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CANADA

BUDGET SPEECH

DELIVERED BY

HON. GEORGE E. FOSTER, D.C.L., M.P.

MINISTER OF FINANCE

IN THE

HOUSE OF COMMONS

TUESDAY, 14TH FEBRUARY

1893



OTTAWA

PRINTED BY S. E. DAWSON, PRINTER TO THE QUEEN'S MOST
EXCELLENT MAJESTY

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WAYS AND MEANS—THE BUDGET.

Mr. FOSTER moved :

That the House resolve itself into Committee to consider the Ways and Means for raising the Supply to be granted to Her Majesty.

REVENUE, 1891-2.

In rising to move that the House go into Committee of Ways and Means, it becomes my duty, in the first place, to make, as briefly as I possibly can, consistent with plainness, a statement of the operations of the preceding year, and of the current year, so far as we have overtaken it. In doing so, I desire, without further ceremony or prelude, to state that in March last, when I had the honour of making my financial statement in this House, I estimated that the revenue which would accrue during the year would be as follows :—

Customs.....	\$20,500,000
Excise.....	7,900,000
Miscellaneous.....	8,265,600
Total.....	\$36,665,000

The actual receipts were as follows :—

Customs.....	\$20,501,059
Excise.....	7,945,097
Miscellaneous.....	8,475,715

Total.....\$36,921,871

showing a very slight excess of \$1,059 in Customs; an increase of \$45,097 in Excise, and an excess of \$210,715 in Miscellaneous. So that, whereas the total estimate for that period was \$36,665,000 the total receipts were

\$36,921,871, being an excess of receipts over estimates of \$256,871. The following were the receipts during the preceding year of 1890-91 :—

Customs.....	\$23,399,300
Excise.....	6,914,850
Miscellaneous.....	8,265,160
Total.....	\$38,579,310

This shows a decrease in Customs receipts during 1891-92, as compared with 1890-91, of \$2,898,241 ; an increase in Excise of \$1,080,247, and an increase in Miscellaneous of \$210,555, or a total of receipts in 1891-92 of \$36,921,871, as compared with a total of \$38,579,310 in 1890-91, showing a total decrease of \$1,657,439. In the case of the following articles we have received increased Customs duties :

Ale, beer and porter.....	\$ 27,136
Animals, living.....	2,319
Books, periodicals and other printed matter.....	15,410
Candles.....	1,252
Carriages.....	50,766
Carpets.....	11,740
Cement.....	1,162
Coal and coke.....	13,408
Drugs, dyes, chemicals and medicines.....	31,523
Earthenware and china.....	37,228
Fancy goods.....	34,452
Flax; hemp and jute, manufactures of.....	25,916
Fruits, green.....	41,511
Furs and manufactures of.....	20,847
Glass.....do.....	9,388
Gloves and mitts.....	7,636
Gold and silver, manufactures of.....	3,655
Gun powder and other explosives.....	5,565
Iron and steel, manufactures of.....	70,979
Lead, and manufactures of.....	1,522
Leather, and manufactures of.....	29,504

Metal, composition and others	\$5,835
Oils, coal, kerosene, and products of	33,821
Packages	2,583
Paper, and manufactures of	21,564
Printing presses	2,702
Seeds and roots	10,900
Soap of all kinds	4,702
Spirits and wines upon which an increase of Customs duties was placed	12,874
Varnish	2,710
Vegetables	9,247
Wool, and manufactures of	132,214
All other dutiable goods	165,204

And from the following articles decreased duties were received:—

Brass, and manufactures of	\$ 15,563
Breadstuffs	139,557
Bricks and tiles	11,963
Clocks and clock springs	1,878
Coffee	1,121
Coffee, and manufactures of	20,709
Cotton, and manufactures of	20,802
Crapes of all kinds	2,163
Embroideries, not otherwise provided for	13,715

Fish, and products of	\$2,935
Fruits and nuts, dried	3,440
Gutta percha and India rubber, manufactures of	43,461
Hats, caps and bonnets	18,318
Jewellery	12,510
Musical instruments	3,320
Oils, all other, N.E.S.	10,955
Oil cloth	4,207
Pickles, sauces and capers, of all kinds	2,490
Butter, cheese, lard and meats	101,753
Salt	7,991
Ships and vessels and repairs on	7,551
Silk, manufactures of	64,045
Spices of all kinds	4,311
Stone, and manufactures of	16,815
Sugar of all kinds	3,064,462
Molasses	4,096
Sugar candy and confectionery	16,461
Tea	7,849
Tin, and manufactures of	2,190
Tobacco, and manufactures of	56,308
Watches, and parts of	19,158
Wood, and manufactures of	10,888

Coming to Excise, the changes are considerable, as shown by the following:—

TABLE showing quantities taken out and duties accrued.

	1890-91. Quantity.	1891-92. Quantity.	1890-91. Duty Accrued.	1891-92. Duty Accrued.	Increase.
Spirits	2,708,841	2,578,973	\$3,544,191	\$3,873,801	\$329,610
Malt	Lbs. 57,909,201	46,425,882	588,593	928,517	339,924
Cigars	101,117,080	104,521,493	605,017	623,952	18,935
Cigarettes	36,066,601	40,147,200	54,737	62,933	8,196
Tobacco and snuff	Lbs. 9,688,643	9,872,166	1,869,895	2,356,904	487,009
			6,662,433	7,846,107	1,183,674

The increased duty in spirits, as shown above, is due to the increased Excise placed upon them. The per capita consumption of Excise articles and the average of the whole period has been always given, and I give it here as well:

PER CAPITA CONSUMPTION.

	Spirits.	Beer.	Wine.	Tobacco
	Gals.	Gals.	Gals.	Lbs.
Average from 1867	1.134	2.739	.139	2.130
do for 1890-91	.745	3.790	.111	2.292
do. for 1891-92	.701	3.516	.101	2.291

DECREASE IN TAXATION.

Generally, with regard to these different items of the revenue, it may be interesting

for the House to know that, comparing 1891-92 with 1889-90, taking the full years before and after the increase and reduction of duty respectively, the imports in 1891-92 were \$116,978,943, against \$112,765,534 in 1889-90. But the duty accruing last year was only \$20,550,581, as compared with \$24,014,908 in 1889-90. Thus, though the imports for home consumption last year as compared with the years 1889-90, were \$4,213,359 greater, the duty collected was \$3,464,327 less, or, in round figures, the Customs taxes were three and a half millions of dollars less than in 1889-90. The per capita Customs burden in 1889-90 was \$5.01, and in 1891-92 \$4.25, being a reduction per head in the burden of taxation of 76 cents. The duty per cent of dutiable and free goods in 1889-90 was 21.21; last year it was 17.56, a reduction of 3.65 in the rate of duty. It is as well to state here in carrying this a

little further, that the total duty collected in 1891-92 from Customs was smaller than in the year 1882 by one and one-fifth millions, than in 1883 by two and one-half millions, than in 1887 by two millions, and than in 1889-90 by three and one-half millions of dollars, showing that the contention is true that the present Government, in the furtherance of its policy, is from year to year materially reducing the taxation of the country. In making the changes in the tariff in June, 1891, I estimated a loss upon the average consumption of sugar of \$3,500,000 in our revenue. I estimated a gain from the Excise duties of \$500,000 on malt, \$600,000 on spirits and \$400,000 on tobaccos. But the increase has not come up to the estimate. The increased gain in malt was \$339,924, in spirits \$329,610. In tobacco the estimate was exceeded. Whereas the estimate was \$400,000, the increase has been \$514,140. The total increase from these higher Excise duties was \$1,183,674. In order to meet these higher Excise duties to some extent, the duties on imports of these articles were slightly increased. The result was not to increase the revenue, for, although we received an increase in ale and porter of \$27,136, and in spirits and wines of \$12,874, we had a decrease in imported tobaccos of \$56,308, so that the total decrease in Customs amounts to \$16,298 so far as these increases were concerned. Therefore, as regards the increases and losses which were estimated, the revenue has gained less from the impositions upon malt and spirits, and we have lost more than I have estimated by taking off the duties upon sugar, on account of the increased consumption as shown by the following table:

SUGAR CONSUMPTION.

Year.	Lbs.	Value.	Duty.
		\$	\$
1888-89.....	223,841,171	5,837,895	3,675,724
1889-90.....	174,045,720	5,186,158	2,851,547
1890-91.....	197,163,919	5,005,397	3,138,894
1891-92.....	345,418,485	9,082,523	77,828

The figures indicate a consumption as per customs returns for 1891-92 of an average of about 70 pounds for each man, woman and child in the Dominion. So that if we had kept the same taxation

upon the sugar for 1891-92 which ruled in the preceding year, instead of \$77,828, we should have got \$5,418,918. That is to say, at the same rate of consumption, we have actually removed from the taxation of the country five and one-third millions of dollars.

Mr. LANDERKIN. Why didn't you do that ten years ago?

Mr. FOSTER. Don't be in too great a hurry; always make haste slowly. Deducting one million dollars of Excise which we added and which accrued from the increased Excise duties, the net decrease in taxation was four and one-third millions of dollars, which amounted to 90 cents per head of the total population. Now, it is fair to say that if the remission had not been made it is not probable that the consumption would have been quite so high, for the cheaper the product the greater the consumption; that is notable in the case of tea and sugar, and articles of that kind. It is, however, true that in taking off the duties upon raw sugar we have remitted to this country, upon an actual necessary consumption of sugar, an amount of money in the neighbourhood of \$5,000,000 during the last year. While on that point it may be just as well to make a statement in order to contrast the two policies, in order to meet to a certain extent, an assertion which is often heard, that the system of taxation and the amount of taxation as it bore upon certain classes, was less under the administration of our predecessors than under our own. Let me add this further statement: that we collected on coffee in 1892, \$7,177; but if the same duties had been paid upon the coffee consumed in this country last year as was placed upon coffee under the preceding administration, instead of the people having paid \$7,177 they would have paid \$66,746. Duty on tea was last year paid to the amount of \$8,265. If the same rates of duty had been paid last year as were paid under the preceding administration the country would have paid on the same consumption of tea \$1,266,233 instead of \$8,265. In the matter of rice, which is also the poor man's food, we paid last year \$80,762; but if the duties in force under the preceding administration upon the article of rice had been paid last year, instead of that amount the people would have paid \$229,820. In sugar, as I have stated, the duty of 1892 was about \$77,000,

whereas under the rate of taxation existing under the preceding administration, the duty paid would have been \$4,438,109. That is to say, on these four articles alone, coffee, tea, rice and sugar, the country paid last year \$172,463; under the rate of taxation, upon a similar consumption, of the preceding administration, they would have paid \$6,000,905. Under the two rates of taxation the savings to the people in these articles alone last year was \$5,828,442. There is no dispute that in the case of every one of these articles every dollar of that taxation would have come out of the pockets of the consumer, because it is upon materials which are not grown in this country. With reference to receipts from Miscellaneous, I may say that last year they were the largest since Confederation, amounted to \$8,475,714, as against \$4,533,073 in 1878, \$4,075,907 in 1873, and \$1,978,247 in 1867; that is, the increase in earnings from 1867 to 1873 amounted to \$2,088,660; in 1878 the earnings further increased by \$457,166; in 1892 they had increased over 1878 by \$3,942,641, an increase of 87 per cent.

EXPENDITURE FOR 1891-92.

I come now to speak for a few moments of the expenditures for the last year. The estimated expenditure in March last was \$36,650,000; the actual expenditure was \$36,765,894, an increase over the preceding year of \$422,327 on Consolidated Revenue Account alone. The increases, as will appear from the following table, took place in the following items of expenditure:—

Interest on Public Debt.....	\$ 179,841
Sinking Funds.....	89,782
Administration of Justice.....	24,130
Legislation.....	706,339
Arts, Agriculture and Statistics..	16,315
Quarantine.....	2,839
Superannuation.....	12,569
Railways and Canals (Consolidated Fund).....	20,649
Lighthouse and Coast Services...	11,042
Fisheries.....	10,408
Scientific Institutions.....	3,265
Subsidies to provinces.....	32,156
Customs.....	4,308
Excise.....	21,812
Post Office.....	154,441

On the other hand, in the following items there have been decreased expenditures:—

Charges of Management.....	\$ 8,674
Premium, Discount and Exchange	69,455
Civil Government.....	9,113
Penitentiaries.....	8,269
Immigration.....	3,440

Pensions.....	\$ 11,393
Militia.....	13,205
Mounted Police.....	39,046
Public Works (Consolidated Fund)	309,694
Mail Subsidies and Steam-ship Subventions.....	47,910
Ocean and River Service.....	22,091
Marine Hospitals.....	1,065
Geological Survey.....	3,202
Indians.....	98,169
Government of the North-west Territories.....	4,468
Miscellaneous.....	17,008
Weights and Measures and Gas..	3,331
Culling Timber.....	2,456
Adulteration of Food.....	1,337
Public Works (collection).....	6,193
Railways and Canals (collection)...	167,639
Dominion Lands.....	25,675

The actual expenditure on Consolidated Fund Account last year, when taken from the total revenue of last year, left a small but convenient surplus on that account, of \$155,977. The increase, as I have said, over and above the preceding year's expenditure on that account, was \$422,327. But the total increase, and more nearly double the total increase, was due solely and entirely to the increased cost of legislation, owing to the abnormal length of last session. Last year we paid for a session of Parliament of 219 days, at a cost of \$1,302,876. The preceding year, which was also a longer session than usual, we paid for 155 days, to the amount of \$596,486. Taking the preceding year as an abnormally long session, and deducting its cost from the session of last year, we find, as I have said, that the increase was \$706,390; that is, the increased expenditure and \$300,000 in addition, were due entirely to the abnormal length of the session, over which, of course, the Government had no control, and for which we are bound to maintain that the Government gave no occasion. Taking the expenditure for a series of years, from 1887-88 down, we find the following facts: The total expenditure on Consolidated Fund in 1887-88, was \$36,718,494. The average of the five years following that period was \$36,547,964. Last year it was \$36,765,894. So that it may be stated broadly that from 1887-88 up to the present time, there has been almost a dead level of expenditure on Consolidated Fund Account, and that this year, but for the abnormal length of the session, would have shown a decrease to about \$36,000,000, or a decrease from 1887-88, of \$700,000. Under this state of facts it cannot be contended, as it is often asserted, and it cannot be proved, as the statement is often made, that this Govern-

ment is rolling up the yearly expenditures of the country. On the contrary, they have been kept at a dead level, and but for the abnormally long session of last year, would have shown a decided decrease over a period of six years. Leaving the expenditure on the Consolidated Fund Account, let us see what was the result of the expenditure on capital account for the last year. Taking it in brief, I find that on capital account, excluding railway subsidies, we spent last year \$2,165,700, as against \$3,115,859 in the preceding year, a saving in expenditure, or a lessening in expenditure for last year over the preceding year in that regard, of \$950,159. Taking in the railway subsidies and treating that expenditure as on capital account, we spent last year \$3,413,915 as against \$4,381,564 in the preceding year, a saving in this expenditure of nearly \$1,000,000 as compared with the preceding year. The course of the capital account since 1887-88 has been continuously downward, commencing in that year with an expenditure of \$4,437,460; in the second year, 1888-89, \$4,420,313; in the third year, 1889-90, \$4,053,150; in 1890-91, \$3,115,860; in 1891-92, \$2,165,700; the average of these five years being \$3,638,496, the expenditure for the last year coming beneath the average of the last five years by \$1,472,796, and being less than the expenditure of 1887-88 by \$2,271,760. Taking the expenditure on Consolidated Fund Account and the expenditure on capital account, we find this state of things: that whereas the over-expenditure on the first was \$422,327, the under-expenditure on the second was \$967,649, making the total expenditure on Consolidated Fund and capital account, last year, \$545,322 less than the preceding year, thus again substantiating the fact that the expenditures of this country are year by year diminishing instead of growing larger. With respect to the debt of the country, it will be remembered that for two or three years I have been able to chronicle a very small addition to the debt. I am not able to do that this year. Having taken off the large revenue which accrued from sugars, and having offset that only by about one-third of its loss; we have had less surplus to draw from for our capital expenditure, and consequently had to meet a larger amount of capital expenditure out of borrowings. So, whereas in 1889 the net debt was \$237,530,

041, in 1890 \$237,533,211, in 1891 \$237,809,030, in 1892 it rose to \$241,131,434, being an increase over the preceding year of \$3,322,404. But this increase in the debt is more apparent than real, which will appear from these considerations. Of that increase, \$970,000 arose from the cancelling of the North Shore Railway bonds, which before this year stood as assets for the country, although they produced no revenue, and although, under the peculiar arrangement which was made, they could have by no possibility produced revenue in years to come. They have been written off. That adds to the increase of debt the amount of \$970,000, which, as I have said, is apparent and not real, so far as any benefit to the country as a producing asset is concerned. Then, again, we went last year on the market for a loan, and, as the hon. gentleman who sits opposite me knows, loans, if they are put on the English market at low rates of interest, sell at a discount. The loan that was put on the market last year was at 3 per cent, and, although under all the circumstances it realized more than we could have expected, and although, in comparison with all other countries seeking money last year we stood in the vantage ground, with the exception of Great Britain herself, which has, of course, great advantages, we yet sold that loan at a discount, and the amount of the discount became an addition to the capital account in the shape of an addition to our debt. It is, however, as I have said, more apparent than real. If it had been put on the market at the rate of 3½ per cent, there would have been no discount, and there would then have been no debit to the capital account of the country. We would have paid the same in the end, but it would have been paid in the increased yearly interest, which would have come out of the Consolidated Fund and not have been charged to capital; but the discount on the loan, as the discount on all loans, has been charged to capital account, and so adds, as I have said, \$1,122,541 to the apparent increase of debt on capital account. With these explanations, which are meant simply to explain and modify, but not at all to do away with the fact which appears in our accounts, and which will always appear in our accounts, we have added \$3,322,404 to our debt during the past year. It is important that, in the interest of truth, the explanations should go along with

the statement. They are meant to do just what they are meant to do and no more, to explain but not to palliate. It will be remembered that three or four years ago I made the statement, that I thought we had reached the time when we should call a halt as regards the increase of the debt of the country, and that I thought I saw from that point of time the possibility of raising our revenues without increased taxation, and meeting therefrom the necessary services of the country, of laying up the yearly amount for the sinking fund, and of making a fair capital expenditure year by year, and of accomplishing that without adding to our debt. That promise or that prophecy was literally fulfilled up to the past year. It could not be fulfilled after that, because we took millions of dollars from our revenue in remitting the taxation upon raw sugar, which changed the aspect of affairs, and consequently we had to draw on loans for a certain amount of our capital expenditure. If, however, we had kept the duty on sugar, instead of having had this increase to the capital debt of the country of which I have just spoken, we would, from the revenue which would have accrued from sugar, not only have kept the debt from increasing, but we would have diminished the total net debt of the country by about \$2,000,000. So that my promise made at that time, was upon the set of circumstances then existing, and that it has not been literally fulfilled this year is because the Government thought it better to remit this enormous amount of taxation to the people of to-day, and to make the people of future years pay their proportion of the amount that was necessary for the capital works of the country, over and above what we can spend and spare of current revenue.

