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BUDGET SPEECH

DELIVERED BY

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

MINISTER OF FINANCE

IN THE

HOUSE OF COMMONS

FRIDAY, 31ST JANUARY

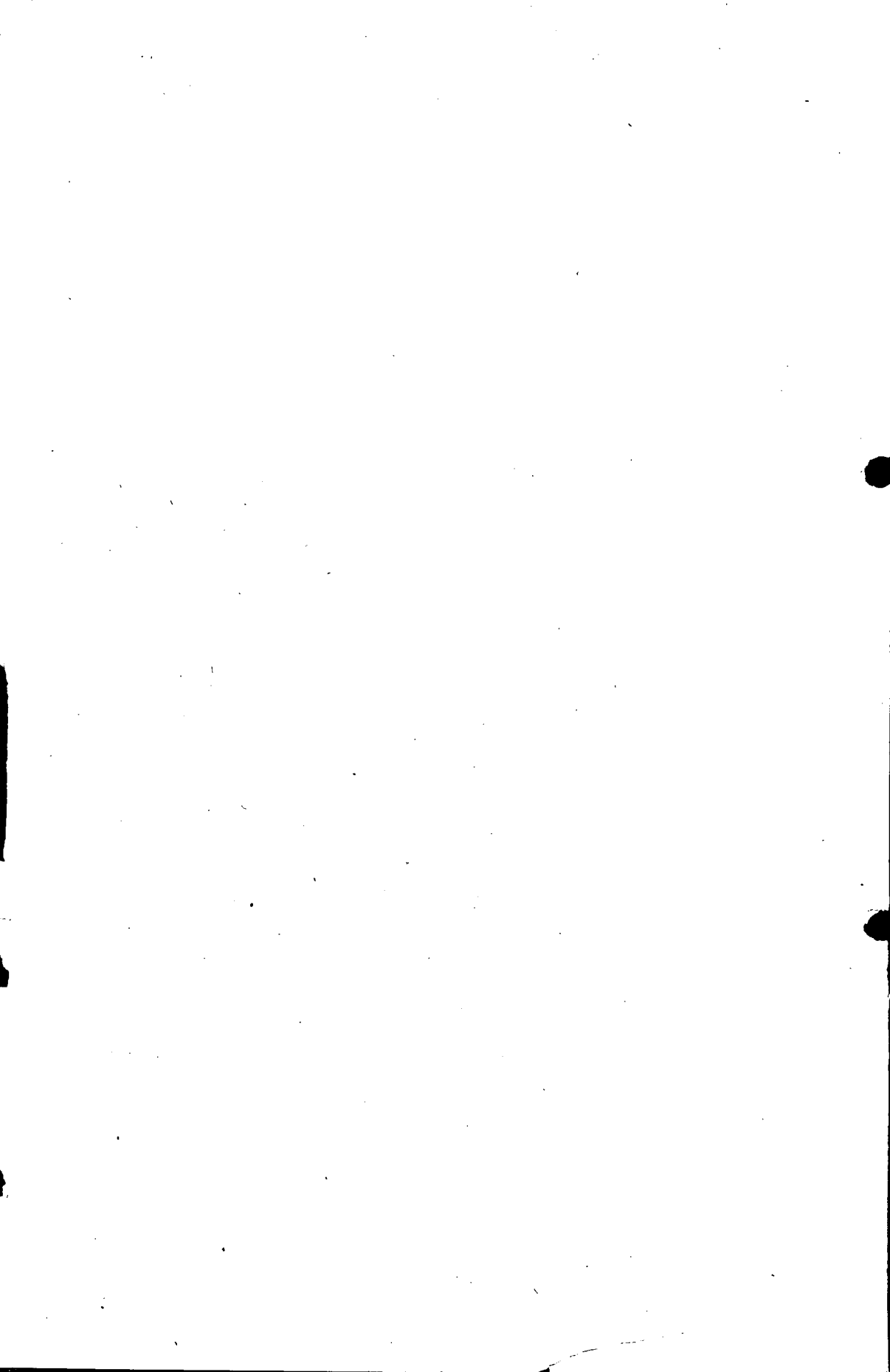
1896



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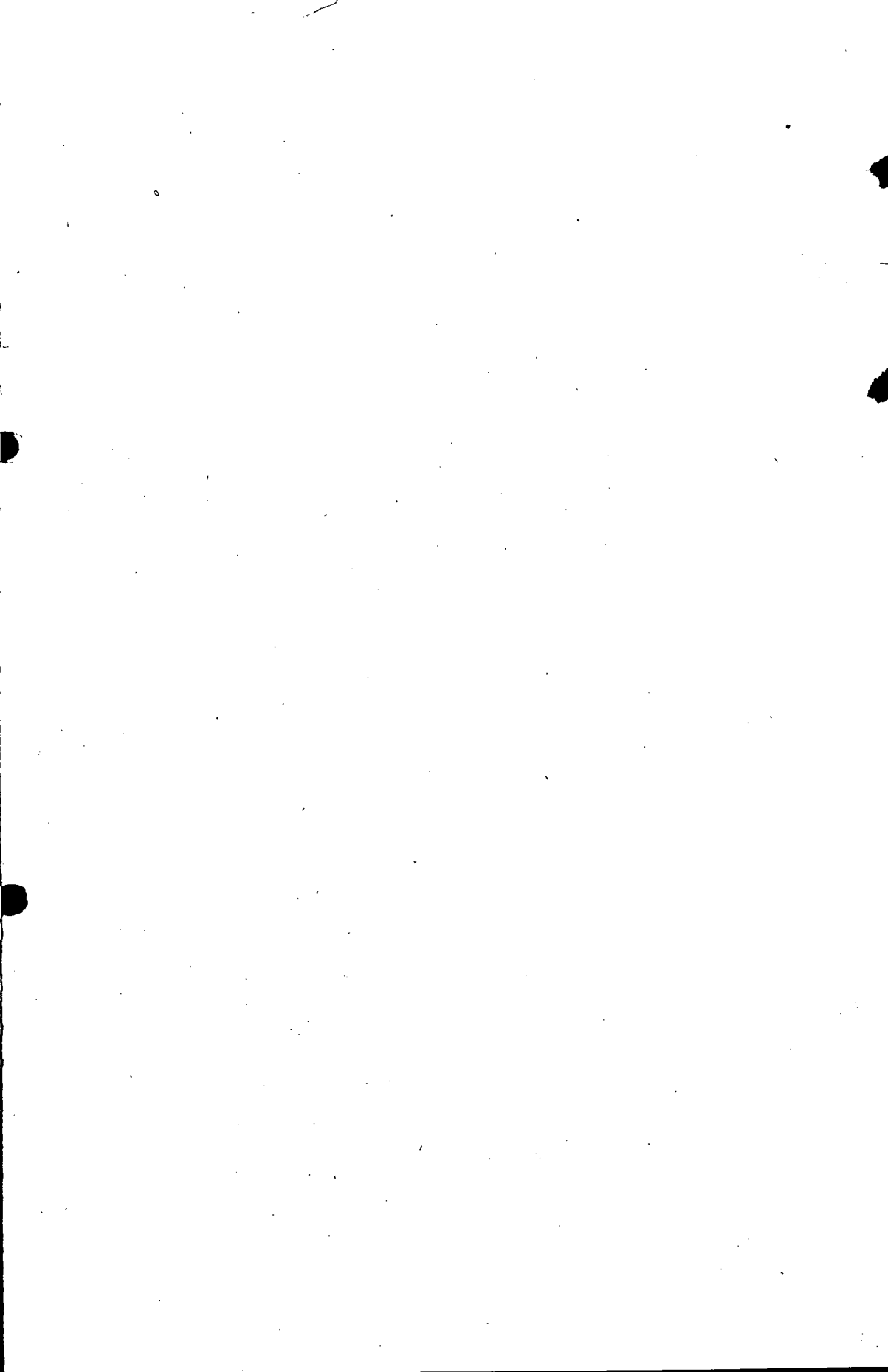
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1896



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SUPPLY—THE BUDGET.

Mr. FOSTER moved that the House again resolve itself into Committee of Supply.

