 years of age. We talk of our glorious constitution, we prate of our chartered liberties. Why, we deny to our people the most common rights and liberties known to England and to English custom, the right to do the best we can for ourselves, to buy in such market as we please, and sell in such market as we please, without being fined for the operation. We have used our natural advantages with this result, that to-day in the great country we have obtained possession of in the North-West we find literally hundreds of people where there ought to be millions. The hon. gentleman and his friends boast of their loyalty. They declare they cannot, forsooth, do anything that may imperil their loyalty, but they do not hesitate to drive a million of Her Majesty's subjects into exile. They talk of their faith in Canada, mark that, and the way they show it is by demonstrating that they are afraid to allow our people to compete in open markets with the rest of the people on this continent. They declare, forsooth, that they have faith in Canada, and yet, the people of Canada in their view are such poor knaves that they are quite unable to hold their own in competition with the people of the United States. I maintain no such doctrine, no such belief. One redeeming feature of the vast emigration of Canadians to the United States is this, that wherever Canadians have gone, from one end of the country to the other, they have asserted themselves and occupied positions of responsibility and importance in a most unusual percentage in proportion to the number now settled in the neighbouring Republic. Sir, these hon. gentlemen allege that we are fleeing from one protective system to a higher protective system. A child would know better than to use such an argument. If there be one thing clearer than another it is this, that the position of the United States is such, the extent and character of their territory is such, the mass of population is such, that there cannot possibly be conceived a country in which the experiment of protection, the mistaken and mischievous experiment, I believe, can be tried with less risk to the inhabitants than in the United States; and *per contra*, and conversely, there is no country

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on the face of the earth of which I have ever read, heard, or seen, so utterly unsuited to try the experiment of protection as this Canada of ours. Sir, the measure of the mischief of protection is essentially the measure of the narrowness of the area, and by that I do not mean the geographical area alone, for the larger the extent and the greater the population the less the injury done. I will give an illustration which I hope hon. gentlemen opposite will understand. What mischief would follow if Europe and America enacted the most insane protective tariff which ever entered into the heads of hon. gentlemen opposite against the manufactures of Asia and Africa? No harm would result. And similarly in our case I tell the hon. gentlemen that to all intents and purposes the nearest practical approach to genuine and real free trade for Canada lies in unrestricted reciprocity with the United States. I propose to crystallize our views briefly. The twelve years of folly, fraud and falsehood which we have struggled against have to a great extent done their work. The hon. gentleman tells us that trade is on a sound basis. I tell the hon. gentleman that, if unhappily the present harvest should prove below the average, we would be within measurable distance of a great financial crisis, and he will find that view is held by men of the greatest experience in business in this country. The time is ripe for a change; and what change shall it be? Our National Policy is discredited. We see quite clearly in our present condition that we must obtain relief or continue to see our population diminishing under our eyes until Canada is becoming very little better than a breeding ground for producing citizens for the United States. Instead of that we offer a clear cut rational policy; we offer a clear cut rational, plain and distinct policy; we say the only way you can redress the mischief you have done, the only way you can give our people a chance, the only way to increase our population, the only way in which you can make atonement to the farmers for the overtaxation you have wrung from them for these many years, is by obtaining reciprocity with the United States and in order that the sense of the House may be clearly expressed on the question I beg to move:

That the Speaker do not now leave the Chair, but that all the words after "that" in the main motion be struck out, and the following substituted therefor:

Resolved—That the situation of the country requires that the Government should forthwith reduce all duties on articles of prime necessity, and more particularly on those most generally consumed by artisans, miners, fishermen and farmers; and further, that the negotiations which the House has been informed are to open at Washington in October next should be conducted upon the basis of the most extended reciprocal freedom of trade between Canada and the United States, in manufactured as well as natural products.

Mr. FOSTER. I propose that we should follow the same course that we have done on other occasions, and go into Committee on the resolutions and pass them with what debate will be necessary, which, I hope, will not be very much at this time. Then we can concur in the resolutions in some future time.

Sir RICHARD CARTWRIGHT. And then we can proceed with the debate afterwards?

Mr. FOSTER. Yes.

Sir RICHARD CARTWRIGHT. Of course it is well understood that the fullest possible discussion will go on in future stages in the Committee.

Mr. FOSTER. Your motion will have to be withdrawn for the moment to allow us to go into Committee.