REVENUE AND EXPENDITURE, 1892-93.

As to the receipts for the current year, I find that from July of last year to 31st January of this year, the income has been \$21,772,600, as compared with an income last year of \$20,716,451. That is an increase in receipts of about \$1,000,000, as compared with the last year. Last year, we received in the second half of the year \$16,205,420. If we receive that same sum this year, which is a little doubtful, the whole revenue of the country will amount in the present year to a little more than \$38,000,000.

The expenditure of the present year, up to 31st January, is \$19,189,893. The expenditure for the same period last year was \$19,817,325. The expenditure in the last five months of the last year was \$16,948,562. If the same rate of expenditure is observed during the last half of this year, we shall have expended \$36,500,000, or thereabouts; but I am not at all certain that the same rate of expenditure can be observed. We are, for instance, to pay additional interest upon our loans; we are to pay, I do not know how much, but a pretty round sum, for fitting up the quarantine facilities of the different ports of the country; and these two amounts, as will appear from the Supplementary Estimates, soon to be brought down, will swell by a very considerable amount the calculated expenditure of the current year in its last half beyond what was the expenditure during the last half of last year.

Sir RICHARD CARTWRIGHT. These figures, I suppose, are up to the 31st January?

Mr. FOSTER. Yes. Then again, we are spending more heavily on capital account for the purpose of finishing our canals. The Sault Ste. Marie Canal, which was begun about a year and a half ago, is being pushed forward to completion with all possible speed, so that, during this year, the expenditure will far exceed the expenditure of last year. All these things make me cautious about giving a forecast as to the result of the year, at this early period in the year. However, I think I may say this: That we will, out of the current income of the present year, pay all expenditures on account of Consolidated Fund and have a good balance to apply to capital account; whether or not it will meet the whole of the capital expenditure upon canals I cannot at this period of time say. This much is gratifying, that for seven months of the year, however, the revenues so far, are nearly \$1,000,000 greater than they were during the corresponding period of last year; while the expenditures up to the present time are considerably less than during the corresponding months of last year.

THE LOAN OF 1892.

It is not necessary for me to explain to the House—the House is well aware of it already—that in order to meet the extra expenditure

upon capital account, and to take up the temporary loans which had been running, a loan had to be put upon the British market. That is fully explained in the Public Accounts, and it has also been explained to the House.

Sir RICHARD CARTWRIGHT. It is not fully explained, in one point; you do not state the allowances that were made, what the loan actually netted.

Mr. FOSTER. That is stated in the accounts.

Sir RICHARD CARTWRIGHT. Not in detail.

Mr. FOSTER. The items may not be in detail, as the items very seldom are. However, suffice it to state that a loan was put on the market for £2,250,000; that the price fixed was £91, and that the realization was £92 0s. 10½d. The loan was subscribed three times over or more; but what was a more gratifying feature of the last loan was this: that the number of individual subscribers to the loan was very much greater than in any former experience of loans that we have put upon the British market. The applicants numbered about 420, as compared with 367 for the issue of the £4,000,000 loan in 1888, a loan which was nearly twice as large. That, I think, shows a widened public interest in the financial affairs of Canada, and an increased confidence in the securities that Canada puts upon the British market.

Sir RICHARD CARTWRIGHT. If the hon. gentleman had the particulars it would be a convenient time to state them. They were usually stated on such an occasion by his predecessors. If he has not he might lay them on the Table later.

Mr. FOSTER. I have not the particulars at hand; but I can tell my hon. friend, in brief, what they are. We paid to those who negotiated the loan the exact commissions which were laid down in our contract. We paid to the brokers, as we had always done, one-quarter per cent. There were no charges outside of that, except slight amounts for printing and the like.

Sir RICHARD CARTWRIGHT. What were your allowances; when was the loan made payable?

Mr. FOSTER. Was that not detailed in the Public Accounts?

Sir RICHARD CARTWRIGHT. I did not see it.

Mr. FOSTER. I do not remember the discount terms just now, but I will bring it down. It was nothing more than the spreading of the loan and the usual discount.

DEPOSITS IN THE BANKS.

I desire for a moment to call the attention of the House to the improved condition of things, so far as indicated by the savings of the country, and the position of the Savings Banks. It will be within the memory of the House, that on the 1st October, 1889, the new Order in Council went into force which reduced the interest allowed on deposits in the Savings Banks from 4 per cent to 3½ per cent. That, and perhaps other causes, led to an increase in the amount of withdrawals from the Savings Banks, which will be shown when I read the balances in the different years. On the 30th June, 1889, there was a balance of \$42,956,357. On the 30th June, 1890, that balance had decreased to \$41,012,465; and in 1891 it had decreased to \$39,400,026; being a total decrease during these two years, of \$3,556,330 as regards the Savings Banks alone. In 1892 matters began to mend, and that year shows an increase in the total balances in the Savings Banks of \$129,521; a small increase but upon the right side. However, the six months of the current year show an increase in the balance of \$443,210, which at the same rate would be equivalent to pretty nearly \$1,000,000 during the year, which shows that the tide has turned, so far as the deposits in the Savings Banks are concerned, that the drain upon them has ceased and has turned into an increasing surplus. As regards the total savings, as shown by the deposits in the different Government Savings Banks, in the chartered banks, in the City and District Savings Banks and in La Caisse d'Economie, they amounted on the various dates named to the following figures:—

	30th June, 1878.	30th June, 1888.	30th June, 1891.	30th June, 1892.	1st December, 1892.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Post Office Savings Banks.....	2,754,484 03	20,689,032 62	21,738,648 09	22,298,401 65	22,891,074 45
Dominion do	5,742,529 32	20,682,025 61	17,661,378 07	17,231,145 98	17,081,682 47
Chartered Banks:—					
Deposits by public payable on demand.....	35,090,284 00	50,331,413 00	59,383,409 00	65,611,678 00	68,694,266 00
After notice or fixed date....	29,979,041 00	62,529,285 00	83,249,806 00	95,331,100 00	101,526,186 00
City and District Savings Bank, and La Caisse d'Economie...	5,631,172 00	10,475,292 00	10,982,231 00	12,236,099 00	12,904,195 55
Totals.....	79,197,510 35	164,707,648 23	193,015,472 16	212,708,424 63	222,997,404 47
Increases		85,509,537 35	28,308,324 93	19,682,952 47	10,288,979 84 (for 6 months).

These figures show that the normal increase in the general savings of the country, as denominated and defined in the deposits in these different banks, is maintained.

THE COMMERCE OF 1891-92.

I now come, for a moment, to speak of the commerce of the country during the past year. I am not going into the internal or domestic commerce or trade of the country, because, first, of the time that it would take, and, secondly, because, I am sorry to say, of the unfortunately defective statistics which we have with reference to our internal trade. That is found in every country. It is probably found in our country now more than it will be in the future, for I sincerely hope, and I believe it will be found to be the fact, that the new Minister of Trade and Commerce will devote himself particularly to the task of devising some method of obtaining statistical information, whereby the country shall be apprised of that most important of all the branches of its national life, its internal commerce and production. However, if we can judge from signs which come to the surface, the internal commerce

of the country, during the past year, has kept in advance of that of the preceding year and maintained a fair percentage of increase. Taking our railway returns, which are a fair index, and our returns of shipping and tonnage, which are also a fair index, they both show a considerable increase in 1891-92 over the preceding year. The railways show an increase in the miles operated of 578, in the passengers carried of 364,697, in the tons of freight carried of 661,061, and in the freight earnings of \$3,539,751. This shows that freight has been carried in increasing quantities, and that, therefore, there must have been an increased trade. As regards water-borne freight, we find a small, but, at the same time, satisfactory, percentage of increase. But it is when we come to the foreign trade of the country, where our statistics are fairly extensive and reliable, that we find the largest increase as indicated by the figures to which I shall ask the attention of the House. In view of the controversies which have been going on in regard to this subject, I have thought it well to present the figures of foreign trade for 1878, 1891 and 1892:

Exports of Canada and percentage of increase.

	1878.	1891.	1892.	Percentage of 1891 over 1878.	Percentage of 1892 over 1891.
	\$	\$	\$		
Exports.....	79,323,667	98,417,206	113,963,375	24	15½
Total imports.....	93,089,787	119,967,638	127,406,068	28½	6½
Total trade.....	172,403,454	218,384,934	241,369,443	26½	11
Trade with Great Britain.....	83,372,719	91,328,384	106,254,984	9½	16
do United States.....	73,876,437	94,824,352	92,125,599	28	Decr. 2½
do France.....	1,754,394	2,565,877	2,770,173	46	8½
do Germany.....	521,580	4,336,232	6,526,228	731	50½
do Holland.....	266,764	404,532	846,167	51½	109
do West Indies.....	4,397,996	6,300,926	7,638,846	44½	20
do China and Japan.....	486,244	2,202,102	3,300,108	352½	49½
do other countries.....	1,366,532	3,685,842	5,168,657	169½	40

It will be seen that while there was a loss of trade with the United States of about \$2,000,000 in 1892, that was more than compensated—seven times compensated—by an increase of \$15,000,000 in our trade with Great Britain. It is sometimes stated that our trade with other countries in the world is not satisfactory. It is true that with the United States and Great Britain we do the most of our business; but a comparison of the above figures shows that we are gradually, and in some instances rapidly, increasing the area of our commerce with other countries. The record I have given is, I think, one which is encouraging to the House, and which will be encouraging to the country, as showing a gradually-widening, and, to a certain extent, although as yet small in its entire amount, a rapid development of trade with the other great countries of the world. The record of our trade for last year is one which you may search our returns through in vain to find equalled. This shows an increased trade with Great Britain in 1892, over 1891, of \$15,000,000; with France, one-fifth of a million; with Germany, two and a fifth millions; with Holland, one-half a million; with the West Indies, one and a third million; with China and Japan, one and a tenth million, and with other countries, one and a half million, besides a small increase with Italy and Newfoundland, whilst the only large decrease we had was with the United States, of two and seven-tenths millions. Therefore, I state again, that the condition of our foreign trade shows strongly in 1891-92 in our favour, and I believe it will be received by this House and by the country as an answer to the oft-made and baseless assertion, that the trade of our country is stunted and retrograde. Coming to the home products, the exports of Canada of these during the last year, as compared with 1892, show the following results:—

EXPORTS OF HOME PRODUCTS.

	1892.	1891.
Produce of the Mine.....	\$5,906,471	\$5,784,143
do Fisheries	9,675,398	9,715,401
do Forest.....	22,281,744	24,282,015
Farm products.....	50,708,134	39,634,599
Carried forward	88,571,747	79,416,158

	1892.	1891.
Brought forward.....	88,571,747	79,416,158
Manufactures.....	7,040,988	6,296,249
Miscellaneous.....	71,518	45,337
Total	95,684,253	85,757,744

Net Increase..... \$9,926,509
do per cent..... 11½

That is a large increase in a single year. The increase in farm products alone goes to prove the assertion we make, that the farmers of this country are yearly producing more and finding larger and remunerative markets; and in this respect we can stand comparison with the producers of the rest of the world. More we cannot expect. We are in this world, in this age, united in a great commercial bond with the peoples of other countries, all of us governed by the common wants of the world, and kept in close and constant communication by means of the telegraph wire and rapid transit, so that the world's wants and the world's yield are at once known and the prices of great staples fixed accordingly. Taking that into consideration, the increase of \$21,000,000 in the exports of farm products alone, during the past year, is a very gratifying extension in our trade. I wish to speak now for a moment about the diversion of trade, and there is one point to which I wish to draw the attention of the House and the country with regard to the tariff and our farmers. Everyone knows that about two or three years ago the duties upon farm products, bacon, ham, shoulders of beef, mutton, pork and lard were rearranged. At that time it became patent to the country that large supplies of these articles were coming in from the United States and displacing farmers' products in this country, and the Government came to the help of the farmers, at their request, and raised the duties upon these articles. What happened? Whereas in 1890 33,000,000 pounds of bacon, beef, mutton, pork and lard were brought in from the United States and distributed in this market, the importation fell, in 1891, to 17,000,000, and in 1892 it fell to 13,000,000; and whereas in 1890 the value of the importation was \$1,734,000, in 1891 it fell to \$973,000, and in 1892 to \$723,000. The following table shows the particulars:—

IMPORTS into Canada from the United States for the Years ended 30th June, 1890, 1891 and 1892, of the following Articles:—

	1890.	1891.	1892.	Decrease from 1890.
	Lbs.	Lbs.	Lbs.	Lbs.
Bacon, hams and shoulders.....	4,344,200	2,564,044	1,008,068	3,336,132
Beef.....	6,427,993	2,698,305	2,235,987	4,192,006
Mutton.....	246,363	6,322	11,560	234,803
Pork.....	17,161,592	11,085,111	9,492,965	7,668,627
Lard.....	4,882,831	988,999	691,246	4,191,585
Total.....	33,062,979	17,342,781	13,439,826	19,623,153
Value.....	\$1,729,403	\$968,568	\$723,081	\$1,006,322

That is, the decrease from 1890 made a market for our own farmers in this country by the exclusion of those products from the United States to the value of over \$1,000,000. So that you have to take this into account: that not only did our farmers increase their exports by the amount I have named, but that they had in the home market an increased sale to the extent of over \$1,000,000, required to supply the country in place of the American products, which were excluded from the United States, so that they obtained an enlarged market at home as well as an additional market abroad.

Mr. McNEILL. That shows the advantage of protection.

Mr. FOSTER. As to the diversion of trade, let me read to you the figures of 1891-92, with reference to some products of Canada exported to Great Britain, in order to make a comparison. Horned cattle fell off nearly \$1,000,000, owing to circumstances well known. Leaving that out of account, we find some very encouraging items. Canadian cheese, apples, and bacon have made their place in the British market. Canadian butter had also made a place for itself, but not a very enviable one; but under the operations of the Dairy Commissioner and the dairy stations, which have been established by the Government to stimulate the production of a better quality, the quality of Canadian butter has been raised; it has been put upon the market in uniform quality, stamped as Canadian butter, making its own way, and comparing 1891 with 1892 we find that, whereas in 1891 only \$440,000 worth of Canadian butter was exported to Great Britain, last year

\$877,455 worth found a place for itself in the British market, being an increase of 90 per cent. The following table speaks for itself:

STATEMENT of values of the following articles, produce of Canada, exported to Great Britain during years 1891 and 1892, with percentage of increase and decrease in each article.