REVENUE FOR 1894-95.

He said : Mr. Speaker, the House will remember that the Budget speech was delivered last year at a rather late period, namely, on 3rd May, being so short a time before the expiry of the then current year that it was possible to detail the course of financial events of that year with pretty considerable accuracy, and to that extent the exposition for the present year will lose somewhat in interest to those who have followed the course of events as described in my last Budget speech. It will be remembered that last year at that date I estimated the revenue that would be derived at \$33,800,000, arriving at that figure by estimating for a betterment in the period elapsing between 20th April and 30th June of that year over the corresponding period in the preceding year of \$419,724. I remember that my hon. friend opposite took exception to and questioned the reliability of the estimate; but I am happy to inform him and the House that I was within the mark, and that the improvement which did accrue was greater than that I had estimated, and reached the sum of \$597,851. This revenue was made up from Customs \$17,640,466, being a diminution to the amount of \$1,557,648 from the Customs receipts of the preceding year; Excise amounting to \$7,805,732, a decrease of \$575,-

356 from the preceding year, and miscellaneous receipts coming up to \$8,531,930, or a diminution of \$263,559 from the receipts of the preceding year, so far as that item is concerned. The whole falling off in the revenue of 1894-95, as compared with the preceding year, was therefore \$2,396,563.

Sir RICHARD CARTWRIGHT. What date did the French Treaty come into operation ?

Mr. FOSTER. About May, if I recollect rightly. The imports for home consumption for 1894-95 show a decrease of \$7,841,472, and the exports have decreased \$3,886,146. The decrease in exports, the produce of Canada, is \$1,076,758, as compared with the previous year. There is, further, this fact to be noted, a similar fact to which has existed only once, I think, since confederation. It is that the exports from Canada last year exceeded its imports by \$2,857,121; although the average of the excess of imports over exports from confederation up to the end of that year was \$18,740,063. Whatever there may be in what is known as the "balance of trade," other circumstances being equal, the fact that there was last year an excess of exports over imports is a fact which is to be placed to the credit of Canada, and is so much gain to the general business interests. With reference to, in the first place, the customs duties, there was a reduction as compared with the preceding year, in a large proportion of the articles of import,

a reduction which extended pretty generally over the whole range. The following statement will show the reduction in import duties as compared with 1893-94 :-

REDUCTIONS IN DUTY AS COMPARED WITH
1893-94.

Ale, beer and porter.....	\$ 16,047
Animals, living.....	7,032
Books, periodicals and other printed matter.....	21,196
Cement.....	9,921
Drugs, dyes, chemicals and medicines....	76,488
Earthenware and china.....	59,860
Embroideries.....	21,274
Fancy goods.....	45,033
Fish and products of.....	14,679
Flax, hemp and jute, manufactures of....	14,521
Fruits and nuts, dried.....	52,664
do do green.....	14,708
Furs and manufactures of.....	22,901
Glass and do.....	25,773
Gloves and mitts.....	12,062
Gutta percha and India rubber, manufactures of.....	34,342
Iron and steel and manufactures of.....	509,010
Oils, coal and kerosene, and products of..	60,358
do do all other, N.E.S.....	35,918
Oil-cloth.....	16,214
Packages.....	11,809
Paints and colours.....	14,114
Paper and manufactures of.....	26,606
Provisions, viz. : butter, cheese, lard and meat.....	42,553
Silk, manufactures of.....	66,979

Spirits and wines.....	295,857
Tea.....	11,466
Tobacco.....	\$ 24,311
Watches and parts thereof.....	11,567
Wood and manufactures thereof.....	134,084
Wool do do.....	349,309

As against these decreases, we have to note an increase of duty on the following articles :-

INCREASE IN DUTY COMPARED WITH
1893-94.

Arrowroot, biscuit, rice, macaroni, &c... \$	\$66,641
Grain of all kinds.....	60,851
Carriages.....	54,515
Coal and coke.....	33,782
Cotton, manufactures of.....	70,752
Gold and silver, manufactures of.....	\$ 21,520
Jewellery.....	18,065
Leather and manufactures of.....	39,566
Printing presses.....	7,822
Sugar of all kinds.....	222,813
All other dutiable goods.....	50,422

When we come to Excise, we find that there was a decrease in all the articles from which excise duty is taken, with the single exception of cigarettes; and the decrease in some cases is somewhat large. The following table will show the details of the excise duty, comparing the year 1894 with the year 1895 :-

EXCISE.—QUANTITIES AND DUTIES.

	Quantity. 1894.	Quantity. 1895.	Duty. 1894.	Duty. 1895.	Increase. 1895.	Decrease. 1895.
			\$	\$	\$	\$
Spirits.....Galls.	2,754,607	2,545,054	4,181,387	3,870,752	.....	260,635
Malt.....Lbs.	51,311,206	50,659,627	950,815	759,929	.....	190,886
Cigars.....No.	115,392,857	105,528,770	689,184	685,028	.....	54,156
Cigarettes....."	55,143,500	66,628,440	82,715	99,943	17,228	.....
Tobacco & snuff. Lbs.	9,837,084	9,568,437	2,364,153	2,267,738	.....	96,415
			8,218,254	7,633,300	17,228	602,092
						17,228
						584,864

The total decrease in the duty of excise as shown by these returns, amounts to \$584,864. Looking at the per capita consumption of liquors of the various kinds, for which a table has been given from confederation down, we find that in 1894-95 the lowest consumption of most of these articles, per capita, was reached, the consumption of spirits being 666 gallons per head; of beer, 3'471 gallons per head; of wine, a very slight increase in consumption, amounting to '09 gallon per head, and of tobacco, a consumption of 2'163 pounds per head of the people. Whether that decrease

arises from reasons of economy, or from change in the ideas of the people with reference to these articles, I am not here to say, probably both reasons have something to do with it.

EXCISE : CONSUMPTION PER CAPITA.

Average.	Spirits.	Beer.	Wine.	Tobac'o.
	Galls.	Galls.	Galls.	Lbs.
From 1867.....	1'052	3'069	'141	2'170
For 1893-94.....	'742	3'722	'089	2'264
For 1894-95.....	'666	3'471	'090	2'163

In miscellaneous receipts there has been,

as I said, a falling off of \$263,559. But this is to be noted, and it is a fact worth noting, that although the receipts fell off that much in 1894-95, yet the receipts from these sources were greater in 1894-95 than in any other year since confederation, with the exception of 1893 and 1894.

Sir RICHARD CARTWRIGHT. Just pardon me. In the miscellaneous receipts, I suppose you include all not received from the four great sources of revenue.

Mr. FOSTER. Yes, they are really the earnings. The revenue from that source now in 1894-95, is one-fourth of the total revenue accrued, and one-half million dollars more, than double what these receipts reached in 1878-79. The average of these miscellaneous receipts from 1890 to 1895 was \$3,583,107. The average of the five preceding years was \$7,842,365. So that I may say generally that there has been a continuous and steady increase in these sources of revenue during the whole period. The total revenue received during the year is the smallest that has been received since 1885-86. The customs revenue is the smallest that has accrued since 1879-80—smaller by $6\frac{1}{2}$ millions of dollars than it was in 1889-90, when the large diminution in duties made during the last five years commenced.

The per capita rate of customs collections from 1874 to 1878, including both years, was an average of \$3.44 per head of the people. The rate in 1874-75 was \$3.95 per head of the people. In 1894-95 it was \$3.52 per head, that is, only 8 cents per head greater than the average of the period from 1874 to 1878 inclusive, and 43 cents less than the per capita customs taxation in 1874-75.

Taken in connection with that, and illustrating to a certain extent the difference that exists between the two Administrations in the collection of revenues as regards the incidence of taxation, this may be noted—that the excise revenue is now nearly twice what it was in 1879-80; that it has been exceeded only three times since that period—namely, in 1892, 1893, and 1894; that the excise revenue in 1877-78 was \$1.19 per head of the people, and in 1894-95, \$1.53 per head; that from 1874 to 1878 inclusive, it averaged \$1.32 per head, while from 1891 to 1895

it averaged \$1.59 per head, or 27 cents per head more than the average per capita from 1874 to 1878. As this excise taxation is to a large extent what may be called voluntary taxation, its higher rates and the larger amount accruing from it are to be considered together with the fact that the rate of customs taxation has been at the same time reduced as I have stated, attaining the low figure which it did in 1894-95. These two facts, taken into consideration together show the difference which I have stated marks the taxation as between the two Administrations.