Sir RICHARD CARTWRIGHT. Of course this discussion cannot be possibly closed to-night, and, as my hon. friend suggests, it is of importance to the public service that these resolutions should be passed, so that under these circumstances I do not object to withdraw the motion for the present.

Mr. FOSTER. Very well, the resolution can be withdrawn for the moment and we can go into Committee.

Mr. SPEAKER. Is it the pleasure of the House that the hon. gentleman shall have leave to withdraw the amendment?

Amendment withdrawn.

House resolved itself into Committee on Ways and Means.

(In the Committee.)

On resolution 1,

Sir RICHARD CARTWRIGHT. Probably as these resolutions are long, it had better be understood that their adoption now is purely *pro forma* on our part, and is intended not in the slightest degree to imply our concurrence in them, but is merely for the purpose of giving the Government an opportunity of putting them in force at once and preventing any fraud on the revenue.

Mr. FOSTER. That is the understanding.

Mr. PATERSON (Brant). And that there will be perfect liberty to discuss or to object to any item hereafter?

Mr. FOSTER. Certainly.

Resolutions reported.

CHIGNECTO MARINE RAILWAY.

Mr. FOSTER moved third reading of Bill (No. 97) to amend the Act respecting the granting of a subsidy to the Chignecto Marine Transport Railway Company (Limited).

Sir RICHARD CARTWRIGHT. I understand that full provision is made in the contract with this company that our subsidy is only to be paid to them so long as they keep the road in good working order. I desire to know from the hon. Minister of Finance if that is the case.

Mr. FOSTER. The Act remains exactly as it was. No change has been made in that clause.

Sir RICHARD CARTWRIGHT. That is the case, is it?

Mr. FOSTER. That is the case, the schedule provides that.

Motion agreed to, and Bill read the third time.

WINNIPEG AND HUDSONS BAY RAILWAY.

On the Order being read for the to House resolve itself into Committee to consider the following proposed resolution:—

That it is expedient, in order to enable the Winnipeg and Hudson's Bay Railway Company to construct a railway from the city of Winnipeg to some point on the Saskatchewan River, to enter into a contract with such company for the transport of men, supplies, materials and mails for twenty years, and to pay for such services during

the said term eighty thousand dollars per annum, such payment to be computed from the date of the completion of the said railway.

Mr. LAURIER. We are not prepared for the discussion of this important item this evening, and I do not think the hon. gentleman should take it up.

Mr. DEWDNEY. It is rather important for the parties interested that it should be taken up this evening. Some of the financial parties interested are sailing in the course of a few days, and are very anxious we should get it through, and if it does not go through to-day it will not for a couple of weeks.

Mr. LAURIER. There was a misunderstanding the other day as to what would be the business on Friday last. Nobody expected this evening that anything would be taken up except the Budget, and I submit that it would not be fair to this side that we should be unexpectedly called on to consider this important Bill.

Mr. DEWDNEY. No one expected the motion to adjourn yesterday.

Mr. LAURIER. Well, you might have expected it.

Mr. FOSTER. It is not usual to give notice of such items as this on a Government day, because they are always expected to come up on such a day, and hon. gentlemen are supposed to be ready for the discussion. As it is of great importance that this item should be passed, I think the House ought to go on with it.

Mr. LAURIER. This is the first time in my experience that we ever adjourned the Budget debate when it had but fairly commenced.

Mr. FOSTER. It is not adjourned.

Mr. LAURIER. It is not going on.

Mr. BOWELL. The hon. gentleman's memory is at fault. There has never been a case but one, since I have been in the House, in which the course pursued to-night has not been followed. That case occurred the last time, or the time before, when the Budget ran over a week or ten days, causing great confusion in carrying out the law as proposed. In all other cases the tariff resolutions have been carried on the day introduced.

Mr. LAURIER. I think the usual course taken has been that the House immediately adjourned, and did not take up any other matters.

Sir RICHARD CARTWRIGHT. The Minister of Customs will find that my hon. friend is quite right. We have repeatedly, in the interests of the public service, on both sides of the House, consented to allow the tariff resolutions to be put in force for the purpose of preventing manifest loss to revenue, but it has always been the custom to adjourn immediately, and, if I remember rightly, it was two o'clock before we adjourned last night.