	1891. Value.	1892. Value.	Per cent of Decrease.	Per cent of Increase.
Horned cattle.	\$ 8,425,396	\$ 7,481,613	11	.....
Butter.....	440,060	877,455	.....	99
Cheese ..	9,481,373	11,593,690	.....	22
Bacon	589,599	1,089,060	...	84
Hams.....	36,308	53,939	.....	48
Apples, green or ripe.....	1,235,247	1,405,527	...	14
Apples, dried..	7,353	10,692	.....	45
Fruits, canned and preserved	9,500	23,679	.....	149
Barley.....	\$ 75,225	\$1,233,844	.....	1,540
Oats.....	5,954	1,975,485	.....	33,079
Peas, whole...	1,439,747	2,332,307	...	62
do split...	45,601	89,781	.....	96
Wheat.....	969,134	5,726,505	...	490
do flour....	851,912	1,110,368	.....	30
Eggs.....	83,589	592,218	.....	608
Horses.....	156,254	214,785	..	37

By the way, if you look into the Trade Reports you will find that the price of eggs—

that much abused article—exported to the British market is one cent and a fraction per dozen higher in value than those exported to the American market. It is well that these figures should be noted and should be spread before the public, in order that they may see the actual expansion and the possibilities of the market in Great Britain for the products

which they raise; and I wish to give also this statement, showing the increase in three of the great articles of Canadian export which have had their reputation made for them, and which have been consecutively and skillfully placed on the British market—cheese, cattle and apples, and also the exports of the great division of our products:

COMPARATIVE Statement of Exports, produce of Canada, for the Years 1868, 1878 and 1892.

	1868.	1878.	1892.	Per cent of Increase, 1892 over 1868.	Per cent of Increase, 1892 over 1878.
	\$	\$	\$		
Produce of the mine.....	1,446,857	2,816,347	5,906,471	308	109
do fisheries.....	3,357,510	6,853,975	9,675,398	188	40
do forest.....	18,262,170	19,511,575	22,281,744	22	14
Animals and products.....	6,893,167	14,019,857	28,594,850	314	103
Agricultural products.....	12,871,055	18,008,754	22,113,284	72	23
Manufactures.....	1,572,546	4,127,755	7,040,988	347	70
Cheese.....	* 620,543	3,997,521	11,652,412	1,779	189
Cattle.....	1,099,940	1,152,334	7,748,949	605	572
Apples.....	† 87,333	† 149,333	1,444,883	1,500	867

* From Ontario, Quebec and Nova Scotia only.

† Fruit, green.

This would keep up the train and trend of the thought I have been developing of the gradual and steady progress of the country in its external trade, and particularly in its exports.

THE AGITATION AS TO TARIFF POLICY.

So much with reference to the commerce of the country. I may not have succeeded in developing much interest with the hon. gentlemen opposite, or at least with some of them, in my figurative remarks; but now I come to the tariff; and, as I approach the tariff, I notice that my hon. friends' interest deepens. I wish to state a few things with reference to the tariff and the tariff policy. No man with his eyes open would think for a moment of denying the fact that there is more or less agitation in the country with reference to the tariff and to trade conditions. One person will notice it from one stand-point, another from another stand-point. We may not all take statesman-like views; but, whatever views we take, this much is true, and we admit it, that there is an agitation on this matter, and that people are alive to the discussions upon trade policies and to discussions upon tariffs, and to the question what is to be the guiding policy now and for the future.

DIFFERENCE IN PRINCIPLE.

Several things have conspired to make the agitation upon the tariff in this country possibly deeper to-day than it has been for a number of years. Will the House permit me to mention a few of these? In the first place there is a difference in view on the question of principle which has existed ever since we have been a country, which came to a point of cleavage direct and sharp in 1878, between those who believe that a free trade policy out and out is the proper policy for this country, let the revenue take care of itself, or take care of the revenue in whatever way you can; those who believed that a tariff for revenue purposes with incidental protection was the thing for this country, making the revenue the prime consideration, and distributing it so as incidentally to protect the industries of the country, and the third class of people, who believed that for Canada, under the conditions then existing, and which have existed since the principle of a sufficient and reasonable protection to the nascent industries of the country was to be followed first, and that revenue was to take care of itself on that line. Those were the three great schools of thought. We

do not expect that because in 1878 one school of thought triumphed and concentrated its opinion in the tariff, but that to a large extent they are nourished to-day, as in 1879. Changes there have been. Men who believed in free trade have come to believe in protection. Maybe it has happened that some who believed in protection have come to believe in free trade, or a revenue tariff with incidental protection, or something of that kind. But the differences which existed then are differences which exist now, and they contribute to the agitation and discussion of the question at the present time with a vivacity probably greater than at former periods, from circumstances which I shall mention afterwards. Then again, there is an agitation evoked by dissatisfaction in regard to changes in the tariff in respect to relative or absolute protection which arise from various circumstances, for instance, in the differences in value that have arisen from 1878 to the present time. Whether specific duties alone or specific and ad valorem duties are placed upon these goods, the differences in value through a series of years change the amount and incidence of protection. Dissatisfaction has arisen also from the fact of raw materials being in some cases cheapened, and in such cases the protection which was fair when raw materials were higher in price, becomes a little more than fair when raw materials lower in price. Out of all these reasons and others there might arise discussion and thought and, it may be, dissatisfaction, even among persons who believe in a protective policy, but who are not pleased with the changes in the relative or absolute scale of protection arising from the causes I have given.

THE MCKINLEY BILL.

Then again, Sir, I am inclined to think that the McKinley Bill has done something towards sharpening this agitation in the country. Necessarily it did so. Hon. gentlemen opposite, before that Bill was passed, prophesied that it would do so; after it was passed, they declared that it did so, and I am not going to counter their declarations in that respect. For the McKinley Bill, whether it was so intended by its framers or not, did this and did it very effectually; it raised barriers against certain Canadian products, namely, farmers' products,

and to that extent it interfered with trade and made necessary the diversion of trade, and every diversion of trade is followed necessarily by its train of dissatisfaction and loss. It may be, that after the diversion has been made, the people will be more prosperous, the markets will be more remunerative, but none the less every diversion of trade from one channel to another causes dissatisfaction and loss to individuals. So that I think the discussion has been sharpened in reference to this matter on account of the passage of the McKinley Bill.

THE LATE U. S. ELECTIONS.

It certainly has been sharpened by the results of the elections which took place not long since in the United States of America, and which have been magnified without warrant, which have been unduly magnified by leaders of the party opposite, into a victory for free trade, pure and simple; and statements have been made throughout the length and breadth of the country that, owing to that change, a free-trade policy was to be inaugurated, and that great benefits would come in certain directions, and great changes would have to be made in this country. That has set people to thinking, that has set people to agitating and proposing, and that has added very materially to the discussions and the talk that is going on about this matter in the country to-day. For my own part, I differ with hon. gentlemen opposite, or on this side, who believe that the wings of free trade have been spread for a flight during all future ages in the United States of America, by the election of Mr. Cleveland. I cannot find it in the previous records of the party, I cannot find it in that latest concentration of the party doctrines upon tariff measures, the Mills Bill; I cannot find it in that latest utterance of President Cleveland in his acceptance of the candidature; I cannot find it in the thought, and feeling and breath of the American people to-day. I think the man who stands up in this country and contributes his quota to the unrest, and dissatisfaction and discontent with the present state of things in this country, by preaching to them that now this second daughter of Britain has entered into free trade, and the next to follow will be the third daughter of Britain, Canada—I cannot believe that these men are doing the best, from a statesman-like point of view, for this country

and for the people of this country. However, the fact is, that this has lent point to the discussion and thought about the tariff and trade policies.

THE LOW PRICE OF CEREALS.

Then there is another thing which must be taken into account at the present time, and that is the unprecedentedly low price of cereals in the markets of the world; and directly upon that supervenes the effort of the demagogue, the effort of the unscrupulous man, to make the people believe that in some occult way all this is due to the miserable Government and the miserable policy which, for the time being, prevailed in this country. Now, Sir, no sane man, standing up before a number of sane men, will venture that argument. Every one is open, in his calmer moods, to the opinion, to the conviction of the truth, that, if the prices of cereals in the country are low, they are low from certain abnormal causes, and that they are probably temporarily low.

THE PARTY PROPAGANDA.

But, whatever may be the cause, the fact of these low prices of cereal products throughout the country at the present time, adds point and strength to the discussion, and is used to spread dissatisfaction and discontent. Of course, an Opposition always has open to itself to take advantage of all these things. All things are fair in politics, it is said; and I suppose any average party would take advantage of all the circumstances that arose, and as they arose, to make sentiment against their opponents and in favour of themselves. And, Sir, of late, and with greater vigour, supervening on these things, has come an active propaganda in this country and in the country alongside of us, the end and aim of which, no, I will not put it that way—the result of which, whether it is the aim or not, is to make people unduly discontented and unduly unrestful. In this country everybody acknowledges the geographical difficulties, its great extent, its sparse population, its different races and creeds, its different sections with their different distribution of the resources with which nature has endowed them. But I hope every man also recognizes—if he does not he ought to—that this country, if it is to remain a country, if it is to

become a great country, and to have permanence and durability imprinted upon it, has to learn the lesson, and learn it now, and keep it learned, that you cannot afford to appeal to the prejudices, or the poverty, or the wants of one section against another; that you cannot afford to pander to the prejudices or the likes of one class to the detriment of the whole. I am here to-day to state that I misjudge the Canadian people, I do not read aright the spirit of the Canadian people, if, man for man, throughout this country, when they are fairly talked to and fairly reasoned with, they will not lay down, as a basis, that we must get along together in this country; we do not ask that any class shall go scot free of taxes and burdens, while others pay an undue proportion; we do not ask that any section shall be lightly burdened while other sections are heavily loaded; but that class or section, wherever it may be, must, proportionately to its strength, bear its just and equal portion of the burdens that are necessary in order to carry on the affairs of this country, and to give it permanence and durability. I think it is an unfortunate thing that in order to gain power, and in order to make a point against their opponents, advantage is being taken of the present state of things to preach a doctrine in this country which, if it is adhered to, means disruption, and is opposed to the only policy which can give us true permanence and true prosperity. Sir, I wish to notice in passing that these men preach certain doctrines, they go before the people with certain statements; they go before the people with inferences from those statements, some of which they draw, and some of which they do not draw, but all of which they allow, and others which they force to be drawn; and I believe that there are people who go out from the meetings addressed by hon. gentlemen opposite with the firm belief that there is some way by which we can carry on all our services in this country, by which we can have perfect free trade, and will not have to pay a dollar of taxation. Now, if hon. gentlemen opposite can define and point out any means or method by which that can be done, well and good; but, if not, the doctrine that ought to be preached in every school-house, on every platform, is that there is no way to build up a country in its public works, look-

ing after its public services, giving it the improvements which the people need in the race of progress alongside of other countries to-day, no other way than by taxation; and that if the people will not bear reasonable burdens, they cannot expect to promote the building up and the improvement of the country. I think the Canadian people are sensible enough and strong enough to accept that doctrine, and to work under the impulse and in the spirit of that doctrine. So that I think, having stated these things, I have stated what leads to the unrest, the dissatisfaction, the agitation upon the tariff question; and I have tried to state them fully.

THE POSITION OF THE GOVERNMENT.

We do not say that the policy we adopted in 1878, in the exact degree of protection that was placed upon the country at that time must be unvarying, must never be changed; but, out of all these causes I have mentioned, the feeling of unrest exists, and it reaches this House of Parliament, and that feeling will be met by the Government frankly, honestly and fairly. So that the Government, while it wishes to give due weight, and no more than due weight, to any one of these causes, and to any one of these complaints; while it acknowledges their varying force, varying in proportion to their merit and their strength; although the Government does not intend to be either frightened or forced into doing something which it does not believe to be right; the Government takes its stand to-day, and is willing to have it known everywhere. What it proposes to do will be done after the most careful, and earnest, and due consideration, not extended beyond a reasonable period—and will be that which, as a matter of trade and tariff policy, is best for this country as a whole. It proposes to do what is best for all classes counted together, whilst giving due weight to the importance of, and to the position of, each class, and varying the burdens accordingly. It proposes to adopt a policy and to carry out the particular lines of that policy, with due regard and consideration as well to the internal conditions of Canada as to her position amongst other countries of the world under the present condition of trade and tariffs. These are the lines, and to what end? It may

be asked, what does the Government propose to do, for these are generalities? I grant that these are generalities. It has been a discussion of generalities, or of principles, if you like to denominate them as such. Then the first question comes from my hon. friend,

NOT FREE TRADE.

Will the Government adopt free trade? My answer to that is, no. I know I disappoint my hon. friend in not taking up the pet idol and dream of his heart, the one idea which is the bright star of his existence, towards which he treads his devious way, sometimes in one country, and sometimes in another, from platform to platform, but always with that bright particular star in sight; now, I believe, only fifteen years distant is this bright particular star of free trade, the freest of free trade. There are some considerations why the Government does not propose to adopt free trade. The first is the requirements of the revenue. A stronger man than I am, a deeper thinker than my hon. friend, a man in mental power who towers among the best, has stated it, and from a less prejudiced stand-point, perhaps, because he put it from the stand-point of hon. gentlemen opposite, and he has challenged any man to show how, in this country, now, or for many years to come, any scheme of free trade could be adopted which could be worked, and he expressed his conviction that the circumstances of the country precluded its adoption, and precluded the direct taxation which must necessarily follow upon its adoption. The requirements of the revenue prevent it; \$28,000,000, outside of earnings, have to be raised in this country for its current services. I invite hon. gentlemen to come down to particulars, and to show to this House and the country how they will effect savings in the different items of expenditure so as to reduce that amount by a very large sum. Small savings can be made, small savings are being made, but that the services of this country require much, and are so important they cannot be stopped, is a truth with which every man is conversant; and the point arises as to how \$20,000,000 can be raised for the services of the country, \$20,000,000 from Customs revenue with free trade with all countries, or with any great country in the world. But, Sir, outside of that point, which is in passing, there is another reason, why this country cannot

adopt free trade at the present time. It is on account of the industrial and general development of the resources of this country. Here we have under a system adopted earlier than 1878 so far as incidental protection is concerned, in 1878 so far as absolute and direct protection is concerned, developed in this country large and varied interests. Nobody denies that. A vested capital of \$353,000,000, employing 368,000 hands, at a yearly wage of \$100,000,000 and a development of the wealth of the country to the value of \$90,000,000 annually—these are facts stated in cold figures of the census, taking 1891 and comparing it with 1881. This development of industries has gone on for years. It has reached a certain point, it cannot be sacrificed; neither has it reached that point where, unaided, it can yet stand the competition of countries like Great Britain or the United States, with their centuries of wealth behind them, with their great skill, with their enormous markets, with their great production which finds a market in the world in such large quantities. So that these have to be taken into account. Have not these industries grown since 1878? The figures I have given show that they have. They have kept population in this country—

Some hon. MEMBERS. Hear, hear.

Mr. FOSTER. I am glad that hon. gentlemen opposite entertain that idea. Those industries have kept population in this country which would otherwise have left it. They are keeping to-day in this country an increasing number of hands in employment, and the increased employment has its benefit in the way of wages, in the way of production, and so is felt throughout the whole country. We know from observation that these industries and this development of our industries has gone on rapidly since 1878. I do not need further to enlarge that idea. Let each hon. gentleman ask his own observation and experience, and let him contrast 1878 with to-day, and see the varieties of articles we manufacture to-day which were not manufactured by us then, that the proportion of articles in use in this country, now obtained from our manufacturers, is much larger; let him look over the whole field and take his own experience, and he will find, though in some cases there have been failures, in some cases there have been changes and vicissitudes, yet, on the whole, a great start has been made with respect to the manufacturing industries of the country, and a great start made in developing in that way the resources of the country. Do hon. gentlemen ask the history of the imports of raw material? It is contained in these figures:—

IMPORTS RAW MATERIALS, 1869, 1879 AND 1892, AND PERCENTAGE OF INCREASE.

	1869.	1879.	1892.	Per cent of Increase 1892 over 1869.	Per cent of Increase 1892 over 1879.
Wool	Lbs. 2,061,576	4,976,758	10,224,086	395	105
Cotton	" 1,245,208	9,720,708	46,322,525	3,620	376
Hides	\$ 891,488	1,202,890	1,837,102	106	53
Gutta percha.....	" 90,536	133,214	730,657	707	448
Hemp.....	" 199,179	877,989	.....	.....	340
Raw sugar.....	Lbs. *21,656,918	+22,925,779	+343,121,731	1,484	1,395
Lumber and timber..	\$ 203,276	531,273	1,094,635	438	106
Silk.....	" 35,556	260,299	.....	.....	632

* Sugar below No. 9 cane juice melado.

† Sugar below No. 14 and melado.

If hon. gentlemen want further information, let them go to the census returns for the figures of industries for 1881 and 1891, and learn from these that the number of establishments have gone up from 49,000 to 75,000, an increase of 51 per cent; the capital

investments from \$165,000,000 to \$353,000,000, an increase of 114 per cent; the number of employees from 254,000 to 367,000, an increase of 44½ per cent; wages paid, from \$59,000,000 in 1881 to \$99,000,000 in 1891, an increase of 67 per cent; raw material from

\$179,000,000 in 1881 to \$255,000,000 in 1891, an increase of 42 per cent. Value of products from \$309,000,000 in 1881 to \$475,000,000 in 1891, an increase of 53 per cent; an added value, according to the statistician, of \$33,000,000 per year in 1881, and of \$89,000,000 in 1891, added to the wealth of the country. These are the figures :

CANADIAN INDUSTRIES PER CENSUS RETURNS.