In speaking of miscellaneous receipts, it might be interesting to the House to know in what the decline, small though it was, took place. The following are the items:—

Post Office.....	\$ 16,551
Public works, including railways.....	111,056
Casual	112,796
Premium, discount and exchange.....	132,195
Dominion Lands.....	42,226

The gains in miscellaneous receipts were as follows:—

Interest on investments.....	\$118,237
Patents	11,499
Fines and forfeitures.....	10,129
Penitentiaries	13,461
Fisheries	15,797

EXPENDITURE FOR 1894-95.

Coming now to the expenditure for 1894-95, it was estimated on the 3rd of May, last year, that the expenditure might be set at the sum of \$38,300,000. In doing that I anticipated a decrease of \$184,134 from the 20th of April of last year, as compared with the same period of the preceding year. But, by the exercise of strict supervision, that sum was made larger, amounting in the end to \$352,108; so that the actual expenditure was brought down to \$38,132,000, being about \$170,000 below the estimate I made on the 3rd of May.

Sir RICHARD CARTWRIGHT. I do not want to interrupt the hon. gentleman unnecessarily; but as we have only had the Auditor General's Report in our hands for a day, perhaps the hon. gentleman could state from recollection whether the extra expenses of Parliament after the 1st of July are charged to last year or to this year?

Mr. FOSTER. Those after the 1st of July would be charged to the current year.

Sir RICHARD CARTWRIGHT. There would be a difficulty, then. The indemnities, I suppose, would not be paid until after that time, so that, unless the hon. gentleman had drawn in advance, a good deal would be charged to this year instead of to last year.

Mr. FOSTER. I would not like to vouch that the indemnities were all left till the session was over.

The increase in expenditure for 1894-95 over the preceding year was, therefore, \$546,979. This increase may be explained by the following observations. The charges on debt, which, of course, are fixed charges, and the increased subsidies to provinces, which are also fixed, amounted to \$399,545, and there were extraordinary expenditures under militia, which properly should be called capital expenditures, but which were paid out of the consolidated fund. These three items together made up the whole increase in the expenditure of 1894-95 over that of 1893-94. The expenditure of last year, amounting to \$38,132,000, was one of the largest expenditures we have had. We find, however, that for the last eight years the expenditures out of consolidated revenue fund have been remarkably steady. In 1887-88 the expenditure was \$36,718,494. The average of the eight years from that time up to the end of last year was \$36,908,862, or less than \$200,000 greater than the expenditure of 1887-88. The facts that the charges on the debt have largely increased during that period, as the debt is much larger, that the subsidies to provinces have been increased by over \$300,000 under the decennial arrangement, and that the amount laid up in sinking fund has increased each year, show to the House that the expenditures of the country during these eight years have been kept pretty nearly upon a steady basis of about \$37,000,000 per year.

The expenditure in 1894-95 amounted to \$38,132,005, and the revenue came up to \$33,978,129, leaving a deficit of \$4,153,875. Of course, in looking at that deficit, we must remember that \$2,002,311 is accounted for by the amount which is laid up in the sinking fund—a provision, of course, against debt at the maturity of the loan. So that the real result of last year's operations, so far as the consolidated revenue expenditures are concerned, is that out of revenue we paid the ordinary expenses of the coun-

try and laid up \$2,002,311 in the sinking fund against the debt, and that the deficit, but for this payment would have been only \$2,151,564. The deficit then amounts to \$4,153,875, which is less by about \$350,000 than I anticipated on the 3rd of May last year. Adding to that the deficit in 1893-94, the two make up a total of \$5,364,207. These are the deficits for the two years succeeding surpluses in the other three years of the parliamentary term. Against those two combined deficits of \$5,364,207, we must recollect that last year the saving to the people in taxation, which was remitted, and which would otherwise have accrued upon sugar alone, amounted to \$5,475,000, or a little more than the deficits of 1894-95 and 1893-94 added together. This means simply that if the Government had not relieved the people of that taxation on raw sugar, it would have gathered sufficient revenue to meet all the expenditures of the country and have left besides a slight surplus of one or two hundred thousand dollars in the Treasury.

Mr. MILLS (Bothwell). Assuming the importations to have been the same.

Mr. FOSTER. Yes. There is a margin left for considerably less importation, but the price of sugar is so low at present, and has been for a number of years, that the amount of added taxation which would have been placed upon it would not have acted very largely as a bar upon the consumption of sugar in this country.

It is very well, however, to take into account, when we are speaking of deficits, the five years period when hon. gentlemen were in power, and compare that with the five years period which has just closed, in order to refresh the mind of the House and the country as to the relative position of affairs. From 1890 to 1895, which was the period of the hard times and business depression we have passed through under the present Administration, there have been deficits of \$5,364,207 and surpluses of \$3,746,276, leaving a net deficit of \$1,617,931. In the period from 1874 to 1879, there were deficits amounting to \$6,426,958 and surpluses amounting to \$935,644, leaving a net deficit of \$5,491,314. And it is necessary for me to draw attention of hon. gentlemen this year again to the fact that although the net

deficit in that period, under hon. gentlemen opposite, was five and a half million dollars. they remitted no taxation but laid on extra taxation; while in the period during which the net deficit, under the present Administration, amounted to one and a half million dollars, we relieved the people, in sugar taxation alone, of upwards of \$19,000,000 of taxes.

CAPITAL EXPENDITURE FOR 1894-95.

Coming to capital expenditure, we find that 1894-95 compares with 1893-94 as follows :-

	1894-95.	1893-94.
Railways and Canals.....	\$2,829,088	\$3,612,913
Public Works.....	102,392	102,058
Dominion Lands.....	99,842	149,146
Total.....	\$3,031,322	\$3,864,117

Being a reduction in 1894-95 in expenditure on capital account of \$832,795 as compared with 1893-94.

Railway subsidies paid amounted to \$1,310,549 in 1894-95, as against \$1,229,885 in the preceding year, so that the total capital expenditure, including railroad subsidies, was \$4,341,871 in 1894-95 as compared with \$5,094,002 in 1893-94. There was, therefore, a decrease in capital expenditure, including railway subsidies, of \$752,131, and an increase in expenditure under the consolidated fund of \$546,979, as I have before mentioned, so that in the total expenditure of the country, there was a net decrease of \$205,152 compared with the preceding year.

THE PUBLIC DEBT.

Coming to the debt, we find that the net debt on the 30th June, 1894, was \$246,183,029. When we add together the capital expenditure in 1894-95 of \$4,341,871 and charges on the loan of \$399,199—being mainly the discount on the loan—and the deficit of \$4,153,875 and a small consolidated fund transfer—

Sir RICHARD CARTWRIGHT. What is that consolidated fund transfer?

Mr. FOSTER. It is a mere matter of account, \$94—the total amounts to \$8,895,042. Taking the sinking fund, \$2,002,311 and \$833 refund, and subtracting that from the total, we have \$6,891,897 as the net addition to the debt, making a net

debt on the 30th June, 1895, of \$253,074,927. The statement tabulated is as follows :-

Additional, 1894-95.