Mr. DALY. I submit that this motion has been on the paper for some days, and that hon. gentlemen opposite have had every opportunity of enquiring into it. The Minister of the Interior is prepared to give certain information on the question, which, I understand, is all that is required, and I may say it is highly important in the interest of this work, which is of great moment to our people in Manitoba and the North-West, that this matter should come up to-night. There are

gentlemen interested in it who are desirous of sailing for Europe at the earliest moment, in order that they may have the opportunity of placing the scheme in the hands of their friends, before the financial year closes.

Sir RICHARD CARTWRIGHT. We must have time to consider it. It is a question involving millions of dollars, and involving indirectly the question of the practicability of navigating the Straits, and we must have time to hear what has been said on the subject, and to consider the general policy.

Mr. DEWDNEY. The portion of the road for which we propose to ask assistance, although a portion of the Hudson Bay Railway proper, does not involve the consideration of the whole question. It is only proposed to assist in the construction of the first three hundred miles of the line, known as the Hudson Bay Road, as a colonization road, exactly in the same way as the two other roads built by the Canadian Pacific Railway to the Saskatchewan. It does not call into question the Hudson Bay route whatever.

Sir JOHN THOMPSON. Last evening, when the importance of having the resolutions about the Hudson Bay Railway advanced a stage was brought to our notice, we were fully impressed with the necessity of curtailing the Budget debate, if necessary, in order to make room for it. It was represented to us that the negotiations which will be connected with the enterprise, would be materially advanced if the resolution itself passed a stage to-night. There is no desire on the part of the Government to curtail the debate. Of course hon. gentlemen opposite cannot take up a question they are not prepared to discuss, but if they will let the resolution go forward a stage, I am sure great advantage will be gained by the enterprise itself. We can do nothing, under the circumstances, but appeal to hon. gentlemen opposite, and give them assurance that they will have ample time to discuss the measure.

Mr. LAURIER. Since it was determined by the Government yesterday evening that this important matter should be taken up to-day, I only regret that the rules, which the hon. gentleman said yesterday ought to prevail in the relations between the Government and the Opposition, were not carried out, and the Opposition not informed that this matter would be taken up.

Sir JOHN THOMPSON. That is not my fault but my hon. friend; because when the proposition was made to adjourn he did not seek any information as to what business would be taken up to-day, otherwise we would have been prepared to tell him.

Mr. DAVIES (P.E.I.) I understand that we have only been able to stop the Budget debate and reach the present stage, by the consent of the leader of the Opposition to withdraw for the time being the amendment proposed by the hon. member for South Oxford (Sir Richard Cartwright) so as to enable the Government to make the necessary progress with the tariff resolutions. It would be rather unfair, to say the least, if after extending that courtesy to the Government, they should insist on springing on the House a resolution of this important character, on which some hon. gentlemen desire to speak. If we go into committee and report the resolution, there will be no adequate opportunity to discuss

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the matter at a further stage. The hon. gentleman might take it up the first thing on Thursday before going on with the Budget debate. We have no disposition to throw obstacles in his way, but some consideration should be shown the Opposition under the circumstances.

Mr. BOWELL. The only reason why I disapproved of the statement of the hon. gentleman was, that he said there was no other opportunity so favourable as this to discuss this question; but he knows that a Bill will have to be introduced, founded on these resolutions, and that will have to be referred to committee, so that the fullest opportunity for discussion will be given. The only difference is, that there will be two opportunities in that case, whereas there would have been only one now, for the discussion.

Mr. DEWDNEY. In view of the line taken by the Opposition, and seeing that not much progress could be made now, I think, if the Opposition will agree to take this matter up on Thursday, I will waive my objection.

DECK AND LOAD LINES.

Mr. TUPPER moved second reading of Bill (No. 106) to provide for the marking of deck and load lines.

Motion agreed to, and Bill read the second time.

Mr. TUPPER. I stated on the introduction of this Bill that I intended, when it was read the second time, to ask that it be referred to a Select Committee, and I propose now that it shall be referred to a Committee composed of the following gentlemen:—Messrs. Borden, Flint, Gillmor, Welsh, Yeo, Davies, Langelier, Kaulbach, Kenny, Putnam, Tupper, Skinner, Burns, Adams, Wood, McDonald (King's), Curran and Desjardins (L'Islet).

Motion agreed to.

ADMIRALTY COURTS.