	1881.	1891.	Variation.	
			Increase.	Per cent.
Number of establishments.....	49,923	75,768	25,845	51.8
Capital invested..... \$	165,302,623	353,836,817	188,534,194	114.
Number of employes.....	254,935	367,865	112,930	44.43
Wages paid..... \$	59,429,002	99,762,441	40,333,439	67.86
Cost of raw material.....	179,918,593	255,983,219	76,064,626	42.3
Value of products.....	309,676,068	475,455,705	165,769,637	53.5

Added wealth, 1871-1881..... \$33,000,000 per year.
do 1881-1891..... 89,000,000 do

That is an additional proof that industries have taken root, and have grown and developed, and in so doing, have developed also the strength, and the richness, and the reliability of this country upon itself. But, sir, if more is required let him look a little further at the increased home supply in 1892, as compared with 1878, and the great difference in the consuming population of this country—not so great as my hon. friend would think well, but yet a large increase in the consuming population of the country. That large increase has all been supplied by the home manufactures of this country; I mean so far as ratio is concerned. Let him ask himself as to the increased exports of manufactured goods, being an advance of 70 per cent over 1878 and of 347 per cent over 1868, and let him ask himself as to the decreased imports of manufactured goods. Let him put all these things together, and he will gain a heightened and strengthened idea of what the industries of this country have attained in that time. Not only have the industries increased in themselves, but let us not forget their collateral advantages. Every ton of ore which is dug, every mill whose wheel revolves, every cotton spindle that turns, every branch of industry that works up raw material brought in, or raw material obtained in this country, adds to the employment which the country needs, adds to the earnings of the country, and adds to the wealth of the country, to be shared in by every sober, intelligent, and industrious class in the community from one end of the Dominion to the

other. These things lead me to the conclusion, and I think they will lead this House and this country to the conclusion, that we cannot adopt free trade, and open up these industries—nurtured from 1878 to the present time, I grant you, by a reasonable and I hope a sufficient protection,—that we cannot open up these, to the unlimited competition of old manufacturing countries like Great Britain and the United States of America, without sweeping away the larger proportion of our industrial development, and reaping all the want, and loss, and misery that will accrue. And after all what better would we be off if we did this? We would not be so well off, because some time, sooner or later, if Canada is ever to be a great country, and it is, it would come to the conclusion again that we would have once more to reverse our policy, and that we would have to develop our own industries and resources. No country in this world at the present time can be great on one branch of work alone, and this country of ours, taking its resources and capabilities into account, would be guilty of the height of madness; if it left everything to the pursuit of agriculture and the natural products, so to speak, and did not strive to be a manufacturing country, giving employment to its own people, and working up its own resources as well. The position of the Government is clear upon that. Will my hon. friend make his position equally clear? I have read his Hamilton speech and his Toronto speech, and for the life of me I do not know where he stands to-day, and there are hundreds of

thousands of people in this country as well who cannot put their finger upon the trade policy of my hon. friend opposite and tell what it means. At one time he is all free trade; let the taxes take care of themselves. At another time he says: We must go slowly, free trade is in the distance, and we will come to it gradually. While at another time he is in favour of unrestricted reciprocity with the United States, and discriminations against the rest of the world; the very antithesis of free trade. What are we to judge from all these statements? The hon. gentleman had some quiet fun the other day at the speeches of Ministers, and when this House is in a leisure moment, and when I get more time, I propose to take a few of my hon. friend's speeches and dissect them. But, Sir, what I invite him to do now, as I invited him to do two years ago, is: that he should come out of the bush and into the open and tell us just where he stands.

NOT UNRESTRICTED RECIPROCITY.

Well, Sir, the Government has an equally straight and equally frank position to take upon the question of unrestricted reciprocity; but I am not going to take up the time of this House discussing that. Why? Because the country has discussed it and has given its verdict upon it in the general election with its eyes half open, and in the by-elections when it saw straight ahead on this question. Unrestricted reciprocity is a policy which, involving as it does, discrimination against Great Britain, revolts the loyal feeling of the people; involving as it does free trade with the United States in manufactured articles, as well as in the products of the soil, strikes a blow at the manufacturing and industrial life of this country, and is repudiated by that class of the people. It is a policy which strikes a blow at the autonomy and self-respect of our people in that it inevitably hands over the autonomy and the tariff and fiscal legislation of this country to a foreign, a superior and a stronger power; and whether my hon. friend seasons it with independence or not I care not. Independence, or not, that policy adopted, and that policy carried out, means the extinction of Canada's separate, individual life, and the destruction of her aspirations after autonomy and nationality. I carry this further. The people have condemned

it; they have thrown it out the back door, and they will throw every politician who stakes himself before the country on that policy, out of the same back door. Not in Canada to-day, nor in any year to come, will that kind of policy, pure and simple, when the people think it over and get to the bottom of it, command the support of a majority of the people of this country, or that flag ever be wafted to success; but, Sir, if there is anything like honourable reciprocity, anything like a reciprocity with mutual advantages, and which can be bought by not paying too dearly from the life blood and industrial blood of this country, if there is any reciprocity of that kind, this Government stands committed to take it, and to strive to get it. Sir, this Government does not stand to take that in which there is no honour, in which there is not a fair and mutual advantage, and in which it must pay for what it gets by the extinction of the country's name and independence.

ABOUT PREFERENTIAL TRADE.

Well, Sir, there is another idea promulgated, and that is the pet idea, I was going to say, of my hon. friend from North Bruce (Mr. McNeill)—preferential trade; and the pet idea of many other gentlemen besides—an idea which, however much it may be laughed at by hon. gentlemen opposite, is an idea which, in its intrinsic worth and in the increasing favour and fervour of acceptance which it is meeting at the hands of thinkers and workers, ought not to be laughed at, which cannot be scouted, which has much to commend it. Even though it be not a present possibility, even though it be years in the future, it is an idea which has its groundwork in a thought wider than self or the selfish interest of any one country. It is an idea which in its scope lifts one, which gives one an idea of Imperial potency and durability and strength, which is a good leaven to throw into the lower political life of any country—an idea of continents and islands spanning the globe, with climate and productions and resources of infinite variety, with great mental capacity and endowment, with all the instrumentalities of a great trade ready to hand, and with a commercial fleet that fills every sea. I say to you, Mr. Speaker, that that idea, if it could be realized, would be the finest, the highest and

the noblest thing that has been concentrated into political or public action since the world had a beginning. I am not going to say that it is a present possibility, but I am going to say that it is so potent an idea that it is well for Canada and well for every British country to hold the strongest vantage position for its possible adoption; and we do not know how soon changes in public opinion may bring nearer to a reality that which to many seems to-day but a dream and a vision. This Parliament has pledged itself on preferential free trade. I believe other colonies of the Empire will view it favourably and will also pledge themselves upon it. I know that an increasing number of thinkers and workers in Great Britain are favourable to that idea in the abstract, and many of them in the concrete, as well; and I know, too, that it has to meet the prejudice of a half-century of economic teaching, especially among the masses of the people in the old country, who have been nurtured and grown up in that teaching. As I said before, if it is not a present possibility, it is yet well for us to keep ourselves in a vantage position, where we may do our part to adopt it, if it becomes feasible. So much with reference to that.

WHAT THEN ?

Now, Sir, after all this, the question comes, What then ? There is only one thing left. My course of reasoning has brought hon. gentlemen along that line; and the one thing that is left, in the opinion of the Government, is that which the Government proposes to do. It proposes, in the first place, then, to keep the old landmarks in sight. There has been much talk about the old flag and the old policy. I will, at this time, for the sake of variety, give the remark a different turn. I will say that I believe, and the Government believes, that it is in the interest of this country, that we should not lose sight of the old landmarks which we set up in 1878, and which have remained ever since. I am not going further to state what has been done by this policy in its principle and in its application, faulty though in some respects that application may have been—yes, must have been, because it was administered by human means. But I am going to say this, that that is the line by which we have marched up to our present prosperity, and that it is with the idea of keeping these landmarks

in sight that we propose to take the next step in the interest of this country. But my hon. friend says to me: The United States is going to have free trade in a few months, possibly. Suppose that were so—I do not believe it—but suppose it were so. My hon. friend would have to ask and answer another question: How did the United States attain to that position where it could throw its ports open and defy the competition of the world? It came to that position by the road, not simply of a reasonable protection always, but a protection which was oftentimes more than reasonable, but which it would put on, and which it kept on until it developed its immense iron resources, its immense resources of every kind, and secured its accumulation of skill and capital and power, and its market of nearly 70,000,000 people. It marched up to that point along the pathway of a strong and safe protection; and the argument has not reached a conclusion when my hon. friend is able to say: "The United States is going to have free trade next year, and Canada must have free trade as well." We have yet more to do; we have yet further progress to make; we have yet further to toil along the same line along which, from 1878 to the present time, we have come to the degree of prosperity and of development which we have reached.

THE NATIONAL POLICY A WIDE ONE.

My hon. friend had some criticism when the Premier, in a speech in Toronto, spoke of the National Policy as being wider than the tariff. It is wider than the tariff; we have always contended that it was. The tariff, giving a reasonable protection, was simply one part of the National Policy, which was adopted by this Government firmly and strongly and unitedly in 1878, but which was had in view, in part or in whole, long before 1878 by the chiefs and leaders of the party who put it in full operation in 1879. What was that National Policy to do for Canada? It was to amalgamate and weld together the different scattered territories of this country. That was one branch. It was to open these to settlement, and to transport on easy and quick terms. That was another branch of it. It was to build up the young industries of this country in order that the development of its resources might take place, in order

that this country might become, to a certain extent, a manufacturing country, self-reliant, giving employment, in large part, to its own people. This was also a component part of the National Policy. And this National Policy, drawn on these lines, was what the Government of this country placed itself upon in 1878, and it is that which it stands on to-day, although in part what was to be done at that time has been very largely done, especially as to the amalgamation of our territories and the opening up of our means and facilities for transport. We believed, in 1878, that a reasonable protection upon industries which could fairly have a chance to plant and develop themselves in this country, was the only means by which to lift the country out of the condition it was in in 1878—and we ought never to forget that condition; and, on account of that policy, great strides have been made along the lines I have referred to.

A REASONABLE PROTECTION TO BE KEPT.

So that the Government proposes—and it takes the people into full confidence—not to abandon the principle of fair and reasonable protection to the industries of this country. Now, as I said before, the Government takes its stand on the ground that all classes should bear proportionately equal burdens; and if, in the course of the investigation which is now taking place, and which will be continued for some further time, it is found that burdens press unduly on any class or section of the country, it will be the bounden duty of this Government to remedy that, and, if possible, equalize those burdens. If in the course of that investigation which is now going on, and which will be continued for some short time yet before a conclusion is reached, it be found that protection has been given to some industries which have no prospect at all of ever becoming fairly rooted in this country, it will become a question with this Government, whether or not it is not best to drop hot-house protection and give simply the reasonable and sufficient protection which is necessary in order to establish industries which, when established, will give some assurance of permanency and continued prosperity. These, then, are the present lines. To lighten the scale of taxation, in so far as possible, and in doing that,

we must make up our minds to pare down, as far as we possibly can, all expenditures that are not absolutely necessary for the service of this country; to refuse expenditure on works which it would not be proper for a wise and economical Government to set on foot and continue in the country; to, as far as possible, adapt the scale of protection to legitimate industries and to what is reasonably necessary in order to establish and protect them; to use the raw material of the country, in so far as it can be used, and to extend the free list as far as possible, consistent with the revenue requirements of the country, in order to bring about this lessened taxation and this lessened scale of protection, which, lessened and equalized in that way, may be just as effective, and more effective, after the change has been made, than it was before.

AN INVESTIGATION TO BE MADE.

What I want to state is this, that information has been gathered by the Government, particularly by myself, during the past year, and that information will be gathered during the coming season; that the Minister of Trade and Commerce and myself, with the two level-headed business men who control the Customs and the Inland Revenue, propose during the coming year not only to listen to the complaints and the pleas of people who come to Ottawa to see us, but we propose to supplement that by a personal inspection and investigation of the various industries of the country. We propose to go further. We propose that it shall not be said that only one class has the ear of the Government, but that every class, the agricultural, the artisan, the manufacturing, the producing, or any class, shall have abundant opportunity to make out its case before the Government or some member of the Government and to have its plea and its grievances taken into consideration, and that the action of the Government shall be based upon the conclusions thus arrived at.

THE TARIFF TO BE REVISED.

During the next session of Parliament we propose to be ready, when Parliament opens or shortly thereafter, to bring down a tariff for this country revised on those lines, which shall not—and I want to make that plain, so

that no feeling of panic may take place in the country—which shall not destroy and injure industries which are in this country to-day and which need reasonable protection in order to keep them up, but it will not assuredly, on the other side, give a measure of protection to any industry which will give it the opportunity of taking unduly from the pockets of the people by creating combines and monopolies, and thus making itself a burden instead of a benefit to the country. So much with reference to the future policy of the Government. We intend to be plainly and frankly understood. In that view, we ask our friends in the House to assist us in our investigation, by spreading the information broadcast, that every person can have access to the Government and can lay his plea before them, and that, having the benefit of their collective wisdom, we may arrive at a conclusion which shall embody the best for the country under its present circumstances and the best for the country in its immediate future. Certain things have been very strongly pressed upon us. Certain things have especially been urged with reference to their immediate remedy. Every person who undertakes the revision of the tariff, especially of a tariff framed on a protective principle, will very soon find out how, wherever he attempts to touch one single branch of industry in order to its relief and help, he immediately comes against the wires of other industries.

Some hon. MEMBERS. Hear, hear.

Mr. FOSTER. There is no doubt of it. We do not for a moment wish to leave that out of consideration. It is true, and it is a truth which prompts us to make haste slowly and to thoroughly consider all industries before we venture a conclusion and adopt a policy with reference to particular industries. So that, therefore, careful revision is necessary, and many pleas, fair in themselves, have had to be shut out this year. We ask these people to wait the conclusion of the coming summer, and of the general revision which is to take place, when they will find their grievances, if they are just, remedied, and their complaints, if meritorious, as fully and fairly met as the Government can meet them. But there are two or three things of which I specially desire to

speak, and which I would not wish to go over this session.

THE EXPORT DUTY ON LOGS.

A strong plea has been made with reference to the export duty on logs. Hon. gentlemen who live in the sections which, I may say, are most closely affected by that business, understand its acute nature, and all hon. gentlemen who have studied the course of the lumber resources and interests of our country, and who desire to see these lumber resources conserved, as far as they reasonably can be, have had their attention drawn to this matter as well. The facts of the case are to-day that a most wasteful, and, I believe, entirely unnecessary drain is being made on the timber resources of this country under present conditions. I know it is a most difficult matter to decide just how much of the drain should take place, and, when you have decided that, it is still more difficult to so regulate it that it will keep within those bounds; but, over and above those difficulties there comes the strong warning that Canadian lumber resources, which should last us for centuries, are in danger of being prematurely exhausted, and it is well that this matter should undergo most serious and calm consideration, utterly removed from partizanship and trade reprisals, or the like, upon its own broad and sufficient basis. And I wish to state here that, during the coming summer, the Government will take steps, the steps that are necessary and that are most fitting, to gather all the information with respect to these matters that it can, to submit to the House at its next session. And I desire also to state, so far as the Government is concerned, should this investigation lead it to take a certain course, it will not consider that it is debarred from taking the course that is shown to be imperatively necessary because any persons have, last year or this year, on the existing state of things, bought limits or invested in timber lands in our country. The supreme consideration must be our own forest resources, and how to preserve them. I am not saying what conclusion will be reached; I cannot say, because the full information is not before the Government or the House, but we merely wish to enter the plea that, if the revision should be deemed necessary it will not be considered by the Government to be

debarred by the fact that limits have been bought or purchases have been made on conditions which now exist.

THE DUTY ON OILS.