Capital Expenditure.....	\$4,341,871	
Charges, Loan Management.....	399,199	
Deficit	4,153,875	
Cons. Fund Transfer.....	94	
Total.....	\$ 8,895,042	
Less--Sinking Fund.....	\$2,002,311	
Refund	833	
		2,003,144
Net Debt, 30th June, 1894.....		\$ 6,891,897
Net Debt, 30th June, 1895.....		246,183,029
Net Debt, 30th June, 1895.....		\$253,074,927

The increase then in debt for the period from 1890 to 1895, inclusive, is \$15,544,885, or an average of \$2,590,814 per year. We find that, during that period, we have spent on capital account the following sums:—On canals, \$11,319,379; on the Intercolonial Railway and connecting roads, \$4,913,781; on the Canadian Pacific Railway, \$754,145, a total of \$16,992,308, which more than offsets the addition to the debt. We have also paid in railway subsidies in these years \$7,543,945. So that, in calculating the addition to the debt, and appraising it at its true value, the country must simply ask itself whether or not the deepening and widening and finishing of the canals, the expansion and completion of the Intercolonial Railway and its connected railways, and the railway subsidies which have been instrumental in increasing the railroad and consequently the commercial facilities of the country, are a sufficient offset. If they are, the addition to the debt is fully justified; and, in my opinion, it is fully justified.

NET INTEREST ON THE DEBT.

But the real standard by which to judge the increase of the debt is the amount of interest which is required each year to carry it. The following remarks may be of interest in that connection. The net interest on the debt in 1887-88 was \$8,891,288. The average from that time to 1895, a period of eight years, was \$8,784,452, which is \$106,000 less than the amount paid in 1887-88, the reason, of course, being the lower rate of interest. In 1894-95 the interest paid was \$9,330,247. The interest per capita of the people paid in 1887-88 was \$1.90; in 1894-95 it was \$1.83. So we see that the incidence of

the interest charged upon the people was less heavy by 7 cents per head in 1894-95 than in 1887-88.

EXPENDITURE FOR 1895-96.

Coming to the expenditure and revenue for 1895-96, the year is not sufficiently advanced, of course, to enable me to make estimates with certainty. No one can tell what may happen in the five months which are still to run, so far as commercial disturbances and the general course of trade are concerned. But, knowing what was expected and what has accrued up to the present time, and making an estimate as nearly as one can for the remaining period, I arrive at the following results:—The revenue, up to 20th January, 1895, was \$18,080,197. The expenditure for the same period was \$19,833,399. From the 20th January, 1895, to the 30th June, 1895, the revenue accrued amounted to \$15,897,931. The expenditure in the same period was \$18,298,605. For the present year, the revenue up to 20th January amounted to \$19,560,174, a betterment of about \$1,500,000. The comparative expenditure for the same period amounted to \$19,302,244, a decrease of about \$530,000. From the 20th January, 1896, to the 30th June, 1896, I estimate a revenue to accrue of \$17,439,826. In order that this may be realized it will be necessary that the course of trade shall show progressive increase and development compared with the preceding portion of the year for which the revenue has actually accrued. If that estimate proves correct, there will be for the current year a revenue, in the gross, of about \$37,000,000. Coming to the expenditure, I find that up to the 20th January, 1896, there has been an expenditure for the current year of \$19,302,244, as I have stated.

Sir RICHARD CARTWRIGHT. That differs from the statement the hon. gentleman was good enough to send me.

Mr. FOSTER. This is up to the 20th January.

Sir RICHARD CARTWRIGHT. The statement furnished me does not agree with the hon. gentleman's figures. There is a discrepancy for the same period of several hundreds of thousands of dollars.

Mr. FOSTER. I am confident that the figure I have stated is correct.

Sir RICHARD CARTWRIGHT. I hope then that the hon. gentleman will send me an amended statement.

Mr. FOSTER. There may be some error in the figures.

Sir RICHARD CARTWRIGHT. The statement furnished me by the hon. gentleman, for which I am obliged to him, shows, up to the 20th January, 1896, an expenditure of \$18,902,000. I can send the statement across to the hon. gentleman so that he may see.

Mr. FOSTER. I am satisfied that the statement I have is correct.

Sir RICHARD CARTWRIGHT. No doubt. I am merely calling the hon. gentleman's attention to the fact that there is a discrepancy.

Mr. FOSTER. The estimated expenditure from the 20th January, 1896, to the end of the fiscal year is \$17,697,756. This, with the expenditure already accrued, will give a total expenditure in round numbers of \$37,000,000. So that, on these estimates, the revenue and expenditure for the current year will about balance. There may be a little difference one way or the other, and, of course, the estimate, covering so long a period, may not be quite correct. But I think, on the whole, I am safe in saying that there will be no very great discrepancy between the revenue and expenditure for the current year 1895-96. That is to say, we have passed through the period of commercial depression, we have turned the corner of which I spoke last year, concerning my estimate of which, I fear, from the remarks that were made at that time, I did not inspire confidence in the minds of my hon. friends opposite. But events since that time and the course of business for the year thus far, have proven my forecast to be, in the main, entirely correct. I think we can say, then, that we have passed through the period of commercial depression; that times are better; that trade is picking up; and that from this period and for succeeding years we may consider that the time of deficits is over for the present administration, and that the time of surpluses is approaching again. I never ex-

pected to convince my hon. friend, who shakes his head. Even time can scarcely do that.

Sir RICHARD CARTWRIGHT. Then I understand the hon. gentleman to say that in this calculation which he has submitted, and to which, of course, I do not expect him to pledge himself, he counts on an increase for the next five months ?

Mr. FOSTER. Yes, I count on that, as I stated. In regard to capital expenditure for 1895-96 up to the present time, there has been an expenditure on railways and canals, public works, Dominion lands, and railway subsidies, \$2,391,866; and from the 20th January to 30th June, the estimate for these services is \$1,690,000. The expenditure on capital account up to the 20th January, is less by \$225,051 than was expended on that period last year. Adding together what has been already expended, and the estimate for the succeeding months of the year, the capital expenditure will amount to about \$4,100,000. If that estimate is carried out, as I think it will be, we shall have, taking away the sinking fund of \$2,070,000, which will be about the same this year, an increase to the debt in the current year of about \$2,000,000, in round numbers.

REVENUE AND EXPENDITURES FOR 1896-97.

With reference to the expenditures and revenues for 1896-97, we are too far removed from that period to make any estimate which can be at all reliable, and I shall not attempt it. With reference to the expenditures, hon. gentlemen have had the Estimates for this year laid before them, and will find that the expenditures total, as estimated for, \$83,250,000 or thereabouts. The increases over the preceding year are, in some cases, quite large, and the larger ones I shall read to the House. Interest, sinking fund, premium and discounts, show an increase of \$250,983, the total sum estimated for these purposes being in the neighbourhood of \$13,000,000 in round numbers.

The Public Works estimate of last year was reduced to about \$1,500,000. There is an increase of \$247,270 in that. Indians show an increase of \$80,263. The vote for Indians was also reduced last year, and the \$80,000 of increase is chiefly, as I understand, for the establishment and mainten-

ance of schools. The North-west Mounted Police show an increase of \$30,000 in the vote. That \$30,000 is to meet the expenses incurred by the establishment of a post on the Yukon River, from which, however, a considerable revenue is expected, which will go, I hope, far to meet the added cost of placing there a detachment of the Mounted Police, and of bringing the reign of law and order into force there, as it has so effectually been done in the other parts of the North-west Territories.

Sir RICHARD CARTWRIGHT. Will the hon. gentleman pardon me for one instant ? I did not observe that he made any statement as to whether he expected to bring down any supplemental Estimates for the service of the present year.

Mr. FOSTER. There will be a supplemental estimate, though not a large one.

Sir RICHARD CARTWRIGHT. You know we ought to have that, if you can possibly give it.

Mr. FOSTER. Yes, and we should have had more Supply the other night, but we did not get it. In Customs, the increase for the next year is \$25,095; but when it is taken into account that last year the cut in the Estimates for Customs was about \$50,000, the increase this year will not seem large. In the Post Office, we have an increased estimate of \$240,780, which is a large increase. The demands for the opening up of new lines, and for greater frequency and greater thoroughness in the delivery and despatch of mails, are continually pressing upon the Post Office Department, and a large expenditure has necessarily to be made if we are to keep at all even with the requirements of the times, which we are bound to do. There is now a deficit of somewhere near \$800,000 between the total receipts and the total expenditures of our post office service; and this, I fear, makes the time somewhat distant when, what otherwise might be fairly asked for, can be granted, that is, a reduction upon the rates of postage in this country. Considering the large extent of country, the sparseness of the population, and the great expense necessarily imposed for carrying letters and papers in our North-west and in other parts of the country, there is no doubt that the carriage of letters, newspapers and

parcels in this country, is cheaper, for the population, than you would probably find it in any other country in the world.