Sir JOHN THOMPSON. I was anxious to proceed with the Bill in reference to the admiralty jurisdiction, and I understood it was being examined by hon. gentlemen opposite. I would ask whether they are ready to go on with that now?

Mr. DAVIES (P.E.I.) I hope the hon. gentleman will not ask us to go on with that now, as it was expected that the debate on the Budget would take the whole day.

INTERCOLONIAL RAILWAY.

Mr. BOWELL moved second reading of Bill (No. 105) respecting the Intercolonial Railway.

Mr. DAVIES (P.E.I.) I think the hon. gentleman should give us some explanation as to what railways this Bill is intended to apply.

Mr. BOWELL. The object of the Bill is simply to curtail the system of keeping the accounts. It refers to the main line of the Intercolonial, the Eastern Extension Railway, the Cape Breton Railway and the Windsor Branch Railway. At present a separate account has to be kept, and up to this year a distinct set of books has been kept for each of these lines, entailing a considerable amount of expense which will be removed by this measure. The object of the Bill is to make these roads form part of the Intercolonial, and that is the only ob-

ject, as I am informed by the Railway Department and the Chief Engineer. I asked him to make a statement as to the effect of this Bill upon the running of the road, and he assures me that it will have no effect whatever in that regard, but will simply consolidate the different branches which exist now as separate lines, and for which a separate account has to be kept.

Mr. DAVIES (P.E.I.) Did I understand the hon. gentleman to say that the Windsor and Annapolis Railway was included?

Mr. BOWELL. No; the Windsor Branch.

Mr. DAVIES (P.E.I.) There is only one objection to this that I can see, and I suppose it is not of much weight. Under the present system, we have some opportunity of ascertaining what portions of the road are paying and what are not. Now, you have the Intercolonial proper, running from Point Lévis to Halifax, and from that to New Glasgow, and you have the expenditure and receipts on that main line. You have also the expenditure and receipts of the Eastern Extension, and you will have hereafter the expenditure and receipts of the Cape Breton Railway, as you now have the expenditure and receipts of the Prince Edward Island Railway. That enables one to judge of the portions of the road which are paying and those which are not paying. The only objection I see is that you will be unable to see which parts of the line pay and which do not pay, and it might be important to know that. I have never raised any objection to the construction of the road through Cape Breton, which has cost some \$3,000,000. In view of the policy adopted by the Government in 1882, I never raised any objection to that, but I always had the extremest curiosity to learn what would be the effect of the running of that road. I have heard my hon. friends opposite frequently refer to the fact that the Prince Edward Island Railway was run at a loss, and no doubt that was true, and I have heard references to the possible results of the running of the Cape Breton road. Therefore, not from curiosity alone, but for the purpose of comparison with railways in other portions of the Dominion, I was anxious to know what would be the result of the construction of this Cape Breton Railway. We have the Eastern Extension, we know exactly what that costs; we have the Prince Edward Island road; we have the main line and the Windsor Branch. But when these are merged, all hope of attaining any result in that direction will be gone, and the general working of the road in the Island of Cape Breton will be merged in the general working of the Intercolonial Railway, and the House will have no opportunity at any time of determining whether that is a loss or whether it is a gain. My own impression is very strong that it will be a mighty heavy loss, but whether that impression is well founded or not, nobody will be able to judge hereafter. Of course, I am not able to say whether the necessities that the hon. gentleman speaks of, are such as to justify this change, and the loss which I can see we will derive in the matter of information. I dare say the hon. gentleman may be better informed than I am, but I can see great difficulties that will arise in the way I have stated.

Mr. CAMERON (Inverness). My hon. friend from Queen's, Prince Edward Island (Mr. Davies), I am sure will be very glad to learn that so far as

we can judge up to the present time, there will be no loss in the running of the Cape Breton road.

Mr. DAVIES (P.E.I.) As it has not been run, I do not see how there can be a loss.

Mr. CAMERON (Inverness). The Cape Breton road has been run since January last, and in every month since it commenced to run there has been a large surplus over the running expenses. So far as I am concerned, as well as the other representatives from Cape Breton, I can assure my hon. friend that I will be very glad to see the accounts of the running of that road kept separate; but if the Government feel that these accounts can be more easily kept by having them kept with the other roads I can have no serious objection. But my hon. friend from Queen's will find out by experience, that the importance of Cape Breton is so much superior to that of little Prince Edward Island, that there will not be any loss in the running of that road.