A strong agitation has been brought to the notice of the Government with reference to oils. We have heard that debated in this House. Hon. gentlemen on both sides of the House have taken divers positions with regard to this duty. No cool, reasonable man, on either side, having thoroughly looked into it, can come to any other conclusion than that it is a most difficult question. We have to do justice to an industry which has been, from 1868 particularly, the pet of Governments, so far as protection is concerned, which enjoyed the caressing care of the old Government before 1873, the kindly encouragement of the Government from 1874 to 1879, and the continued favour of the Government from 1879 up to the present time. This industry, though I grant you that it is very largely local, has a strength and power in its plea which appeals to every sentiment of a Canadian, and would move every Canadian to go just as far as he could in order to save the wealth and preserve the industry of the people, individually, who have carried on that business and are carrying it on to-day. On the other side, there is the claim of the consumers, who demand that the oil shall be reduced in price, and who ask that the protection which is now given shall be either entirely removed or reduced. I am not going to add to the discussion of that subject by going into the merits of the case. After hon. gentlemen who understand it have spoken as they have in this House, the merits of that question ought to be fairly well understood. I am simply going to say what position the Government take with regard to it. There is a straight protection on oil of $7\frac{1}{2}$ cents per imperial gallon, exactly equivalent to the 6 cents per wine gallon which was upon it before the present rate of $7\frac{1}{2}$ per imperial gallon was made. There is, outside of that, a condition imposed upon trade and transport which has the effect of protecting that industry to a large extent, possibly to the extent of 2 cents or 3 cents per gallon, arising from the fact that transport is limited to certain vessels and in certain directions, and that the oil is subject to inspection, of course.

This is outside of the straight protection, and what the Government propose to do, and they have thought over this matter very carefully, is to propose to this House that the transport shall be freed and that the straight duty shall remain for the present as it is. In that way, the abnormal and hidden protection, so to speak, will be taken away and transport will be left free to modern methods, and at the same time a large, I acknowledge it, and, I hope, a sufficient protection will be left to the industry, enough to serve it for the present at least.

BINDING TWINE.

One other question has been pressed upon the Government, and that is the duty on binder twine. This is complained of especially by certain sections of the country, by the farming class, almost as a unit. That question has been debated in this House, as well, and I am not going into its merits. The protection given to the industry in the United States is, I think, about $\frac{1}{10}$ cent per pound, with free raw material. In this country the material is free and the protection upon it at present is 25 per cent. A disadvantage from which the manufacturers suffer in this country is in our later harvest and the consequent fact that the surplus of the United States binder twine, known to be a surplus, being left over after their crop is gathered, is still in time to come into this country for use in binding our own crop. It is not, therefore, the intention of the Government to take away the duty on binding twine entirely. It is an industry in this country; it gives employment to several hundreds of people. I have examined into the question, and, so far as I can see, it is not a foreign monopoly, however strong and however close may have been, or to a certain extent is at the present time, the relation between the two. But I am bound to state this, that, as every one knows, a monopoly exists on the other side of the line. The industry is carried on in this country, notwithstanding the disadvantages I have referred to, and what the Government proposes to do is, while granting relief to the farmers and to those who use binder twine, at the same time to continue reasonable protection to the manufacturers. I shall propose to the committee that from and after the passage of the resolution, the duty on binder

twine be reduced from 25 per cent to 12½ per cent. There is still one other question; that is the question of mining machinery. You will remember that three years ago we exempted from duty for three years mining machinery such as was not manufactured in Canada. The term expires in March of this year. I propose to ask the House to extend that privilege on mining machinery for three years longer. In the revision for next year we will take this matter up, and it may be that it will be placed upon a different, but, I hope, no more unfavourable basis. Mr. Speaker, I thank you and the House for having listened so patiently to these lengthened remarks.

TUESDAY, 28TH FEBRUARY, 1893.

Mr. FOSTER. An apology is certainly due to the House, after ten days of a long discussion upon this tariff policy, for asking it at this late period in the discussion to listen a second time to any remarks from myself. However, it becomes necessary that I should say a few words, not only in reply to my hon. friend who has just sat down, but also in reply to several points which have been raised by hon. gentlemen who have spoken from the beginning of the debate until this time. Happily, I am not under obligation to occupy the attention of this House at very great length in that respect, for neither the cogency nor the novelty of the arguments which have been addressed to the House by hon. gentlemen opposite call for, in most cases, any lengthy reply; and I must also say that most of those arguments have been fully, fairly and completely met, not only many times before in this House, but during this present debate by hon. gentlemen who sit on this side.

IS IT FREE TRADE?

First, I wish to pay my respects for a few moments to the hon. gentleman who has just taken his seat. My hon. friend has been going about the country sounding the praises and trumpeting the coming triumph of free trade. To-night his vaunted free trade with all its breadth of vision and majesty of thought has resolved itself into trade with one country, to the exclusion, by restrictions, of trade with every other in the world. Before his Toronto and Hamilton audiences

he breathed the spirit of a wider atmosphere. He pointed to the battlefields of the United States, and he declared that there had been fought and won the second victory, not for "freedom of trade" as he haltingly tells us to-night, but for "free trade" and rising on the height and expanding on the breadth of that glorious victory for free trade in the United States, he unfolded the curtains of prophecy and declared that the third great country in the world to adopt free trade would be the Dominion of Canada. But to-night, Sir, my hon. friend talks small, very small, indeed. His vision is blinded to the wonderful commerce of Great Britain, his vision is blinded to the wonderful scope of a commercial world beyond the seas in every other country in the globe, and he is willing, for the sake of unrestricted free trade with the United States to raise a Chinese wall against Great Britain and every other country in the world. For in all his long speech to-night has he used two paragraphs of argument in favour of free trade, and has not his whole speech been an apology for unrestricted reciprocity, upon which he has already met significant defeat and upon which he will receive significant defeat yet in the future? The hon. gentleman did several things to-night. He was pleasant and sometimes witty, but at no time very forceful in his remarks or his arguments, if I am able to judge. He told a very good story about King James, but he showed he did not properly appreciate it, because he made the application wrongly. He should have made the application to himself and his friends, who have brought up these theories year after year, from commercial union to continental free trade, and although the people have not agreed with them, although the people have rejected them, although the people have conclusively resolved against them by their votes, yet hon. gentlemen opposite, like King James, still declare that these exploded theories are the only true ones, and they still deploy them before the public view again and again.

THE EXODUS.

The hon. gentleman found fault with a new law of gravitation, which, he said, I have discovered, and he compared me to a second Newton. There must be, he says, according to my doctrine, some centre of attraction out in the west that draws people inevitably from

the east towards the west. He said he did not believe that could be true, because the fact was that the people instead of going from east to west were going from north to south. I would advise my hon. friend to take a map and look along the lines of parallels of latitude running through Quebec, Ontario and New Brunswick and the United States, and he will find two trends of emigration or transfer, from this country and from the eastern states. He will find a trend going pretty nearly due west, along the same zone, along pretty nearly the same lines of latitude; and he will find a trend going from north to south so far as these provinces are concerned and to the United States on the south of us. My hon. friend, although he treated this in a light and airy way, and not at all, as I think, according to the merits of the subject, will find, if he deals fairly and honestly with it, that these trends are not fanciful, but they are real, that he cannot get rid of them by ridicule and by any pretended law of gravitation I have discovered or not discovered, for those two trends are absolutely fixed by two things,—land hunger, which takes people to the great prairies of the west, and employment hunger, which takes them to the crowded factory towns to the south of us. If there are 1,000 people who go from Canada to the west, 999 of them go from land hunger; and if there are 1,000 who go from Canada to the factory towns to the south, 999 go for employment to towns, where industries hum, and where the wheels of the factories resound from day to day. My hon. friend may make fun of my theory of gravitation so long as he pleases; these are, I think, common sense facts, which he and other people will have to face, and of which most people will admit the force and cogency at once. If that be true, he must not ridicule me because I have explained the movement of population upon these two principles, upon those two sets of facts. I think he will find them to be true, and the two lessons I gather from them are, that Canada lost in the early migration, because she had not a great west of her own where people could appease their land hunger; and that if she loses her population in the other direction to-day, it is because we have not had, and have not sufficient factories and industries in order to give employment to the people who hunger

for employment. So much with regard to that point. The hon. gentleman, however, has found a scientific and philosophical reason, and it is this: People do not go west because they hunger for land, nor do they go south because of want of employment in the cotton mills and factories as so many of his own countrymen do. Oh, no, there is another reason: They go west, and they go south, for this, and this alone; that in this country they are sadly oppressed, and they fly south and they fly west to the land of freedom, where there are no burdens, and where all conditions are light and happy and peaceful. Now, that may satisfy my hon. friend, and he may prefer that, to my science of gravitation, but I doubt if there are many sensible men who will agree with him in that explanation. The people are oppressed here! In what way? By taxes? Why, the hon. gentleman exploded his own theory, because he proved to his own satisfaction, and he must have proved it to the infinite discomfiture of my hon. friend from North Norfolk (Mr. Charlton), and my hon. friend from South Oxford (Sir Richard Cartwright); he proved that the farmers in the United States of America, that the people of the United States, except the manufacturers, were ground down into dust and ashes by the fiscal policy of that country. Oppressed here because a moderate 30 per cent tariff is upon them; and they fly away where they can feel the lighter weight of a 60 per cent tariff! Oppressed here, where their direct taxes are light, and going there where they can have a lighter burden of three or four times the amount of direct taxation upon them! Why, my hon. friend must have taken leave of seriousness when he advanced an argument of that kind. Well, Sir, if he did not prove that this was true, to his own satisfaction, he evidently did prove to his own satisfaction that he told a witty and fanciful story, when he brought in that personage of old, who took up his time in counting 967 widows, and one doubtful one. What that may have had to do with the subject before us I cannot say, but I am bound to assert this: That if that solitary watcher had been my hon. friend who has just sat down, he would not have let that doubtful woman go until he had found out her exact status.

THE CENSUS FIGURES ON INDUSTRIES.

The hon. gentleman hesitates to believe certain figures of the census. He is an eclectic, is my hon. friend. He takes up the Holy Bible, and he takes out one part or the doctrine and he says: That suits me; I believe in the divinity and inspiration of the Scriptures. He turns over another leaf. Ah, this does not suit him, and he says: I do not believe in the divinity or inspiration of the Scriptures. He takes up the census returns and as he chants his doleful dirges about the exodus, and proves them from the census, ah then the census is divinely inspired, and it is authoritatively correct. There can be no doubt about its accuracy at all then, but when he comes to the industries, compiled under the very same rules, by the very same set of people, published in the same printing office, and under the auspices of the same Government, he declares that it is full of wickedness, and all hypocrisy, and he will not believe it at all. But my hon. friend cannot do that. As with the National Policy, which he talks about so often, and which he and his followers say must stand as a whole or go down as a whole, so it is with the census. It must stand as a whole or go down as a whole, and my hon. friend, according to the arguments which he uses, cannot simply take what suits him and leave what does not suit him. Well, Sir, the hon. gentleman says that we may have—the census states that we had—an increase of \$92,000,000 in the capital of industrial establishments; but he says we do not know how much was watered stock, we do not know how much had been sunk before. I suppose if he looks back to 1881 he can make the same remarks with regard to the census of that year. Standing up in 1881, and looking at the increased figure of the amount of investment in these industries, he could have said then: You do not know whether that is right or not, a good deal of that represents watered stock; it does not show what has been sunk before. Well, I think these things would probably be about even. If they hold in the case of the year 1891, they must hold with reference to the census of 1881, and, after all, the average deduction would be about fair.

FARMERS AND FARM VALUES.

But the hon. gentleman has a wonderful theory. I think he must have learned it from

my hon. friend from South Oxford (Sir Richard Cartwright), who has lately picked up some wonderful phrases: Displacement of wealth is not the creation of wealth. I will come to that a little later. My hon. friend's theory is: That though there may be an increase in the industrial establishments, there has been a wonderful decrease in the value of farmers' lands. He says it is 25 per cent, taking it all through, and to his own satisfaction he states that there is a decrease of \$125,000,000 in the gross. He proves himself as observant and as particular in that respect as did the lone watcher for these 967 widows. He declares that the farmers have lost \$125,000,000, which more than overbalances this gain of \$92,000,000 for the manufacturers. Well, let me ask: Have the farmers' values decreased because the cotton mills and the sugar refineries, and the iron foundries, and other industries have been built up, have carried on certain establishments, paid certain wages, and thereby provided a market for the farmers' products, and added to his returns? Is that the reason? In other words, would the farmers' value in lands have advanced, or have been kept from this depreciation, if there had been no cotton mills and no iron foundries in this country? I think not. I think that you will find that in every town where there is an enterprising community they are anxious for the establishment of industries within the precincts of that town, and a town or city is alive to-day every time that a certain industry is looking for a location. They give bonuses in order to get that industry within their limits. Why? Because they feel that if industries come, and capital builds them up, men and women are employed, and thereby the markets of the surrounding country are helped by the extra demand for the products of the soil. So, Mr. Speaker, I think that my hon. friend has committed a perfect non sequitur in that case. \$92,000,000 advance in the industrial capital invested; \$125,000,000, as he says, depreciation in farm values, and the one, he tells us, is the consequence of the other. Sir, if he is correct in what he says with reference to the \$125,000,000 depression, had we had no industries in this country, that \$125,000,000 might have been \$200,000,000. But, Sir, my hon. friend saw the weakness of his argument, and as he attempted to prove that this depression in

farm values came from a protective tariff, so he logically was obliged to go on to show that the same thing took place in the United States. That was a hard and cruel task for my hon. friend. Where were his bowels of mercy? Even at that very moment, he looked straight into the eye of the hon. gentleman from North Norfolk (Mr. Charlton) who, the other day, took hours to prove that the farmers of the United States were prosperous to a maximum, and that their lot was as happy and as peaceful as it could be. Here comes on, my iconoclast friend to-night, and, without a shred of pity, without a single impulse of sympathy, he knocks to pieces the house which my hon. friend had erected, and declares that in the United States of America the farmers' lot is terrible. He read out the picture, as dark as Erebus, darker than the Shades, and yet may I put this statement to my hon. friend: That any time this last four years, at any time this last five years, while the vulture of this ultra-protection in the United States was eating out the liver of the farmers, while that was the case, at any time within these five years, my hon. friend would have led the farmers of Canada into the very same conditions, and under the very same tariff. My hon. friend cannot deny that. Well, he saw that there was another flaw to his argument. Then he cited England, to which he declared his opponents would point where farm lands have depreciated. Now, there is no protection in England, and he could not give that reason for the depreciation there. The sequence of his argument would lead him inevitably to this: that if a lesser degree of protection in Canada destroys the farmers to a certain extent, and if a larger degree of protection in the United States destroys them still more, where shall we find the paradise in which they do not suffer the same depreciation and destruction, but in which they are prosperous and happy? Evidently in a free trade country; and the hon. gentleman should have been able to point to the happy and prosperous lot of the farmers of Great Britain. He could not do it. If the farmers in the United States have had hard times, harder than we, and if our farmers have had hard times, yet, if you want to find the hardest of hard times, the most depressed of depressions, the most unhappy situation of agriculture, you have only to go to Great

Britain, the home of free trade. But my hon. friend had to find a reason why his argument did not work there, and of all reasons he gave one which I should have supposed he would have been most careful to steer clear of. What is his argument? Land, he says, is all monopolised in England at least it used to be; the noblemen have got it; the aristocrats have made deer parks of it; they will not allow the land to go into cultivation; and what should be the effect? That the little land that does go into cultivation ought to rate at high values. That is the inevitable result of his argument; but the hon. gentleman says that these aristocrats gobble up the land and hold it for deer parks, and if a farmer has an acre of free land or land that he pays a rent for, these aristocrats carry their spiteful feeling so far that they grind him down with taxation. The argument will not work. The hon. gentleman showed how the rental price of land in England has diminished; but if he will read more on that subject, if he will go to England and travel there, he will find that to-day land owner after land owner offers to tenants their land without the rent of a single penny if they will only keep it in order and take care of it, and pay its tithes, and they cannot find farmers to take it even at that price. That is so; I know it to be true. Well, Sir, it is a favourite method of argument with hon. gentlemen opposite that when they cannot find real men to knock down they will set up straw men to knock them down; and so my hon. friend, having foundered on the argument in regard to the farm values, gravely declared that the National Policy had for its promoters men who held forth to the people that the National Policy would bring the price of wheat up to \$1.50 per bushel. Well, Sir, it may be that some misguided person in an exuberance of enthusiasm on the stump in a moment of weakness may have said it would do this. Hon. gentlemen opposite have their moments of weakness in that respect. I myself have heard them make some most astounding prophecies and promises, which have never been, and cannot be, fulfilled; but I am not going to say that because some few of them failed in that direction the whole party propaganda must absolutely rest or fall upon the fulfilment of those prophecies. Neither is it fair for my hon. friend to say, and he cannot put it forward seriously, that

because some person said that the National Policy would make wheat go up to \$1.50 a bushel, therefore, the National Policy, not having done that, wheat not being at that price now, the National Policy is a failure and ought no longer to be sustained. Now, he declares openly, and he has done it often, that no legislation can increase the price of wheat or other cereals. By the way, I must ask my hon. friend to take particular care of his new adherent, his youngest recruit, the hon. member for L'Islet. I had the curiosity to read that hon. member's card, which he issued to his constituency. He read it to us here the other night. What is the first line of it? The hon. gentleman pledges himself to have legislation introduced which shall raise the value of the farmers' products, and he also pledges himself that the hon. leader of the Opposition will leave two or three columns standing in the temple of the National Policy. Now, I want to ask my hon. friend if he has had an understanding with the hon. member for L'Islet? Did he really agree and authorize him to say he would introduce legislation to raise the value of the farmers' products? What are the columns that he is going to let stand in this temple of protection? I will leave that between my hon. friends. I have no doubt that they will come to an agreement before this session is over. But, Sir, how would free trade, suppose we had it to-day, increase the prices of the products of the farm? You say that the price of wheat is low to-day—why? Because the production of wheat in the world, measured by the demand, is greater in proportion, and consequently the price falls. Bring in free trade, and what is it going to do? Blast a certain portion of the wheat fields; make the quantity less, and thereby bring it closer to the demand, and thus raise the price? That is the only way it can be done. But my hon. friend may have had a fear of that, and so is not going to introduce free trade, but only unrestricted reciprocity.