INCREASE IN MILITIA EXPENDITURE.

In the Militia Estimates there has been an increase of \$247,270 over last year's vote. For a number of years, only a portion of the active militia have been called out for drill each year, and this consequently left the whole force to be drilled only once in two years. It may have been that there was the same necessity in preceding years for drilling the whole force, as in this year; but recent events have brought the lesson a little closer and nearer home to us, and the Government has come to the decision that, for the present, and we hope for each year after this, the rural militia will all be called out for drill during each year. It is largely for this purpose that the increase of \$247,270 has been made in the Estimates, although the appropriation also stands for better equipment and accoutrements, and clothing and the like of that, for the militia force. No part of this sum, however, is to be devoted to the arming of the militia with new rifles, or for whatever else may be considered necessary to be done in the way of equipment, and strengthening the defences of the country. For that purpose, a special credit will be asked for later, but the sum is too large to allow its being taken out of the Consolidated Revenue Fund.

Now, we may be met by objectors of two or three classes to an increase of this vote for this purpose, at the present time. There is one class of people who believe, or affect to believe, that any more than an ordinary expenditure upon the militia force of Canada at the present time, might be interpreted to the disadvantage of Canada as regards its relations with the United States, as implying a hostile demonstration thereto. There is another class of people, and I believe a very small class, in this country, who do not think it worth while that the militia of this country should be put in that forward state of efficiency, as they may believe that it would not be the worst of calamities if, after all, this country were quietly and peaceably to merge itself with the country to the south of us. The Government, however, does not believe with either of these small classes of objectors in our country; it does believe that at the present time, and

under the present circumstances, increased efficiency is both necessary and prudent. We take this step, not with any feeling of hostility to any country under the sun, not with any wish for war or bloodshed, but with the highest and strongest hopes for the continuation of those blessings of peace in the future, which have been so long the lot of this country in its relations with the United States of America, and with other countries. But I think we cannot forget that here we have an heritage, the accumulated wealth of which is very large at present, and the accumulations of wealth of which in the future are almost illimitable; that we have a country and institutions which are worth the sternest and strongest defence that can be given to them, and that Government and Parliament would not be doing its duty to the great trust it has reposed in it if it refused or neglected to place into the hands of its citizenship means of defence and adequate means of resistance to any armed invasion were it unfortunately to come upon us. More than that, Mr. Speaker, by birth, by adoption, by the enjoyment of ample freedom, by the long possession of good government, the people of this country, whether French-speaking or English-speaking, all the people, I think, of this country have their convictions continually forming and strengthening in the line of what I may call the great centripetal forces which in this country, in Australasia, in all the dependencies and colonies of Great Britain are tending to marshal the outlying dependencies of the Empire around the common centre of power and life. And if Canada is to become, as it must become, one member, and a very important member, of that great unity, it is well that in addition to the other sacrifices we have made, the other moneys we have spent to make Canada a strong part of the Empire, who should also make proper provision for the equipment of our militia for the defence of our country, a provision which, while it is not open to the charge of extravagance, will certainly go so far as is reasonable to meet the demands of adequacy.

Sir RICHARD CARTWRIGHT. Are you prepared to state how much?

Mr. FOSTER. Not at present.

Sir RICHARD CARTWRIGHT. I think the hon. gentleman should state to the House, on the occasion of his Budget speech, how much is required.

Mr. FOSTER. That will be stated before long.

Sir RICHARD CARTWRIGHT. Before the Budget debate closes, I hope. We ought to know it.

Mr. FOSTER. The hon. gentleman certainly will know it, and the Government will take the House into its confidence in due time.

Sir RICHARD CARTWRIGHT. The House should know it when the hon. gentleman is stating the expenditures of the country and the amount of the debt.

Mr. FOSTER. That does not at all follow. It has been the habit ever since this was a Parliament to bring down Supplementary Estimates, and the same will take place this year.

Sir RICHARD CARTWRIGHT. And a very bad habit, too.

THE PERIOD OF DEPRESSION ENDED.

Mr. FOSTER. Passing away from this subject, I think I am justified, after the short review I have made of the finances of the past year, in saying that the trying period of 1890 and 1895 has passed. The returns for the last six months of the current year show an increase in imports of \$2,500,000, of exports \$500,000, making a betterment of \$3,000,000 in the half-year. The increase of revenue, as I have stated, amounts to \$1,500,000, and the savings of the people in 1895 as compared with 1894, show an increase of \$10,500,000. I do not think I can enforce my view as to the fact of the improvement of trade in the country and the fact that we are passing out of the period of depression more effectively than by reading an extract which I cut from the report of the president of the Board of Trade of Toronto, one of the chief commercial metropolises of Canada. Its president, in his annual address to that board, made use of the following words :—

The year 1895 has been for the most part a year of quiet recovery from the depression of 1893-94. The restoration of trade has not been quick, but has gradually been getting better.

Raw materials, which had fallen during 1894 to the lowest point known for many years, have risen considerably. Manufacturers in most branches of trade are fairly well occupied with orders, and the public returns indicate that the country is slowly, yet surely, getting over the long depression that for the last few years has overshadowed every commercial interest. What is particularly wanted now is confidence in the future of our country, and belief in its natural great resources, and determination to develop every legitimate industry to the fullest possible extent.

HOW CANADA HAS PASSED THROUGH IT.

How has the country passed through this period from 1890-91 to 1894-95? It has been a period of world-wide commercial depression, a depression which has affected this country as it has other countries, but to my mind, in far less degree, and for certain very good reasons. We have come through this period with a trade \$9,500,000 greater in exports and home consumption imports than that with which we entered it, with exports \$17,000,000 larger than in 1890. We have come through with an increased debt of \$16,000,000, a deficit of \$1,600,000 net, while at the same time, as I have stated already, we have given a customs reduction on raw sugar alone amounting to over \$19,000,000. Our savings in that period have increased from \$221,000,000 to \$267,000,000, an increase of \$46,000,000, or 21 per cent, a notable and encouraging increase. We have come through that period as few other countries in the world have come, with increased railway traffic. The operated mileage has increased by 2,700 miles, the passengers carried by 1,100,000; freight carried shows an increase of 750,000 tons, whilst gross earnings—a notable fact—in 1894-95 were equal to what they were in 1890-91. We have come through with increased shipping returns. The tonnage of vessels coming in and out of our ports, not including coasting vessels, has increased in that period by 640,000 tons, and the coasting vessels by 2,700,000 tons.

INDUSTRIES WELL SUSTAINED.

We have come through with our industries well maintained, with employment very general, and with an almost total lack of what you might call want and poverty in this country from one ocean to the other.

Have not our industries been well maintained? Let us take one of the most patent proofs that they have been, namely, the importation of raw materials, which form the basis for the work of our industries :

IMPORTS.—RAW MATERIALS.

Article.	1890.	1895.
Wool	8,905,261	7,750,050
Cotton	36,635,187	56,924,286
Hides	1,712,012	1,950,530
Gutta percha & rubber	536,386	739,916
Hemp	774,587	622,396
Lumber, &c.....	897,903	1,485,714
Raw sugar.....	162,469,350	345,518,582

The lumber mentioned above is of special product, and is used in the making of furniture and cabinet work of all kinds.

Therefore, so far as the argument from the imports of raw material goes, my contention is justified that the industries of this country have been well maintained. Sir, I may go further and state that not only have these industries been well maintained, as is shown by the imports of raw material for use in manufacturing, but there is another test, namely, the export of manufactured articles. The time has gone by when people can point the finger of scorn at the exports of the manufactures of Canada. Small they are, even yet, compared with some of our exports, but they are every year increasing, and to-day they form no inconsiderable amount of the general exports of the country. The export is as follows :—

	1890.	1895.
Export of manufactured articles.....	\$5,741,184	\$7,768,875

This shows an increase of 35 per cent. That is the second argument which goes to show that our industries have been well maintained in this period. We can go a little further, Sir, and we can point to the old industries which have been well kept up, and that is within the experience and observation of every man who sits around these boards. We can also point to the establishment of new industries ; one lately in the city of Hamilton, at the foot of Lake Ontario, an industry for the smelting and manufacture of iron and of steel, and which to-day, after it has expended \$400,000 on buildings and plant, has a capacity for mak-

ing 200 tons of iron per day, and is now about to turn out one-half this quantity, and to turn it all out from Canadian ore, mined in this country, and handled in this country, by Canadian labour.