Mr. McMULLEN. I think this is a very important Bill, for it is a very short one, and I think its importance has been plainly stated to the House by the hon. member for Queen's, P.E.I. (Mr. Davies). The Opposition have continuously opposed the construction of many of those lines for the last ten years, on the ground, first, that they duplicated the Intercolonial Railway at many points; and, secondly, because they believed the roads would not pay the running expenses, let alone pay interest on the money invested. For I can easily see by the passage of this Bill, that it will free the present Government of all the responsibilities that they undertook, in the statements they presented to the House with regard to the earnings of the different lines. For instance, the Oxford and New Glasgow Line, which was built virtually to duplicate the Intercolonial road, will now be merged in the non-paying Intercolonial Railway, and many of the other lines in the same way. It is going to give the Government an opportunity of continuing the recklessness of which they have been guilty in the construction of those lines, and, it will prevent that investigation into the separate earnings of those portions of the Government railways that the country has a right to have, and as a simple matter of justice to the Opposition, that we should have in order to verify the predictions that have been made with regard to those lines. If the hon. gentleman gets this Act passed, the form of keeping the books of the whole railway system under the control of the Dominion will be altered; it will be treated as one line, and those lines that have been built foolishly, extravagantly, unnecessarily, will be merged into the whole system, and the country will be unable to learn, if ever that consolidation takes place, whether those lines are earning their own expenses or not. We cannot tell a single thing about them. Now, I say that it is wrong that that condition of things should be inaugurated, because the country has a right to know whether the predictions made by the Government at the inception of these different schemes have been realized with regard to the probabilities of their earning money sufficient to pay, not only their running expenses but some small interest on the investment. I suppose the acting Minister of Railways has begun to realize by past experience that if they are left open to criticism, as they are under the

present arrangement, their predictions with regard to them will no more be fulfilled than were their predictions with regard to the North-West and the export of grain, and the enormous receipts from lands and so on, in those glowing statements and grand predictions that were presented to the country by Sir Charles Tupper when he induced the House to grant a \$30,000,000 loan to the Canadian Pacific Railway. Then we were to have so many inhabitants to go in there, we were to have so many hundred millions of bushels shipped from that country, and we were to have so many millions of money paid into the Dominion treasury by a certain time. Not one of those predictions has been fulfilled; we have not got ten per cent. of the amount promised. Now, we can well remember in what glowing terms, with what amount of eloquence the High Commissioner brought before this House his statements as to what would be the result of the building of the Oxford and New Glasgow road. He told us it was to open up an enormous extent of country, it would shorten the distance between the cities of Ontario and the cities of the east, it would be the means of bringing the trade of the Maritime Provinces to the doors of the people of Ontario, and it was an absolute necessity. He presented such a glowing picture to the House of the magnificent results that would flow from the construction of that line, that he induced many to believe that it would be the greatest boon that could be possibly achieved. But now we know perfectly well that in place of its being 45 miles shorter it was only four or five miles; in place of the grades being less, as he said they would be, in order to facilitate the bringing of New Glasgow coal to Montreal and other ports, the grades were actually steeper. We know that in order to meet the necessities of the party at that particular time, and to run the road from door to door in order to satisfy that particular section, the road was virtually spoiled. It was lengthened and run zigzag, to different points, and the result was to increase the grades and to leave them no better than they were on the line of the Intercolonial Railway. Now, that will be merged along with the Intercolonial Railway, along with all the rest of the lines. This Bill is short, but it is going to give the Government the power of burying up their past acts with regard to their reckless conduct in expending money in the Maritime Provinces in useless and wasteful speculations, not as a necessity, but for political purposes. The whole thing will be merged into one, and neither the people of this country nor the Opposition will ever be able to find out the exact earnings of the portions that have been built, and the country will be called upon to pay an annual deficit, as it has done for many years past, to keep these roads running, and it is going to enable the Government in that way to bury up the extravagance that has characterized their conduct in connection with the road during the last ten years.