THE FARMERS' TAXES.

In that case I am afraid that the hon. gentleman would only fall on the horn of his own dilemma, for he declares that once protection is introduced down goes the value of land, while he promises the farmers that under unrestricted reciprocity, which means a higher protection and greater restriction

than we have now, the value of land and land products will rise. Well, Sir, there was a vein running through my hon. friend's remark which is not a new one. It has been a sort of gospel on the part of all hon. gentlemen opposite. They have, as my hon. friend from Charlotte would say, "taken a great cant towards Biddy." They have "taken a cant" upon the line of solicitude for the farmer, and if there is one thing that they preach to-day it is the farmer's depressed condition, and they propose to be the only saviours of the farmer by means of the policy which they desire to bring in. Now, Sir, my hon. friend goes too far in his statement with reference to the farmers. He is too solicitous. The Liberal-Conservative party and the Liberal-Conservative Government know the farmers' condition as well as my hon. friend, and they do something for the farmers, while hon. gentlemen opposite merely talk about them, declaring them to be depressed, and pauperized, and drawing gorgeous pictures of what they would do for them if they were only in power. Is it true that the farmers, as a class, are oppressed by taxation? It is not true. Is it true, as my hon. friend said to-night, that the farmer pays taxes on all that he eats, on all that he wears and on all he consumes? What folly that is, and I will show you why. The farmer requires wood to build his house and his barn. Does he pay a single cent of taxes on the wood in this country where we have a surplus with which to supply the wants of other countries? The farmer requires fuel to give him warmth after he has built his house, and, in nine cases out of ten, he uses the wood of the country as fuel. He cuts his wood in the winter, and brings it to his farm-yard, and keeps himself warm with it. Does he pay any tax on that wood? He uses coal, and every ounce of anthracite coal he uses, which is the coal most largely used for fuel purposes, is free of taxation; and in great portions of this country, bituminous coal lies at his very door, at first cost or almost free, for his taking it at the mouth of the pit. My hon. friend is wrong as regards fuel, and he is also wrong as regards food. It is absurd that we should have to meet an argument of that kind. What our people eat are the grains of this country, the best in the world, and of these we raise a surplus. What they eat are the meats of Canada,

the best and firmest in the world, and of these, too, we have a surplus. Our people also consume our butter and cheese, and Canada can make cheese equal to that of the best cheese-producing country in the world, and butter equal to the best butter in the world. The eggs of the patient hen, so much derided by my hon. friend, are meat and food to the farmer, and great quantities are consumed by the labouring men. Is there any duty on those? So we might go through everything that the farmer eats. What does he pay a tax upon in the matter of food? He pays a tax on his mustard and allspice and cinnamon and cloves and things of that kind, and a few cents per quarter would represent the bulk of the duty he pays upon these, as far as his consumption goes. He pays infinitesimal duties on sugar the raw sugars having been made free; and, under the state of things which exists this year, he pays less for his sugar than he would if we had no National Policy. We have taken the farmer's food; let us consider his drinks. What drinks he ought to drink, according to my opinion, are free. His water, tea and coffee are free. If he desires to drink anything stronger—which is optional with himself—it is a luxury he takes, and he has to pay for it, and we will have a tax on that so long as Canada is a country. So my hon. friend must revise his dictum, as far as the food is concerned. The principal items of the farmer are the wood, the brick or the stone he uses in the construction of his buildings; the fuel he uses, the food he consumes, and, in all these particulars, which are the main items of his necessary expenditure, where is the country in which the farmer has so bountiful a supply at his own doors and at so small a cost? Go a little further, and consider his clothing. There is a large number of farmers in this country, whose ordinary clothing is made of the wool shorn from the sheep they themselves raise. The fleece is washed in the running brook, taken to the nearest carding mill, and the yarn is spun by his own wife, and woven on his own loom, or that of the factory near by, and the product is made into garments for himself and family. There are thousands and hundreds of thousands of people in this country who are thus clothed, but my hon. friends do not see them. They are not in

touch with the farmer. They keep all their eyes for the city people who dress in broad-cloth. They roam about the streets of the large towns and villages, and see only people who are dressed in tweeds. If they would get in touch with the people, would use their eyes and go among the working classes, and would visit the back settlements, they would find the gray home-spun coats and trousers made out of the wool shorn from the sheep the farmers themselves have raised and the wool of which was carded in the settlement. Go to your cottons, if you please, go to your woollens, if you wish, and I make the assertion here that the woollen and cotton staples, mostly used by our people as clothing, are, taking quality and price together, as reasonable in price as they are in any country in the world. Taking quality and price together, these goods, which are really serviceable for wear—not clayed cotton, not shoddy woollens or tweeds or the like—but, taking them for wear and quality and price, you will get them in Canada equal to any country in the world. Taking all things into consideration, the farmer pays the minimum of taxation; and I say to you that there is no country in the world where the farmer pays less taxation than he does in this country upon all those staple articles which go into the consumption of his daily life.

REVENUE AND TAXATION.

We must look out as well for these gentlemen when they talk of the load of taxation. Taxation in this country is of different kinds. Hon. gentlemen opposite say that \$36,000,000 is what we wring in taxes from the pockets of the poor people of Canada. What a fraud that is as an argument—calling that taxation and making the people, who know no better in some cases because they are not learned in figures, believe that a straight tax of \$36,000,000 is taken out of them. That statement is not true. Of that amount \$10,000,000 is for liquors and tobacco, and no man would get up in this House or any other Anglo-Saxon House of Parliament and ask that these articles should be made free. So long as a revenue is needed, a revenue will be raised upon them. They are not necessities, but luxuries, and the man who buys them buys them with the knowledge

that he is paying into the revenue, and when he does, it is a voluntary and not an involuntary tax. Then there are \$8,500,000 of earnings in this country. Are you taxed when you put a letter in the post office box with a three-cent stamp on it, and get some person to carry it 5,000 miles for you? I think not; I think you are getting your service done, and paying very cheaply for it. Are you taxed when you buy your ticket and get on a railway, and are whirled from Levis to Halifax or St. John? I think not, for you get the cheapest travelling on the Intercolonial Railway that you can get anywhere. All that goes into these earnings. It is not taxation, but payment for a cheap service and a good service as well. Add these together and there are \$18,000,000. Add also the acknowledged luxuries, \$2,500,000, and you have \$20,000,000 of this which is not necessary taxation at all, which is either perfectly voluntary, or simply a cheap payment for good service. Now, that should be told. I hold that he is not a friend of his country, that he is an enemy of his country, who will, by keeping the truth from the people, raise discontent in the minds of the people—

Sir RICHARD CARTWRIGHT. Hear, hear.

Mr. FOSTER—and, if there is any man in this House that ought to say "hear, hear" when I mention that, it is the hon. gentleman who sits opposite me, the member for South Oxford (Sir Richard Cartwright). For, if there is any man in this House who has roused so much discontent and has driven so many people out of the country as the hon. member for South Oxford has by those ingenious diatribes of his, I should like to know who he is. But, Sir, my hon. friend has a brand new gospel; he brought it out to-night. He is going to have a new order of things, a political millennium—all to himself, I am afraid. What does he say? The leader of a party, speaking in Opposition, rises in his place and in a loud voice and in a tone that can be heard from Cape Breton to British Columbia, proclaims the new evangel. What is it? "Taxation is an evil which never produces prosperity; it is an abridgment of every good citizen's rights." Now, my hon. friend's duty is plain. He is the leader of a powerful party. Sometime in the by and by, may be the long by and by, he may

get into power. But I want to impress this upon him, that when he gets into power he must practice the doctrine he preaches, and govern this country without placing upon the people, if he is true to his gospel, this evil which he declares never produced prosperity and which is an abridgment of every good citizen's rights. Sir, that doctrine in a leader of the Government would be arrant foolishness, but in the mouth of an irresponsible leader of an Opposition it is a firebrand. It is a doctrine by which he hopes to win the favour of people who know less about it than he does by inspiring them with the hope that when the Hon. Wilfred Laurier rules this country there will be no taxation at all, none of this evil, "which never produced prosperity and which is an abridgment of every good citizen's rights." Now, does my hon. friend seriously believe what he says, or does he speak on the spur of the moment—in a moment of weakness, perhaps?

Mr. McMULLEN. We do not have them on this side.

Mr. FOSTER. Now, if my hon. friend will keep his wind-mills quiet—

Mr. DAVIES (P.E.I.) One is enough.

Mr. FOSTER. One at a time. Well, Sir, my hon. friend when he emitted that aphorism, that wise saying must have been undergoing a peculiar process of absorption from my hon. friend from South Oxford (Sir Richard Cartwright), because my hon. friend from South Oxford, not once or twice or two hundred times, but two thousand times, has declared in this House and in the country that we cannot create prosperity by means of taxation. Why, he said the other night that the Minister of Finance might as well get up on a steeple and jump off and then try to hold himself up by his boot strap as to try to induce prosperity by means of taxation. Well, the Minister of Finance has too much regard for his own life to try such acrobatic feats as that, but that trick would not be a whit more absurd than the doctrine my hon. friend has announced. Suppose we go down to Nova Scotia, to the Basin of Minas, and see the muddy waters of the basin when the tide is in and notice afterwards, when the tide is out, the portion of land from which the water has retreated and which is covered with the stratum of fertilizing soil left there by the

outgoing water. Suppose a municipality there says: Why, this is very valuable, or might be made so. Here is a tract of one thousand acres of land no one of us is able to reclaim it; but as a municipality we will raise a sum of money by taxing ourselves and we will build a dyke that will inclose this thousand acre tract. They do that; they pay the taxes for one year, for two years, for three years, for five years; they raise the money; they expend it; they battle with the waves; they make the dykes, and you go down there a year or two afterwards and see a thousand acres of the best soil in the world, with its waving grass that brings a perennial income over and above the taxes imposed to pay for this improvement. Yet my hon. friend says that taxation is an evil and an abridgment of every good citizen's rights, that you can never create prosperity by taxation. Maybe you cannot create prosperity or wealth by it, but you certainly bring the unused wealth, you certainly bring the national resources, formerly comparatively valueless, into a state or condition in which they yield revenue, which could not be done without taxation. So it is with every state, with every country. When the North-west was not known; when it was a terra incognita to us, and we conceived the idea of buying it from the Hudson's Bay Company, and did buy it, and paid our \$1,600,000 and taxed the people for it, my hon. friend would have told us: You cannot produce wealth by means of taxation. But we paid the taxation to buy the North-west and by means of further taxation we opened it for settlement. But the thousands and millions of acres of fertile land which now and in the future lie open to the sunlight and the breeze with their golden crown of waving grain, will be a standing refutation of the theory that you never can produce wealth by means of taxation. But my hon. friend is not going to have any taxation; freedom, he says, is the goal. My hon. friend says that we must not talk of reforming the tariff, that it is idle for me to attempt it, that I dare not attempt it; that I dare not touch the principle. Hon. gentlemen opposite seem to forget one thing, and that is, that there is a line of distinction between a principle and a detail of that principle, that there is a distinction between the tree and the twig on the tree. Suppose my hon. friend was a husbandman. He would go

out into the orchard and find a beautiful fruit tree, and as he went up to it, would see some golden fruit upon it. But he would notice here a branch which was mouldering, to use a word which has come into vogue of late. He would find a sucker growth coming out from a part of the tree where it should not be allowed to grow. He would find a branch deformed and gnarly. My hon. friend is the kind of husbandman, who, if he went into the orchard and saw a tree of that kind would promptly take his little hatchet and cut the tree down. My hon. friend is not a good husbandman, consequently he would do that sort of thing, but the real husbandman would look at that tree and say: A fine tree; a good trunk and fair branches; still some mouldering branches and some growth that should not be there. And he would take a sharp knife and carefully cut off the deformities and would leave the tree more beautiful and capable of producing more fruit. This husbandman would enjoy thereafter the fruits of his skill, while the husbandman who would act as my hon. friend, would be cast by the owner into outer darkness, and condemned ever after to listen to the doleful wailings of a party who are commonly called in this country, Grits.

UNRESTRICTED RECIPROCITY AND ASSIMILATION OF TARIFFS.

My hon. friend says that it is false that they ever proposed an assimilation of the Canadian tariff to the United States tariff. Well, my hon. friend has a short memory. If I were to treat this argument with him as he treated the \$1.50-a-bushel-of-wheat argument I would convict him of insincerity at once; and I am not sure that I could not bring it very close home to him if I had here the notes and the speeches that have been made. I will, however, admit this, that my hon. friend had sense enough to know from the first that that was the weak point, and the rock upon which the whole scheme would split, and he was very wary of speaking of it, or coming within touch of it. But my hon. friend cannot have read the American press, he cannot have read the utterances of American statesmen, if he does not know that almost without exception the press and statesmen of the United States have declared that any scheme of unre-

stricted reciprocity between this country and the United States, is impossible, except upon an assimilation of the tariffs of the two countries. I can give authority after authority, by the hour, for that statement. Everybody knows it.

Mr. CHARLTON. Produce one now.

Mr. FOSTER. I am not going to weary this House or insult its good sense by producing it; but if my hon. friend has a thirst for information, I will give him my book to-morrow, and he can read for an hour the opinions of the American statesmen and American newspapers in that direction, and in that direction alone.

Mr. CHARLTON. You ought to have come here prepared to verify your statements.

Mr. FOSTER. Sir, I will have something to do with that hon. gentleman before I get through. My hon. friend says that no Liberal has said so, that no United States adherent has said so. I have made my assertion with reference to that, and I invite him to examine the records to see whether it be not true. Well, my hon. friend was not satisfied to leave well enough alone. If he had left that point with the simple assertion that no Liberal had said that they would assimilate the tariffs, that no adherent of the United States had said so, it might have gone on the strength of his word. But my hon. friend went into the dangerous course for him of undertaking to reason, and the further he reasoned, the more effectually he destroyed his own contention. My hon. friend said—and there he touched the weak point at once—that if there was a little lower tariff in one country than in the other, the tendency would be to import goods from the country which had the lowest tariff and smuggle them into the country which had the higher tariff. Then my hon. friend from Prince Edward Island (Mr. Davies), who so valiantly denied the assimilation of tariff the other night, is on record as saying that it must be so, and that the United States people are not such arrant fools as to submit to a scheme of reciprocity in which there is not an assimilation of tariffs. My hon. friend has stated the weak point, and I invited him, as I have invited them again and again, to show to this House how they are going to arrange unrestricted reciprocity with the United States, and discrim-

ination against other countries, without an assimilation of tariffs. The hon. gentleman cannot do it, and there is not a level-headed man in the United States who has expressed himself on this subject, who is not in disagreement with him on that point. Well, Sir, my hon. friend has one strong adherent, a man of whom not much has been heard in United States politics, a Mr. Campbell, of Ohio. My hon. friend declared that Mr. Campbell was a host, and that Mr. Campbell had declared himself in favour of reciprocity; and he brought out a sheet of paper with a very long extract upon it, which he read to the House as Mr. Campbell's offer of reciprocity. What was it? It was an agreement between two foolish young people named Maude and Claude that they would kiss each other. Now, does my hon. friend know not that he is trifling with the question and trifling with this House when he declares that the Democratic party is going to give us, and is willing to give us, a reciprocity treaty upon the ground of a simple story told by Mr. Campbell with reference to Maude and Claude? My hon. friend has declared that the Democratic victory in the United States has been a victory for the freedom of the trade to this extent, that it is going to do away with all tariff for protection, and introduce a tariff for revenue alone. My hon. friend declared in the same breath that in Canada he was going to do away with all protection, and introduce a tariff for revenue. Now, when the United States gets down to a simple revenue basis, and my hon. friend gets Canada down to a simple revenue basis, where will be his basis for reciprocity between the two countries?

LEADS TO ANNEXATION.