In British Columbia there has been a decided advance in mining work of all kinds, and a large and remunerative industry is already established there, the prospects for the enlargement of which are most excellent. And the time is not far distant when British Columbia, from the mountains on this side to the Pacific Ocean, will be a busy hive of industry so far as the working of minerals and metals is concerned.

The pig iron which has been made in this country in the period from 1891 to 1895 is 193,000 tons, as against 137,000 tons manufactured in the preceding five years, which is a large and notable increase.

AGRICULTURE HAS ADVANCED.

Passing from these to the agricultural interests of the country, it is not affirming too much, Sir, to say that from 1891 to 1895, these have shown a gradual, a continued, and a healthy advance. The home market has been constantly increasing. The increase in population itself from 1890 to 1895 has added to that home market. The increase of urban population which gathers in cities, and towns, and villages, and largely gathers there from the establishment in these places of industrial establishments of different kinds, has largely increased. And, Sir, every thousand of the urban population is so much of the healthiest and best increase to the markets of the farmers of this country, for it affords a market near to them for products which would not carry to foreign markets, many of which are perishable in their nature, and for which a home market is absolutely essential.

But, Sir, if the home market for agricultural products has increased in that time, so also has the foreign market, as shown by the exports of the country. Agricultural and animal products, taken together, were exported to the amount of, in 1890, \$37,000,000, and in 1895, to the amount of \$50,000,000, an increase in this period of \$13,000,000, or of 35 per cent. Let me exemplify by the exports in certain articles, the increase in the agricultural exports of this country, comparing the year 1890 with the year 1895. The statement is as follows :—

EXPORTS.—AGRICULTURAL PRODUCTS.

	1890.	1895.
Cheese	\$ 9,372,212	\$14,253,002
Bacon	607,495	3,546,107
Hams	23,584	260,602
Apples (green and dry)	997,922	2,071,788
Wheat and flour	910,244	6,298,221
Horses	1,936,073	1,312,676
Sheep	1,274,347	1,624,587
Cattle	6,949,417	7,120,823
Total	\$22,071,294	\$36,487,801

Taking these items, they total in this way: \$22,071,294 exported in 1890; \$36,487,801 worth exported in 1895, an increase of 65 per cent.

There is a decrease in the value of horses exported in the latter period, but, considering the wonderful drop in the price of horses, and especially in that grade of horses which were so largely used on the street railways of large cities, before the substitution of electricity for horse-power; it is a decrease which is not at all remarkable, and the decrease in the exports of that class of horses, has been met largely by an increase in the export of more profitable and valuable horses to the British market; and the British market opens a chance for the extension of that trade in a good grade of horses, which is being taken advantage of, and which promises rich returns to the country.

But, Sir, not only has the farmers' market been increased by the home market from the accretion of population, and the foreign market by the extension of exports, but there is another point as well which must be taken into account. That is, the saving of market in this country for the farmer of this country, which was formerly exploited by the farmer of the United States. And the National Policy, by the reasonable protection given to agricultural and animal products, is to be credited for that gain of market to the farmer of this country. Let me give you some figures which will bear that out. In the year 1889-90, taking bacon, hams, and shoulders, beef, mutton, pork and lard, there were imported for home consumption, 33,112,701 pounds. The duties were increased after that, and importations have steadily decreased, until in 1894-95, it reached the small amount of 6,335,842 pounds, or less than one-fifth of the preceding figures. In 1889-90 the value of these importations was \$1,734,225. In 1894-95 that value had sunk to \$401,638. In flour of wheat we imported, in 1889-90, 185,458 barrels. This has diminished, until 1894-95 sees an import of only 47,883 barrels. The following table shows the importations for each year:

IMPORTS OF MEAT ENTERED FOR HOME CONSUMPTION.

	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.
Bacon, hams and shoulder.....Lbs.	4,353,653	2,570,412	1,016,367	670,155	457,658	826,882
Salt beef (in barrels)	6,445,105	2,715,101	2,251,298	2,316,588	1,945,516	2,011,866
Mutton	246,363	6,388	11,680	2,132	87,277	57,845
Pork	17,185,794	11,116,948	9,514,266	3,862,546	4,611,874	3,203,023
Lard	4,881,786	991,655	693,269	147,630	160,881	236,226
Total lbs.....	33,112,701	17,400,504	13,486,880	6,999,051	7,263,206	6,335,842
Value	\$1,734,225	\$973,312	\$726,394	\$452,812	\$499,952	\$401,638
Flour (wheat).....Bbbs.	185,458	65,884	36,559	34,507	32,506	47,883

I think, therefore, that I have fairly made my statement good that the agricultural interests of this country have been continuously advancing in that period. Nor must we lose sight of this fact, that in those five years a very large extent of new territory has been opened up in the North-west for the production of grain and cattle and the products of cattle, which in 1894-95 reached a very large and very valuable total. It is calculated that in the province

of Manitoba and in the North-west Territories the grain alone, reaped from fields which but a few years ago were almost unknown, amounted to close on 80 or 85 millions of bushels; and this increase in that short time is but the earnest of a greater increase in the future. Once the basis of population and of production has been settled in that county, its accretions in the future will be larger and more rapid, and the increase of production will in ratio

he greater. Better methods have also been followed in agricultural pursuits, and the establishment and introduction of these better methods is largely due to the increased governmental expenditure for the encouragement of agriculture in the North-west as well as in the other provinces of the Dominion. Experimental farms have been placed in different parts of the country; and the information which has thus been disseminated by example and by the distribution of the results on those farms to the farming population in the different provinces has induced better methods of feeding, and has turned the attention of the farmers to more remunerative classes of products than those to which they had formerly devoted their attention.

MINING HAS IMPROVED.

In mining the same advance appears. In Nova Scotia, in New Brunswick, in Quebec, in Ontario, in the North-west and Manitoba, and in British Columbia there has been an advance in mining operations, as regards both the precious metals and the useful metals, which has been noted and steady. One proof of this exists, aside from our observation and experience—that is, in the exports of the products of the mines. I find that in 1890 these amounted to \$4,853,717 worth, and in 1895 to \$6,983,227 worth, an increase of 43 per cent in that period of five years.

FINANCIAL STANDING BETTER.

The business failures in the country have been reduced from \$18,000,000 to \$15,800,000 in the same period, the average amount of the failures per year during the period being \$15,700,000 against \$22,200,000 in the period from 1874 to 1878.

The banks and financial institutions of our country have been sound and steady and strong—so much so as to be matter of remark in other countries, which have pointed to the banking institutions and the currency system of Canada, and have noted the strength which their soundness has imparted to commercial life and business in this country during the period of depression which is now happily passing away.

It may be said also that the credit of Canada in the London market has remained unimpaired, and is to-day stronger than it

was in 1890. Canada enjoys greater hope at home and greater prestige abroad.

THE REDUCTION OF TAXATION.

Now, Sir, I desire for a few moments to speak with reference to an idea which is sedulously instilled into the minds of the people of the country; that the Liberal-Conservative party and policy have been responsible for an immense increase of taxation upon the people of this country. It is true that in 1879, when the National Policy was introduced at the command of the people, that command having been given by an immense majority at the polls, and when protection was adopted as the basis upon which the tariff was to be framed, the list of dutiable articles was enlarged, and the rate which was charged upon them was heightened. That was necessary. In proportion, however, as manufactories became established, and in proportion as the revenues of the country became buoyant, in the good times that followed, two things were done. Attention was had to the people of the country as the payers of the revenues of the country, and attention was also had to the reasonableness of the protection that ought to be given from year to year, as circumstances required, and I have this assertion to make: that notwithstanding what may be said as to the increase in the rate of taxation upon goods in 1879, notwithstanding all that may be said as to the high taxation which has prevailed from that time to this, any student of our tariff system, going to the records and studying them with a desire to get at the truth, will come to this conclusion, and cannot escape it; that the Liberal-Conservative Government from 1880 to the present time has been sedulously careful of the interests of the people as far as taxation is concerned, and has upon the whole remitted an amount of taxation which cannot be credited to any Administration in similar times—certainly not in this country—and I doubt if it can be, in proportion to its population, in any other country in the world.