Mr. KENNY. I think the hon. member for Queen's, Prince Edward Island (Mr. Davies), and probably other hon. gentlemen sitting on that side of the House, will remember that when the Intercolonial Railway expenditure was under consideration, either the past session or the session immediately previous, it was suggested, I think, by an hon. gentleman sitting on the other side of the House, that it would be more convenient if all

Mr. McMULLEN.

these items were congregated together and we had one system of book-keeping. I am speaking now entirely from memory. I think the hon. member for Queen's was in the House at the time; he takes an interest in all these roads, and it was suggested by an hon. gentleman opposite that it would be more convenient for the public service if these expenditures were united together, that the system of book-keeping would be more perfect. I think I am correct in making the statement that the suggestion actually came from the other side of the House to make this change. But under the circumstances, I think we must admit that while there is great force in the argument presented by the hon. member for Queen's, it may not, perhaps, be so easy to find the details of each particular branch, yet in dealing with Intercolonial Railway expenditure, I think the Bill before the House will lighten the duties of the members of the House.

Motion agreed to, Bill read the second time and House resolved itself into Committee.

(In the Committee.)

Mr. MULOCK. I would like to know what is the expense of the present system of bookkeeping. The Minister of Customs, I think, rests his Bill wholly upon the ground of the saving of expense. The object, he says, is to save the expense of keeping separate accounts. There is a great deal of force in the arguments advanced by the hon. member for North Wellington (Mr. McMullen), and there should be a balancing of arguments both ways. One can readily see that if this principle is to apply in future, every time there is an extension of the Intercolonial, or the Government chose to construct some branch railway, the parent line may have the financial success of the enterprise completely given to it. That is not the proper course to adopt. The Minister should be able to give the House the information we ask, and tell us how much will be saved.

Mr. BOWELL. I frankly tell the hon. gentleman I do not know. My connection with the railway department has only extended over a few days, and details such as have been asked I am not prepared to give at this moment. Nor am I prepared to accept the statement made by the hon. member for North Wellington (Mr. McMullen), but I do not propose to discuss it. I can tell the hon. gentleman and this House that, so far as this Bill is concerned, it is introduced for the sole object of cutting down the expenses as far as possible in the management of that road. I know there is no desire on the part of the Government, or those connected with the department, to hide anything or deprive hon. gentlemen or the country of all the information they should have, and they should have all it is possible to give them. I fully comprehend the force of the suggestions or objections, if I may be allowed to so term them, thrown out by the hon. member for Queen's (Mr. Davies). There is a great deal of force in what he says. What I suggest is, that if the hon. gentleman will allow the Bill to go through Committee I will not ask the third reading to be taken until I have had sufficient time to enquire from the department, and obtain the information which the hon. member for North York (Mr. Mulock) asks, and such information as other hon. members desire. My own impression is, and I admit that I have very little know-

ledge of railway book-keeping, that there will be no difficulty in obtaining the information which the hon. gentleman suggests. I can understand that in running a train through from one point over the main line and returning, the cost of the coal consumed on one portion of the route might be difficult to ascertain. Still, there might be a *pro rata* mileage charged. To be frank with hon. members, I must say I am not sufficiently acquainted with the details to give the information requested; but I will make enquiries at the department and ascertain if the system of book-keeping would not enable the hon. member for Queen's (Mr. Davies) or any other member, who desires the information to obtain it as fully as if half a dozen sets of books were kept in connection with the different branches. I will also endeavour to find out what saving will be made in connection with this matter, as asked by the hon. member for North York (Mr. Mulock).

Mr. DAVIES (P. E. I.) I have no desire to factiously obstruct the passage of the Bill, and I am not therefore going to offer any objection to the Bill going into Committee. The hon. gentleman will see that the Windsor Branch stands in a different position from the other branches. The Government maintain the way of the Windsor Branch and receive one-third of the receipts, while two-thirds of the receipts go to the Windsor and Annapolis Company. I cannot see very well how the accounts of the branch can be mixed up with those of the Intercolonial Railway, which is owned by the Government. I may say frankly to my hon. friend from North Wellington (Mr. McMullen) that I offer less opposition to this Bill, because at present the accounts of the Oxford and New Glasgow and Pictou roads are included in the Intercolonial accounts. The only roads the Bill asks to amalgamate with the Intercolonial Railway in this regard are the Eastern Extension and Cape Breton roads. My anxiety was to discover what the working of the Cape Breton road would be. The hon. member for Inverness (Mr. Cameron) has stated a fact not within the knowledge of members of this House, and not, I believe, contained in any official record, certainly it is not in the railway report or railway statistics or published in the *Canada Gazette*.