My hon. friend says that unrestricted reciprocity does not lead to annexation. He knew that a trusted leader of his had declared himself in a different direction, and so he read to fortify himself a few words of what Mr. Blake said on one side, and a little more of what Mr. Blake said on the other. Mr. Blake's evidence is strong evidence whenever it can be quoted against my hon. friend, because in heart he was with the other side, their trusted leader for many a year; and when he was their leader every man of them fell down on his knees and

worshipped the superior ability and acumen of Mr. Blake. If Mr. Blake, the trusted leader of the party had so to wrench party affiliations and go against the course of a lifetime, as to break with that party, if Mr. Blake's familiar, and chosen, and hot duty, for years was to rake, with his strong shot, the ranks of the Liberal-Conservative party, any bit of evidence that Mr. Blake gives against the Liberal-Conservative party is in the line of all his wishes, while every bit of evidence that he is forced to give against the party with which he was so long associated, is something wrenched from him unwillingly, and consequently of priceless value in comparison with the evidence given against the other side. Mr. Blake may have thought that the Conservative policy of protection would lead to annexation; but he declared in language that admits no doubt, that unrestricted reciprocity would certainly lead to annexation. He said:

I see no plan for combining the two elements of permanency of the treaty and variability of tariffs, which does not involve a practical control of the latter (tariff) by the United States.

The tendency in Canada of unrestricted free trade with the States, high duties being maintained against the United Kingdom would be towards political union.

Thus far my hon. friend read and then he stopped. But Mr. Blake went on to say:—

And the more successful the plan the stronger the tendency, both by reason of the community of interests, the intermingling of populations, the more intimate business and social connections and the trade and fiscal relations amounting to dependency, which it would create with the States; and of the greater isolation and divergency from Britain which it would produce; and also, and especially, through inconveniences experienced in the maintenance and apprehensions entertained as to the termination of the treaty.

Our hopes and our fears alike would draw one way. We would then indeed be "looking to Washington."

The treaty once made the vantage ground it gave would naturally be used for the accomplishment of its ulterior purpose; and this political end would be a great factor in the consideration by the States of Canadian views upon changes in the joint tariff, or as to the maintenance or termination of the treaty.

The reorganization to which our neighbours look is, of course, the unification of the continent.

That is Mr. Blake's opinion with reference to the tendency of unrestricted reciprocity, and every sentence is an irresistible argument in that way. Mr. Blake went on to say:

Without assured permanence some Conservative predictions of evil, else fallacious, would come true; for our undeniable natural advantages in raw materials, labour, situation and facilities would be unnaturally handicapped.

No manufacturer, looking to the continental market, would fix or even enlarge his capital or business in the country of five millions at the risk of being cut off from the country of sixty-five millions.

Our neighbours, instead of engaging in manufactures here would take our markets with goods manufactured there.

And our raw materials, instead of being finished on the ground, would be exported to be finished abroad.

That is Mr. Blake's opinion, the opinion of a trusted leader of their own, a man who, because his party had taken up the fad of unrestricted reciprocity, was wrenched from his allegiance to that party, and obliged to give reluctant testimony, albeit strong testimony, against the fad and policy which they had adopted.

DISCRIMINATION.

But my hon. friend says that the strongest objection of all to the unrestricted reciprocity plan is discrimination. He admits that discrimination must be had, but he actually had the assurance to follow in the wake of the hon. member for North Norfolk (Mr. Charlton) and the hon. member for Queen's (Mr. Davies) and base his argument that discrimination would be allowed—upon what? Upon the George Brown draft treaty, which, in 1874, was negotiated by him at Washington. Those three hon. gentlemen, one after the other, have tried to give currency to an idea which is as false in fact as any thing can be, namely, that the draft of 1874 discriminated against Great Britain and that, too, with the consent and approbation of the British Government. I do not charge them with knowing it is false. What I charge them with is, that they who ought to know that it is false, declare that it is true, and on the assertion that no discrimination was either intended or permitted in that Draft Treaty, I stake my reputation as a public man in this country, and I am willing to stand by my statement, and those three gentleman have either misunderstood or have misrepresented the whole thing. I ask the attention of this House while I prove it. Sir, it can be proved from a variety of circumstances; I am simply going to take the chain as I find it. I find that the treaty was negotiated in 1874; George Brown was the man who negotiated it; Alexander Mackenzie was the Premier of this country at the time. He himself signed the memorandum, outlining the nature of the reciprocity negotiations which were to be followed by George Brown. What does he say? After going over the other provisions, he says:

In the matter of reciprocal trade considered by itself, there is no reason to doubt that Canada would derive very great advantages from an extension of the list of articles named in article 3 of the former treaty, such as follows:—Manufactures in wood, agricultural implements, salt, mineral oils, bricks for building, bath-bricks, calcined plaster, burnt lime, manufactured articles not produced in or exported from England, ochres, ground or unground.

That was on 9th March in the memorandum which was to guide George Brown, and it expressly confined the list to manufactured articles not produced in or exported from England. Let us go on to the second step. The second step will be found in the Minute of Council, approved on 26th March, 1874, in which we find this passage—it must be remembered that at his time the United States were pressing for a manufactured list wider than that suggested :

Sir Edward Thornton's despatch to His Excellency the Governor-General of a late date, indicates a desire on the part of the United States to extend the list of articles named in the Treaty of 1854, so as to embrace the articles of the manufactures of the two countries. The Government of Canada will be willing to agree to such reciprocity—to include manufactures in wood, such as sashes, doors, blinds, pails, tubs, barrels, matches and various other articles of a like nature—agricultural implements, bath-bricks, bricks for building purposes, calcined gypsum or plaster line, earth ochres, ground or unground, and generally, all manufactured articles not produced in or exported from Great Britain to this country, together with such other articles as the Imperial and Dominion Governments may mutually agree upon, or as may by mutual arrangement be entered at a fixed duty to be specified in the treaty. It is, however, understood that no proposition affecting the introduction of manufactured goods shall be finally determined upon prior to reference to the Imperial and Dominion Governments. As a natural production, salt may be added to the former free list.

The same careful desire was extended at this second stage of the proceedings to exclude articles in regard to which a discrimination was likely to occur in respect to Great Britain, and every precaution was taken afterwards that if this article were extended, it should only be after reference to the two Governments. The Order in Council goes on to say :

Mr. Brown will communicate this view to Sir Edward Thornton, accompanied with the representation that the Government of Canada do not propose any modification in matter of trade and commerce which would in any way injuriously affect Imperial interests.

That is another stage. On 23rd April, 1874, Earl Carnarvon signs a despatch to Earl Dufferin, in which he says :

After consultation with this department, Lord Derby sent a telegram to Sir E. Thornton, informing him that the proposed paper might be submitted to Mr.

Fish, but that the proposals should not be made as being the result of the matured decision of Her Majesty's Government, but as preliminary only, and Sir E. Thornton was desired to explain this to Mr. Fish.

Further, this shows the spirit of the instructions, the actual instructions, the prudent care taken that those instructions should not be exceeded, the spirit of the instructions being that there should be no discrimination against Great Britain. That is one set of facts. Now, Sir, I wish to adduce another proof. I suppose the treaty itself may be taken as showing what the treaty means. I challenged my hon. friend the other day to read a single clause of that treaty which made it a condition of the treaty that the articles which were admitted free from the United States into Canada should not be admitted free to Great Britain or any other country. He could not read it, he cannot read it, because it is not in the treaty. But he attempted to make this argument, that although it was not in the treaty, yet it is common sense to believe that if they had made a treaty between each other, whereby certain articles were to come free into each country, with no other word or sentence qualifying it, that necessarily it must be confined to those two countries. The opposite is the exact truth. But I desire to carry the argument further. There is another article in the treaty which provides for a most-favoured nation treatment. Why do they insert most-favoured nation treatment, if the treaty itself gave the United States a preferential market, with a discrimination against Great Britain in regard to the articles mentioned, and which are set out in another article, which hon. gentlemen can read, and which I will not trouble the House by reading ? It is an article providing that, if any more favourable considerations are given by the United States to a third country, or by Canada to any third country, the same shall be given by one country to the other.

Mr. DAVIES (P.E.I.) Will the hon. gentleman read the paragraph which he says provides a more-favoured nation clause with respect to articles named in the treaty ?

Mr. FOSTER. I will read the clause, which is as follows :—

For the term mentioned in Article XIII no other or higher duty shall be imposed in the United States upon other articles not enumerated in said schedules,

growth, produce or manufacture of Canada; or in Canada upon such other articles the growth, produce or manufacture of the United States, than are respectively imposed upon like articles the growth, produce or manufacture of Great Britain or of any other country.

These two articles go together. The first one is explicit in saying that the two countries shall exchange certain products, and there is no article in the treaty which says there shall be a preferential treatment given to each other. And then the commerce between the two countries is extended on the same amicable line to articles which were not mentioned therein to provide for most favoured nation, but not preferential, terms to either one or the other. Now, Sir, my contention, so far, is this: That the spirit of the instructions all the way through was to prevent discrimination against Britain, and that, when a treaty is made, the treaty makes no mention of discrimination against Great Britain. Then I come to George Brown's testimony. George Brown ought to know as much about it as any other man. George Brown made that speech after all the schedules had been submitted, after the treaty had been completed as far as it was completed, and with full knowledge of the articles in the schedule, which he read in his speech only two minutes before. George Brown read the very schedule that my hon. friend read to-night, and then, after reading that, he expressed himself in this way, as to certain objections urged against the treaty.

The first of these objections which he referred to was that the treaty discriminated against Great Britain, and in favour of the United States.

He declared this objection to be unfounded, and proved it by saying:

It was perfectly understood from the opening negotiations that no article could be free from duty in regard to the United States, which was not also free with regard to Great Britain, and nothing else was ever contemplated for a moment.

Now, Sir, if George Brown had said that, after the first schedules had been handed in, there might have been some ground for the argument of the hon. gentleman; that he spoke about a subject that he was but half through with in the negotiations. But George Brown made the statement after the draft treaty had been concluded, and after he had just read to the Senate the very schedule of manufactured goods which my hon. friend read,

and George Brown distinctly states that it was never contemplated for a moment, and that actually no discrimination was allowed in that treaty against Great Britain. My hon. friend thought that he had lighted upon an argument which helped him out, and he read the report of the Board of Trade upon this draft treaty which had been submitted to it by Lord Derby. Lord Derby, who knew the whole tenor and spirit of all the negotiations, knew that assurances had been given to him by the Canadian Government that no discrimination should be allowed against Great Britain, and knew that every step in the work of that treaty-making had been under the direct supervision of that Imperial Government. The board of trade reported what? They reported that they found nothing against the treaty, as it was submitted. They did not mention discrimination. My hon. friend put that in as an aside afterwards, as though they had that in their minds, but the board of trade made that report upon the data of the schedules before them, and the promise that these articles mentioned in the schedules should be free to Great Britain as well as to Canada. But, Sir, if George Brown did not know anything about it, and if my hon. friend the leader of the Opposition thinks he can asperse the character and veracity of the Hon. George Brown, who made as positive a statement as a man could make, and made it with all the knowledge of the facts; perhaps my hon. friend will allow that Lord Derby ought to know something about it. Well, Sir, at that very time, almost at that very moment, there was a fear in England that this treaty as regards this schedule was going to discriminate against Great Britain, and representatives of various trades headed a deputation to Lord Derby and waited on him, and expressed their fears, and implored his intervention in the matter; and what did Lord Derby say?

It was the bounden duty of Her Majesty's Government to insist that British free trade should not be placed at a disadvantage as compared with other countries, in any treaty which might be entered into on behalf of the colonies; also to forbid the imposition of differential duties in favour of the United States as against Great Britain in any such treaty.

And he further assured the deputation:

That there was nothing in the proposed treaty, to warrant the conclusion that the Canadian Government were in favour of such a discrimination.

Mr. LAURIER. What is the date?

Mr. FOSTER. 1874.

Mr. LAURIER. What month?

Mr. FOSTER. I cannot give you the month.

Mr. DAVIES (P.E.I.) That is important.

Mr. FOSTER. It is important. But, is the date more important than the substance of what is said?

Mr. DAVIES (P.E.I.) Yes, because it is important to know whether he made that statement before he referred the treaty with the schedule to the board of trade, and got the board of trade's answer that we could discriminate if we pleased, and the English Government would say nothing against it.

Mr. FOSTER. The board of trade never said that.

Mr. DAVIES (P.E.I.) And then his despatch following, in which he said, with the board of trade statement in his hand, that he approved of the treaty.

Mr. FOSTER. The board of trade never stated what my hon. friend asserted just now. My hon. friend is satisfied to crawl out of a very small hole, and the hole he proposes to crawl out of to-night is this: that because he cannot have the exact date and hour, upon which this utterance of Lord Derby was made, therefore, he impugns its accuracy with reference to this treaty. What did Lord Derby say? He assured the deputation:

That there was nothing in the proposed treaty to warrant the conclusion that the Canadian Government were in favour of discrimination.

He said, in addition, that:

It was the bounden duty of Her Majesty's Government to insist that British trade should not be placed at a disadvantage, and also to forbid the imposition of differential duties in favour of the United States as against Great Britain in any such treaty.

And yet my hon. friend tries to get out of all that by asking me for the exact second in the exact hour, and the exact dot to which the minute hand or second hand of the clock pointed, when that statement was made. Well, as I have said before, there is no excuse for such dense ignorance in this matter. The member for North Norfolk (Mr. Charlton) stated the other day that he had been discussing this question for fifteen years, and so also have other hon. gentlemen

on the other side. If they are such poor students as not to know the facts, they are poor political leaders to whom to trust the interests of a party still less of a country. This has been frequently threshed out in the papers. We know that the Hon. Alexander Mackenzie time and again gave the same assurance, and the Toronto "Mail," in discussing this matter, said:

We are authorized by the Hon. Alex. McKenzie to state that Mr. McDougall is entirely mistaken in stating that discrimination was suggested or proposed or permitted under the treaty of 1874.

Sir, I have done with that, after having made the argument, I again make the assertion: That no discrimination was intended or was made in that treaty. If my hon. friend has nothing better by which to recommend to the people the adoption of a scheme against which he declares discrimination to be the chief factor of objection, than a baseless assertion like this, his case is lost, and he need not go to the country upon it. The hon. member for Queen's, P.E.I. (Mr. Davies) made another statement the other night equally without foundation, in order to prove that discrimination on another occasion had been proposed. He declared that Sir John Macdonald, the political godfather of the Liberal-Conservative party, had sent Sir Alexander Galt, and three others, in 1865, down to Washington, and through them had offered to assimilate the Customs tariffs of the two countries, which he contended was parallel in principle and in details to what he and his friends propose to do under unrestricted reciprocity. The hon. gentleman made that statement along with the others, and it shows an equal lack of investigation and an equal lack of accuracy. I have before me exactly what was proposed, in a minute made in memorandum by Sir Alexander Galt and his confrères. It was when they were trying to have the treaty of 1854 extended, or something else put in its place. They went down, and they found the temper of the people at Washington against renewing the old reciprocity treaty. One of the strongest objections urged against its renewal was this: That, owing to peculiar internal taxes in the United States, the Americans insisted on a larger impost upon the articles which had formerly been in the treaty list in order to equalize the exchange between the two coun-

ries; and the proposition made by Sir Alexander Galt, and his confrères, was this:

The trade between the United States and the British provinces should, it is believed, under ordinary circumstances, be free in reference to their natural productions; but as internal taxes exceptionally exist in the United States, it is now proposed that the articles embraced in the free list of the reciprocity treaty should continue to be exchanged, subject only to such duties as may be equivalent to that internal taxation. It is suggested that both parties may add certain articles to those now in the said list.

If the foregoing points be satisfactorily arranged, Canada is willing to adjust her excise duties upon spirits, beer and tobacco, upon the best revenue standard which may be mutually adopted after full consideration of the subject; and if it be desired to treat any other articles in the same way, the disposition of the Canadian Government is to give every facility in their power to prevent illicit trade.

Memorandum "B" was given as an answer by the United States delegates. They give a list of the articles in the treaty of 1854, and upon all of them they put less or greater duties, which they desired Canada to pay in order to compensate for the disadvantage they claimed to be under on account of their internal taxation. In memorandum "G" which followed, Mr. Galt replied:

In reference to the memorandum received from the Committee on Ways and Means, the provincial delegates regret to be obliged to state that the proposals therein contained in regard to the commercial relations between the two countries are not such as they can recommend for the adoption of the respective legislatures. The imposts which it is proposed to lay upon the productions of the British provinces on their entry into the markets of the United States, are such as, in their opinion, will be in some cases prohibitory, and will certainly seriously interfere with the natural course of trade. These imposts are so much beyond what the delegates conceive to be an equivalent for the internal taxation of the United States, that they are reluctantly brought to the conclusion that the committee no longer desire the trade between the two countries to be carried on upon the principles of reciprocity. With the concurrence of the British Minister at Washington, they are therefore obliged respectfully to decline to enter into the engagement suggested in the memorandum.

That is all there is to that. It affords not the shadow of an argument in favour of discrimination, or in favour of assimilation of tariffs between the two countries. Now, Sir, I have exhausted my own patience, and I suppose the patience of the House, and yet there are two or three points which I feel I must touch upon.

MR. CHARLTON'S ASSERTIONS.