Now, Sir, I propose to make that good by facts and figures, so that the people, if they are told that they pay a certain tax on a certain line of goods, may know on what goods they have been relieved of taxation, and to what extent they have been relieved of taxation. In 1882, this Government found

that tea and coffee were taxed, and taxed largely, and this was a taxation which no man could avoid who drank tea or coffee. It was a taxation upon articles which were not raised in this country, and consequently every cent of that taxation was paid directly by the people who consumed these articles. The same was true with reference to an article which goes into the manufacture of common articles used by the people everywhere—the article of tin. There was a duty upon that as well. In 1882 the Liberal-Conservative Government struck off entirely the duties upon tea, coffee and tin: and from that period until the present time there has thus been saved to the people on these articles alone the following amounts:

On tea	\$11,034,039
On coffee.....	832,528
On tin.....	1,465,103
Total.....	\$13,331,670

Every dollar of this amount has gone directly into the pockets of the great mass of the consumers in this country. In 1883 this Government struck off the duty upon bill stamps and the duty upon newspapers—upon bill stamps a tax that went into commercial transactions from the highest to the lowest, and upon newspapers a tax which was styled a tax on information for the people. Well, from 1883 up to date there have been saved to the people on bill stamps alone the sum of \$3,267,388, on newspapers the sum of \$613,864, or a total of \$3,881,252 on these two items.

In 1887 an agitation was raised, which became successful, for taking the duty off anthracite coal, which was supposed, and which did bear heavily upon the western provinces. The duty of 50 cents per ton was taken off, and from that time up to 1895, inclusive, the amount of \$6,044,355 was remitted to the consumers of anthracite coal. In 1890, besides other reductions in the tariff, there was a reduction of 10 per cent on common window glass, and 15 per cent on molasses, and on these two articles alone, articles of common consumption, there has been saved \$521,755 to the people of this country.

In 1891 the duty on raw sugar was removed,

and the duty on refined sugar was reduced, and from 1891 to 1895, inclusive, there was saved to the people, in the remission of taxation on raw and refined sugar, the sum of \$19,851,995. And that saving was upon an article which goes into common and general consumption.

In 1894 a general reduction of the tariff was made all along the line.

Sir RICHARD CARTWRIGHT. Hear, hear.

Mr. FOSTER. I thought I should evoke one of these pleasant exclamations from my hon. friend, and I had hoped to provoke another from the leader of the Opposition. But perhaps he will favour me with it yet. For both these hon. gentlemen, not on one, but on many occasions, have taken upon themselves to inform the country that in 1894 the Minister of Finance came down with good intentions, proposed to reduce, considerably, the duties levied upon articles which entered into the consumption of the country, but that when he came before the House, the manufacturers scared him off, he ran his pencil through the reductions, and next to nothing was done at all.

Sir RICHARD CARTWRIGHT. Less than nothing.

Mr. FOSTER. The hon. gentleman says less than nothing. His statement is just as extreme as usual. In that general reduction in 1894, it is estimated that \$1,500,000 taxation was taken off the people. Now, if you add these amounts together, you will find that we have taken from the people an amount of taxation of \$45,131,027.

Some hon. MEMBERS. Oh, oh.

Mr. FOSTER. The sincerity of hon. gentlemen opposite, who profess very great desire to take away the burdens of the people, is evinced to-day by the laugh and the sneer with which they greet the statement that we have taken \$45,000,000 in taxation from the people of this country, from 1882 to the present.

The following table will show at a glance the savings made, as I have stated:

SAVING in Taxation caused by transferring Tea, Coffee, Anthracite Coal, Tin, Raw Sugar, Bill Stamps, from the Dutiable to the Free List, the carrying of Newspapers free from office of publication and by reducing the Duty on Tea and Coffee not imported direct, and on Molasses, Refined Sugar and Window Glass.

Year.	Tea.	Coffee.	Coal.	Tin.	Sugar.	Bill Stamps.	News-papers.	Mo-lasses.	Window Glass.
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1882	445,879	36,334	.....	57,225	.....	139,448			
1883	318,703	50,375	.....	102,732	.....	224,645	44,088		
1884	732,164	44,776	.....	82,353	.....	227,225	44,594		
1885	336,475	82,785	.....	90,269	.....	229,805	45,100		
1886	1,021,151	76,778	.....	96,461	.....	232,335	45,606		
1887	315,434	36,220	75,191	101,840	.....	234,965	46,112		
1888	751,558	54,877	1,068,652	104,539	.....	237,546	46,618		
1889	735,775	61,206	643,052	112,495	.....	240,126	47,124		
1890	770,260	61,473	600,667	117,503	.....	242,706	47,630	21,198	13,299
1891	751,969	64,559	699,533	113,011	227,474	245,286	48,136	75,461	34,789
1892	953,511	64,241	739,553	152,353	5,200,000	248,629	48,795	59,924	39,245
1893	759,323	69,402	750,275	121,018	4,000,000	251,798	49,416	59,876	38,142
1894	315,226	62,452	765,261	123,690	4,321,000	254,840	50,014	64,560	34,869
1895	326,611	66,550	702,171	89,614	5,303,000 *300,521	257,984	50,631	54,756	25,636
	11,034,039	832,528	6,044,355	1,465,103	19,851,995	3,267,388	613,864	335,775	185,980

Grand Total.....\$43,631,027

* Refined sugar.

The customs revenue accrued in 1895 amounted to \$17,887,267, which, per head of population, was \$3.52. In 1875, hon. gentlemen opposite charged the people of this country, by their customs taxation, \$3.95 per head. The average, as I said before, from 1874 to 1878, under hon. gentlemen opposite, was \$3.44 per head, and as I have said to-day, the amount of customs taxation per head in 1894-95 was brought down to \$3.52. Well, all this time the free goods of the country have been continually increased. Articles have been taken from the dutiable list and placed upon the free list until this comparison is afforded, that whereas in 1874, \$47,000,000 worth of free goods were entered, and whereas, in 1879, under the administration of hon. gentlemen opposite, the free list had fallen to \$23,000,000, a decrease of

\$24,000,000, we find that from 1880 to 1895 there was an increase of \$26,500,000 in the free list. Sir, the fact is made perfectly clear by this one assertion, that in 1874, 38 per cent of the imports for home consumption were free, that in 1879 this had fallen to 30 per cent, whereas, in 1895, 42 per cent of the imports for home consumption were free.

IMPORTANT AND GENERAL TARIFF REDUCTION.

Now I come to ask, and I am nearly at the conclusion of my speech, whether I was right or not—

An hon. MEMBER. No.

Mr. FOSTER. An hon. gentleman to your left says "no" before I had finished the question. That is the way hon. gentlemen

opposite judge with reference to the affairs of the country. They wish no argument, they listen to none. They have their pre-conceived opinions—and poor opinions the electors of Canada have told them they were, at four or five different elections. They need no argument, they require no information. But I want to ask the hon. leader of the Opposition, and my hon. friend opposite me (Sir Richard Cartwright)—the latter of whom said that in 1894 the reductions in the tariff were less than nothing, while the former declared that they were

next to nothing—I want to ask them whether or not it is possible for them to revise their opinion. At least I now propose to put before the House statements which will place the matter clearly in the eyes of the country, so that the people may judge whether hon. gentlemen opposite or I have made the correct statement. I propose to submit a list of the articles on which reductions have been made, showing the extent of the reduction on each article, and this list extends over the whole range of imported goods. It is as follows:—

STATEMENT showing sundry articles on which reductions of duty were made by tariff changes of 1894 and since.