Mr. CAMERON (Inverness). If the hon. gentleman will ask for a return he will find the facts I have stated are correct.

Mr. DAVIES (P.E.I.) I will take the opportunity to ask for a return. To avoid the necessity of obtaining a return, perhaps the hon. gentleman will kindly give the information.

Mr. CAMERON (Inverness). With very great pleasure.

Mr. DAVIES (P.E.I.) Perhaps the hon. gentleman will tell us in regard to the working of the Cape Breton road, which it is now proposed to amalgamate with the Intercolonial Railway, what have been the receipts and expenditures during the time it has been in operation? If the receipts and expenditures of the Oxford and New Glasgow and the Pictou Branch had been separate, I would have been disposed to maintain the objection made by the hon. member for North Wellington (Mr. McMullen), but as they are contained in the Intercolonial accounts, the only thing we are discussing

is whether the Eastern Extension and Cape Breton roads should be kept separate.

Mr. BOWELL. I can fully understand the objection, more particularly in view of the difficulty I have had in the Customs Department in coming to a correct conclusion as to the amount of drawback in the shape of Customs duties paid on articles used upon the road, and purchased in foreign countries by those who owned them. In the original charter obtained from the Province of Nova Scotia certain conditions were made and a perpetual exemption from Customs duties was given, and my difficulty has been to ascertain the amount chargeable to that portion of the road which belongs to the Intercolonial Railway, over which their engines, passenger and freight trains were run. To use a familiar expression we have had to "jump at it."

Mr. McMULLEN. The Grand Trunk Company operate a great many lines and keep separate accounts for each road. From the company's annual report you can trace the mileage and earnings of every line they operate. It must also be remembered that the Grand Trunk Company are operating far more branch lines than are the Dominion Government. I was not previously aware that the Windsor and New Glasgow road was operated as part of the Intercolonial.

Mr. BOWELL. Are not most of the branch lines of the Grand Trunk Railway Company leased roads?

Mr. McMULLEN. Some are not, and still the accounts are kept separately. It is highly desirable that we should have this information I ask, unless the item for book-keeping is going to be a very important one, as it is highly desirable that this country should be in possession of the facts with respect to the annual earnings of the lines; and to verify and substantiate that our fault-finding is necessary, we should be able to trace the annual cost of the different portions of these lines. I was pleased to hear my hon. friend from Inverness (Mr. Cameron) say that the Cape Breton line was now paying running expenses and a little over. That is more than we expected; but we hope that it will do more than that, and if it does pay a small interest on the investment it is fair to Cape Breton that the rest of the Dominion should know that its railway is not a drain on our resources. If the accounts are not kept separately, the impression might prevail, without any possibility of setting it right in the future that the Cape Breton Railway was a drain on the country. When the hon. Minister presents his statement as regards the cost of book-keeping we will be able to decide whether it is better to have specific information as to the annual cost of each portion of this line than to save the paltry sum which might be saved by the passing of this Act.

Mr. CAMERON (Inverness). I have no desire to prolong the discussion, but if separate accounts are kept I would suggest they should be kept differently from the manner suggested by my hon. friends opposite. I would suggest that the accounts of the branch of the Intercolonial Railway from Point Lévis to Moncton be kept separately from the accounts of the rest of the road; that the accounts of that part of the Intercolonial Railway between St. John and Moncton, between Moncton

and Sydney, C. B., and between Halifax and Pictou be also kept separately. If that were done I think it will be found out that the eastern portion of the road pays remarkably well, and that the deficit on the running of the Intercolonial Railway is largely incurred between Point Lévis and Moncton, and that it is chiefly on account of carrying the products of the great Province of Ontario to the consumers down by the sea at a lower rate than should be paid to the Intercolonial Railway.

Mr. CAMPBELL. I would like to ask the acting Minister whether, if the Bill passes and all the branches and extensions are under the one management, it is contemplated to make any change in the freight arrangements as regards the new branches of the road?

Mr. BOWELL. I do not know.