The hon. member for North Norfolk. (Mr. Charlton) stated, the other day, that the Government had asserted, when they went to the people in 1891, that

they would certainly get a reciprocity treaty from the United States, and that on that assertion, which he declared had no foundation in fact, we had fooled and deceived the people, and gained the election. I am anxious for honest and fair debate in this House, and in my anxiety for it I gave my hon. friend a chance to retract the strength of that assertion, and I supposed he would like a man, say: Well, that was a little too strong; you did not actually assert that, but you left it to be implied. But my hon. friend would not take advantage of that opportunity, and not once, but twice or three times before he finished his speech, he declared that we had actually asserted that we would be certain to get a reciprocity treaty, and that we had carried the country on that cry. Now, I give my hon. friend another opportunity to retract that statement.

Some hon. MEMBERS. Oh.

Mr. FOSTER. He will not do it. I am not surprised at that; but what does surprise me is that hon. gentlemen who sit beside him on the front benches will stand by him in his refusal to retract a statement which he did not prove and which he cannot prove. When he was asked to produce his authority, what did he quote? He quoted the Toronto "Empire." The Toronto "Empire" is not the Government. He had not stated that the Toronto "Empire" had declared thus and so. He had said that the Government had actually said so and so. But even when he read the extract from the Toronto "Empire," it appeared that the Toronto "Empire" did not say it; and he actually struggled through the whole extract without showing one single syllable or line which could bear out the assertion that he made. The hon. gentleman went on, afterwards, to declare that the draft treaty of 1874 was an actual and square discrimination on all fours with what was proposed under unrestricted reciprocity. Sir John Thompson gave him an opportunity to take that back. He asked a certain question as to whether the Hon. George Brown had made a statement, by way of denial. But the hon. gentleman never answers a question squarely. He did not answer that; but he went off on a side shift. Now, Sir, there are two examples of an hon. gentleman choosing to argue against his opponents

by actually falsifying the record, and when he was given an opportunity of putting himself right, utterly declining to put himself right. And he not only stated that in the face of members in this House who could judge of its falsity, but his speech goes out to the world, and it will be by and by, I suppose, printed in pamphlet form, as are all his speeches, and be sent out to a larger constituency, and men will read, and men will say the Canadian Government is a bad Government. Why? Because they declared in 1891, that they were certain to get a reciprocity treaty, they went to the people on this declaration and they did not get it; because they declared against discrimination and that the British Government is against discrimination, and yet, in 1874, discrimination was actually allowed and acceded to by Great Britain. And men will say, we cannot support a Government which can be guilty of such deceit as that. And when asked, why do you come to that conclusion, they will answer: Because Honest John Charlton said so, because Mr. Charlton is a Christian, because he is an elder of the Presbyterian Church, because he is a stickler for the Sabbath, because he is a man who pretends to great goodness, and is truly good, and John Charlton would not say this unless it were so. We will base our political action on what John Charlton says, because we believe in his honesty, I must say that that is a propaganda which ought not to be carried on—not as between parties, for I am not speaking now merely of parties—but as between the man and the people who read what the man says. My hon. friend is very much against the captain of a tug taking hold of a little string, and allowing the shrill whistle of his tug to rend the solemn stillness of the Sabbath morning. I would rather that he would rend the solemn stillness of the Sabbath morn, by letting the tug blow its horn 10,000 times, than that he would offend against the compact upon which society can alone be maintained—truth between man and man; and yet, Sir, if that captain of the tug told a lie to his mate, the minimum of wrong would be done. He would have sullied the purity of his own heart, he would have outraged the confidence of his neighbour; but these two would be the only ones concerned. But what is to be said of a public man who would make

these utterances without any shadow of foundation, and who, when given a chance to take them back and set himself right, will not do it, but will spread them as propaganda broad and wide throughout the country. That is not the kind of political warfare that ought to obtain.

MR. DAVIES AND THE WASHINGTON CONFERENCE.

The hon. gentleman sitting near me, my friend from Prince Edward Island (Mr. Davies) erred in the same way, I am bound to say through ignorance, as no public man, especially one who proposes to be the leader of the Maritime provinces, ought to err. My hon. friend from Queen's (Mr. Davies) leaned towards me as he spoke; and in that melodramatic manner of his, so well known, always full of vehemence, whether there is anything behind it or not, deliberately accused me of falsifying the record. He reminds me of one of those instruments which, when wound up, cannot be stopped until it runs down and the last clanging note of which makes a greater noise and at greater speed than any preceding revolution. My hon. friend commenced, just after he was wound up, by saying: you said what was not so, but I do not accuse you of doing it wilfully, as you had a certain bias naturally in your own mind which came out in your statement, and, therefore, your statement is not quite correct. But before he got to the last he put it in plain language, and declared that the Minister of Finance had deliberately falsified the record. What record? My hon. friend talks of records. What records? He had in his hands a document. Presented where? To the American Senate. What was the document? A letter. From whom? Mr. Blaine. My hon. friend had before him the statement made a year ago in this House, on the authority of a Minister, in the presence of the two-fellow Ministers who went to Washington—a statement which is longer and fuller than that made by Mr. Blaine. He chose to ignore that evidence and to take the other as the sole record and the sole evidence. Does it make any intrinsic difference whether I made my statement in the privacy of my room and presented it in writing to the House, or whether I stated it in the Budget speech.

as my report, made here as a responsible Minister of the Crown, weighing my words and making my statement, as I believed it to be true? What fairness was there in taking Mr. Blaine's letter as the only record, as if my statement were not equally a matter of record? The hon. gentleman in his speech said that Mr. Blaine in his letter included every single thing that took place. How did he know? He does not know. All the probabilities are against Mr. Blaine having written in that letter a record of every thing that took place. As a matter of fact, he did not write one-fifth part of what took place. He recorded no protocols; there were none. He simply placed a letter in the hands of the President, giving in a few sentences his recollection of the conference as bearing on the request of Congress and of what he should report. That was a record, and mine is equally a record, and a fuller and longer one than that. It is reserved for a Canadian, and a person in Opposition, to declare the statement of a Canadian co-member false, and take without question the statement of Mr. Blaine!

Mr. CHARLTON. Do we understand the hon. gentleman to assert that the statement made by Mr. Blaine is false?

Mr. FOSTER. My hon. friend has risen in a very stately way and has intoned in a very grave voice, but he is altogether ahead of the record. If he will sit still, I will tell him.

Mr. CHARLTON. Say yes or no.

Mr. FOSTER. In the first place, I think the House will take it for granted that my hon. friend is wrong in saying that Blaine's letter detailed everything that took place. Does he still hold to that assertion? Again let me ask my hon. friend if he did not say that I probably might be a little misled from bias in my own direction. Am I alone human, and was Mr. Blaine alone superior to human frailty? Was there no humanity and bias in the Secretary of the United States, which might incline him to give a report in the line of his own wishes? Honestly and fairly, was he not as liable thereto as myself, and yet his statement is taken as a strictly unbiassed report and mine a falsification of the record, unworthy of credence. Now, my hon.

friend put a question to me a little while ago, which I will answer, for he (Mr. Davies) said—I can read his words if he doubts me—that the Secretary of State, Mr. Blaine, emphatically denied Mr. Foster's statement. Will my hon. friend point out one sentence of Mr. Blaine's which denies one single statement made by me? Put the two records side by side. I say more than Mr. Blaine did; Mr. Blaine says less than I did. I said everything that Mr. Blaine said—I do not mean just in exactly the same language, but I treated every one of the points he treated—but he did not treat all of the points that I did. Mr. Blaine stated that the first proposal made was for reciprocity in natural products, with such extensions and qualifications as the altered circumstances required. I stated that; we agree in that point. Mr. Blaine stated that a list of manufactured articles was to be included along with that of natural products. I stated that—the line must be in natural products and manufactures generally. There is a divergence, but that is all. Mr. Blaine stated that there must be discrimination against Great Britain; I stated there must be discrimination against Great Britain. In all these particulars we are exactly alike or we are very close together. For the rest, I make statements and deal with subjects which Mr. Blaine does not touch, but which were discussed in the conference that took place, and discussed for some considerable time. Now, I ask my hon. friend, whether he has been quite fair to me in representing Mr. Blaine as having recorded all that took place, as giving the only record that should be relied upon, and refusing to take my statement as a record of the case, in refusing to look upon my statement as worthy of credence, at least, equally with that of Mr. Blaine. At least he should give me the credit that he felt disposed to give in the first part of his address, when he said that I had not wilfully misrepresented. I know that when the hon. gentleman reads what he has said and thinks over the matter, he will feel that he has been unfair to me in that respect, as no man should be to his fellow member, sitting opposite to him in the House of Commons, where all men are supposed to be gentlemen. Now, Sir, I have not one word or one syllable to retract of the statement I made last year on that point. I stand by it;

I stand by it entirely ; I stand by it without any mental reservation ; I stand by it in the presence of my colleagues who were there with me. And I ask this House to judge of the sense of fairness of that hon. gentleman who can find the only authoritative statement on the part of the stranger and refuse all credence, or credit for honesty to his fellow citizen and his fellow member.

"WHAT THE OPPOSITION WANT."

Now, Sir, I wish to say a word or two in closing, with reference to the general subject. I find that I have been kept close to the points which have been made to-night or recently, and that I have not touched the general points which I had hoped to deal with, which were made during the debate. I close with this simple thought, and I ask the attention of my fellow members on this side of the House, and I ask the attention of the country as well. These hon. gentlemen may not be very well agreed as to what they want, but they are perfectly agreed as to what they are against. When you come to sum up the expressions of the foremost men as to what they want there is a wide divergence of opinion among them. They agree as to their positive faith in very few principles, and in other respects there is a wide divergence. The hon. gentleman for South Oxford (Sir Richard Cartwright) believes in unrestricted reciprocity ; he wants access to the United States markets, and believes that it is the only salvation for Canada in the line of development and permanent prosperity. The hon. member for North Norfolk (Mr. Charlton) is determined to devote his life to getting unrestricted reciprocity. The hon. member for Queen's, P.E.I. (Mr. Davies) is less definite and precise. He has found out that it is the best sometimes not to say too much or say it too positively, so this time he harks back considerably, and he sums up his policy in this wonderfully positive and definite form : "We desire the broadest treaty possible consistent with the commercial and political independence of Canada." The hon. member for South Brant (Mr. Paterson) had a little good humoured chaff with me because, he said, I was indefinite in my statement ; but he capped the climax of indefiniteness. He declared : "I want the freest possible trade with the United States, consistent with the dignity, honour and stability of both countries." He is much

dissatisfied with me because I stated that I would do the best for the whole country. He determined to be very definite, and this is his definition. I can see my hon. friend going from this House and meeting a farmer, one of those depressed farmers of whom he speaks, and the farmer says : Mr. Paterson, you are just down from the Legislative halls. I know you are a very learned man, and a very famous politician ; I know your keenness of vision and your breadth of comprehension. I want to know whether you are going to get me the market of the United States ? And the hon. gentleman will satisfy the burning thirst of that poor, depressed farmer by saying : All I can tell you is that I want the freest possible trade with the United States consistent with the dignity, honour and stability of both countries. Then he will meet one of those prosperous manufacturers of his own town, who will come to him with anxiety in his face, and say : Now, Mr. Paterson, what is to be the end of this matter ; are we going to have reciprocity, and if we have it, as you say we must, are we to be mercilessly exposed to competition with the United States ? And the good member will draw himself up to his full height and say : I cannot tell you whether it will be that way or not ; but I can tell you my faith and creed—I want the freest possible trade with the United States consistent with the dignity, honour and stability of both countries. And so he will satisfy every one of his constituents with that most definite and positive statement and, if in his town they do not put up a monument sacred to the great N. P., I am sure they will put up a monument sacred to the positive clearness and definite conception of the great W. P. The member for Bothwell (Mr. Mills) is the most conservative of all. He says he is not for revolution, he would not hurt an existing industry. He wants a custom revenue and would like to see the man who could be elected in any constituency on a policy of direct taxation. He wants no independence or annexation talk, and he thinks that man no friend of Canada who talks independence or annexation at this time. Yet he has sitting very closely to him a gentleman who has been talking independence in the last few months. And the hon. member for L'Islet (Mr. Tarte) has two planks in his policy. One is that legislation should be had to increase the profits of the farmers—

Mr. TARTE. I never said or wrote anything of the kind.

Mr. FOSTER. If my hon. friend—

Mr. DAVIES (P.E.I.) Take it back.

Mr. FOSTER. No; let me have a little conversation with my hon. friend. If my hon. friend will turn up the "Hansard" and look at the report of his speech, and if he will look at the manifesto that he read and which he gave to his county, he will find these two statements in it, or else I cannot read French.

Mr. TARTE. Perhaps that is it.

Mr. FOSTER. Perhaps that is the reason. I will leave it to him. In that manifesto he said that he is going in for such legislation as will raise the value of the farmer's products, and that Mr. Laurier, if he comes into power, will leave two or three columns still standing in the temple of protection.

Mr. TARTE. I never wrote or never said anything of the kind.

Mr. FOSTER. Then it must be my bad French. I will look that up, and if I find I am wrong I will withdraw it with great pleasure. That is what my hon. friends say on the negative side.

WHAT THEY ARE OPPOSED TO.

Now, I want to draw the attention of the House to what these gentlemen say when they come to the positive side. Here there is no hesitation; there is no lack of definiteness. Their propaganda is plain and firm, and I want it to ring from one end to the other of this country. What is their propaganda? The hon. member for South Oxford says:

Our policy from first to last has been to destroy this villainous system of protection; I care not whether we cut its head off, or cut its tail off, or cut it in two in the middle—what I want to do is to destroy it.

There is no indefiniteness about that. The hon. member for North Norfolk (Mr. Charlton) says:

Protection, Sir, notwithstanding all that may be said in favour of it, is neither more or less than a species of slavery. It is a system as indefensible, upon the broad principle of justice, as slavery. It is absolutely and unconditionally slavery.

That is plain; no round-about method in that. My hon. friend from Prince Edward Island (Mr. Davies) says:

We have been attacking this policy year after year. It is a cursed system, accursed of God and man. It must be cut down, and not allowed to cumber the ground.

And to make a long story short, the hon. leader of the Opposition declared to-night that his policy was the destruction of every vestige of protection, by bringing the tariff down to a simple revenue basis. Now, Sir, I am glad to have read these statements, and I am glad to have them so heartily applauded by hon. gentlemen opposite. They will not hereafter try to get away from these expressions of their opinions. Now, I ask my hon. friends in this House who believe in the principle of protection, but who may have some grievance now and then, and here and there, with the tariff; I ask them to weigh these assertions; for whatever the proposition that these gentlemen are putting before the House to-night for us to vote upon, it is with the spirit and the purpose of utterly destroying the principle of protection in this country. A man may have a grudge, may have an objection, to some particular excrescence upon the tariff; but he may be at the same time a firm believer in the principle of protection, and may wish to see it survive in this country. I warn such men as those in this House and in the country from playing into the hands of hon. gentlemen opposite on the ground that their present proposition is a harmless one. By one way we have come up to our large commercial and industrial development in this country, we have in these last few years done wonders in the development of our industrial life. Strangers who come here, and people who study our history, acknowledge it frankly and freely. We who live in this country know the blessings that have come from this policy. It may be a fact that to-day there are excrescences upon this policy, that there are details which ought to be carefully examined, and which ought to be made right, that there are certain respects in which the tariff should be reformed. Hon. gentlemen opposite have cast a doubt upon the good faith of the Government in respect of honestly revising the tariff. I stand here to-night to say that what I stated in this regard was stated with the consent of all my colleagues, and in perfect good faith. I ask the country



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outside to watch carefully, and not be misled by any phrases that these gentlemen may use; but to understand that it is a struggle in which the existence of the principle of protection in this country is at stake. If hon. gentlemen opposite, having set the battle on these lines, push it to the front, and push it to the finish, this country may wake up some fine morning and find its industries destroyed, its factories closed, its employment of labour discontinued, and multiplied disasters coming upon many a section of this country from Cape Breton to British Columbia. In the proposition before us to-night they put it mildly. It is a little economy, a little revision, and a little of something else; but you must look at the motive that inspires them. A British sovereign held out in the hand and placed within your palm is a good thing. You can buy food and clothing with it; but the same British sovereign pressed tightly upon the opening of your windpipe will bring death, and bring it quickly. Outside of these assertions of ultimate pur-

pose on the part of hon. gentlemen opposite the proposition before the House may combine features which are in themselves harmless, some of which may be right; but it is a coin which is meant to strangle the principle of protection and destroy it in this country. I ask hon. gentlemen to weigh carefully these matters; to weigh them when they come before the people; to have them put right upon every hustings, and in every assembly in this country, so that people may vote with their eyes open to the full consequences of their action; and if, after doing that, it be found that this battle, pressed to the finish, as it will be, results in a victory for the principle of free trade rather than protection, so be it; but I have a firm and abiding faith that the way to victory does not lie by that path.

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