Mr. CAMPBELL. Perhaps the Minister could give me the information before the Bill passes. I simply want to point out that along the Intercolonial Railway from Campbellton to Halifax, including Pictou, the rate is precisely the same, but the moment you leave Windsor Junction on the Windsor and Annapolis Branch, the rates are much higher; and also from New Glasgow, Antigonish, Port Mulgrave and Point Tupper, the rates are a great deal higher. I want to find out, if they were all brought under the one management, whether the rates could not be made the same from Antigonish as they are along the line to Pictou and other points on the Intercolonial Railway. I see no reason why, on the Windsor and Annapolis Branch, freight can be carried to Pictou at a certain rate and it cannot be carried to Annapolis at the same rate. I hope that before the Bill passes we shall have some information on this.

Mr. BOWELL. Does the hon. gentleman wish to know whether the through rates or the local rates are to be changed?

Mr. CAMPBELL. The through rates.
Bill reported.

Sir HECTOR LANGEVIN moved the adjournment of the House.

Motion agreed to; and House adjourned at 11.15 p.m.

HOUSE OF COMMONS.

WEDNESDAY, 24th June, 1891.

The SPEAKER took the Chair at Three o'clock.

PRAYERS.

FIRST READING.

Bill (No. 115) to amend the Act respecting Government Harbours, Piers and Breakwaters.—(Mr. Tupper.)

POSTMASTER AT GALT.

Mr. SEMPLE asked, Did Mr. Thomas Cowan resign the office of postmaster at Galt before the 5th of March last? If so, has he been reappointed, or does some other person hold the position?

Mr. CAMERON (Inverness).

Mr. HAGGART. Mr. Thomas Cowan did resign the office of postmaster at Galt before the 5th of March last. He has been reappointed.

INDIAN AGENT ALLEN.

Mr. LANDERKIN asked, Did the Government receive the following letter, and if so, what action have they taken in regard to it?

"To the Right Honourable

"The Superintendent General of Indian Affairs.

"SIR,—Last winter (a year ago), there were informations laid with Indian Agent Allen by the undersigned Indians.

"Three of those informations were against Thomas Mc Vittie, of Denny's Mills, for selling liquor to Indians.

"McVittie was fined in two of the cases; fine \$50 in each case.

"The informant Johnston, who is an Indian of the Saugeen Band, went several times to Allen about his share of the fines, but could not get any cash. All that he could get from Allen was \$10 in goods out of Mulvane's store in Port Elgin, and he was entitled to \$50, \$25 in each case.

"There was an information lodged against Charles Briggs, of Paisley, for giving liquor to Indians.

"The information against him was laid by Thomas Solomon, an Indian and Councillor in the Band.

"Briggs came in company with Mr. Hilker, of Port Elgin, and paid him (Allen) \$50, fine and costs, before trial.

"Solomon has not got his \$25.

"At last October pay-day (October, 1890), Agent Allen hearing that Solomon was going to report the matter to the Indian Department, sent word to him that he had \$15 for him, and if he did not take that he would not get any.

"Agent Allen is giving orders on our annuity money to merchants, and one merchant he allows to make orders, and accepts the same.

"He allows the same merchant, R. Buckley, to sit at the pay-table and collect his pay, when all others have to stay out of doors.

"There are several matters that require investigation, and if you require proof you can summon the following persons, viz.:—A. Lindsay, Merchant; John Wood, Merchant; D. Robertson, Merchant; J. J. Creighton, Merchant; A. Hambridge, Carriage Manufacturer; H. Harmer, Furniture Dealer; and nearly the whole Band of Saugeen Indians.

(Signed) "RALPH JOHNSTON.
"THOMAS SOLOMON."

Mr. DEWDNEY. A letter from these parties was received by the Department of Indian Affairs, containing charges against Agent Allen, similar to those mentioned in this letter, which purports to be a copy thereof, but is not. The letter was acknowledged, and a copy of the same was forwarded to the Inspector of Indian Agencies and Reserves with instructions to investigate and report upon the same. No report has yet been received from the inspector.

POSTAL ACCOMMODATION AT DIGBY, N.S.

Mr. BOWERS asked, Is the Government aware that the postal accommodation at Digby, N.S., a central station for the distribution of mail, is totally insufficient for the demands upon it? If so, is it the intention of the Government at an early date to make more suitable arrangements for the erection of a building and the extension of postal accommodation in that locality?

Mr. HAGGART. The Post Office Department has no communication on the subject of the question asked by the hon. gentleman.

BERNE COPYRIGHT CONVENTION.

Mr. TROW (for Mr. EDGAR) asked, Whether the Canadian Government has requested the Imperial Government to give notice, on behalf of Canada, for