Article.	Old Rate of Duty.	New Rate of Duty.	Reduction.
Animals, living, viz. :—			
Horned cattle.....	30 per cent.	20 per cent.	10 per cent.
Sheep.....	30 do	20 do	10 do
Hogs.....	2c. per lb.	1½c. per lb.	½c. per lb.
Baking powder in packages of less than one lb.....	8c. do	6c. do	2c. do
Bells, except for churches.....	30 per cent.	25 per cent.	5 per cent.
Brass and manufactures of :—			
Nails, rivets and burrs.....	35 do	30 do	5 do
Wire.....	15 do	10 do	5 do
Biscuits of all kinds, sweetened.....	35 do	25 do	10 do
Macaroni and vermicelli.....	2c. per lb.	25 do	23 do ad val.
Barley.....	15c. per bush.	30 do	15 do do
British gum, dextrine, sizing cream and enamel sizing.....	1c. per lb.	10 do	20 do do
Brooms.....	25 per cent.	20 do	5 do
Buttons of vegetable ivory or horn.....	10c. per gross and 20 per cent.	8c. per gross and 20 per cent.	2c. per gross.
do hoof, rubber, vulcanite or composition.....	5c. per gross and 20 per cent.	4c. per gross and 20 per cent.	1c. do
do all other, N. E. S.....	25 per cent.	20 per cent.	5 per cent.
Candles, paraffine wax.....	5c. per lb.	4c. per lb.	1c. per lb.
Cane or rattan, split or otherwise manufactured.....	25 per cent.	17½ per cent.	7½ per cent.
Carriages, &c. :—			
Farm wagons and farm carts costing less than \$50.....	\$10 ea. & 20 p. c.	25 do	30 do ad val.
do do \$50 and less than \$100.....	\$15 do	25 do	18 do do
do do \$100 and over.....	35 per cent.	25 do	10 do
Cases for jewels, watches, silverware, plated ware, cutlery and other like articles.....	10c. ea. & 30 p. c.	5c. ea. & 30 p. c.	5c. each.
Clocks.....	35 per cent.	25 per cent.	10 per cent.
Clothes wringers.....	\$1 ea. & 30 p. c.	25c. ea. & 20 p. c.	75c. ea. & 10 p. c.
Coal tar and coal pitch.....	10 per cent.	Free.	10 per cent.
Cocoa mats and matting.....	30 do	25 per cent.	5 do
Cocoa nut, desiccated, sweetened or not.....	8c. per lb.	5c. per lb.	3c. per lb.
Coffee :—			
Extracts of or substitutes therefor.....	5c. do	3c. do	2c. do
Roasted or ground, not imported direct.....	3c. p. lb. & 10 p. c.	2c. p. lb. & 10 p. c.	1c. do
do and substitute, N. E. S.....	3c. per lb.	2c. per lb.	1c. do
Collars of cotton or linen, xylolite, xylonite, cellaloid.....	24c. per doz. and 30 per cent.	24c. per doz. and 25 per cent.	5 per cent.
Copper and manufactures of :—			
Nails, rivets and burrs.....	35 per cent.	30 per cent.	5 do
Copper, old and scrap.....	10 do	Free.	10 do
do in pigs.....	10 do	do	10 do
do seamless drawn tubing.....	10 do	do	10 do
do ingots, sheets, plates and sheathing, not plished or coated.....	10 do	do	10 do.

Hon. G. E. F.—2½

STATEMENT showing sundry articles on which reductions of duty were made by tariff changes of 1894 and since.

Article.	Old Rate of Duty.	New Rate of Duty.	Reduction.
Copper, in bars, rods and bolts, in length not less than 6 feet.....	10 per cent.	Free.	10 per cent.
Cordage, cotton.....	30 do	25 per cent.	5 do
Cotton, manufactures of:—			
Clothing, including corsets.....	35 do	32½ do	2½ do
Cuffs of cotton, linen, xylonite, xylolite and celluloid....	4c. p. pr. & 30 p.c.	4c. p. pr. & 25 p.c.	5 do
Dressing, harness, leather and shoe.....	30 per cent.	25 per cent.	5 do
Drugs, dyes, chemicals and medicines:—			
Acid, phosphate.....	3c. per lb.	2c. per lb.	1c. per lb.
Glue, sheet, broken sheet or ground.....	3c. do	25 per cent.	15 p. c. ad. val.
do liquid.....	30 per cent.	25 do	5 do
Liquorice, paste.....	2c. per lb.	20 do	5 p.c. do
do in rolls and sticks.....	3c. do	20 do	9 do
Yeast, compressed in bulk or mass of not less than 50 lbs.	4c. do	3c. per lb.	1c. per lb.
Earthenware and china:—			
Brown or coloured, and Rockingham ware.....	35 per cent.	30 per cent.	5 per cent.
Decorated, printed or sponged, and all earthenware, N. E. S.....	35 do	30 do	5 do
White granite or ironstone ware, C.C. or cream coloured ware.....	35 do	30 do	5 do
Manufactures of earthenware, N. E. S.....	35 do	30 do	5 do
Feathers, ostrich and vulture, dressed.....	35 do	30 do	5 do
Fertilizers.....	20 do	10 do	10 do
Fruits, green:—			
Blackberries, gooseberries, raspberries and strawberries, N. E. S.....	3c. per lb.	2c. per lb.	1c. per lb.
Plums.....	30 per cent.	25 per cent.	5 per cent.
Furniture, house, cabinet or office.....	35 do	30 do	5 do
Glass, &c.:—			
Flasks and phials of 8 oz. capacity and over, telegraph and lightning rod insulators, jars and glass balls and cut, pressed and moulded table ware....	5c. per doz. and 30 per cent.	30 do	5c per doz.
Silvered glass, bevelled.....	35 per cent.	32½ do	2½ per cent.
Gunpowder and other explosives:—			
Gun, rifle and sporting powder.....	5c. per lb.	3c. per lb.	2c. per lb.
Gun, rifle and pistol cartridges and cartridge cases.	35 per cent.	30 per cent.	5 per cent.
Gun wads and percussion wads.....	35 do	30 do	5 do
Gutta percha and india-rubber and manufactures of:—			
Belting.....	5c. per lb. and 15 per cent.	32½ do	4 do ad. val.
Ink, writing.....	25 do	20 do	5 do
Iron and manufactures of:—			
Agricultural implements—			
Binding attachments.....	35 do	20 do	15 do
Drills, seed grain.....	35 do	20 do	15 do
Harrows.....	35 do	20 do	15 do
Harvesters, self-binding and without binders....	35 do	20 do	15 do
Mowing machines.....	35 do	20 do	15 do
Ploughs, sulky and walking.....	35 do	20 do	15 do
Reapers.....	35 do	20 do	15 do
Iron, bar and round rods, galvanized.....	30 do	27½ do	2½ do
Bar iron, rolled or hammered, comprising rounds, squares, &c., &c.....	\$13 per ton.	\$10 per ton.	\$3 per ton.
Cast iron pipes of every description.....	\$12 do but not less than 35 per cent.	\$10 do but not less than 35 per cent.	\$2 per ton when not less than 35 per cent.
Engines, other than locomotive and fire, and boilers	30 per cent.	27½ do	2½ per cent.
Hardware, viz.:—Builders', cabinetmakers', harness-makers' and saddlers' hardware, including curry combs and carriage hardware.....	35 do	32½ do	2½ do
Iron or steel sheets or other iron, or steel of all widths, sheet iron, common or black, smoothed, polished, coated or galvanized and Canada plates, No. 17 gauge and thinner, and hoop, band or strip, iron or steel, N. E. S.....	12½ do	5 do	7½ do

STATEMENT showing sundry articles on which reductions of duty were made by tariff changes of 1894 and since.

Article.	Old Rate of Duty.	New Rate of Duty.	Reduction.
<i>Iron and manufactures of—Continued.</i>			
Iron in slabs, blooms, billets, loops, puddle bars, or other forms less finished than iron in bars, and more advanced than pig iron, except castings..	\$9 per ton.	\$5 per ton.	\$4 per ton.
Locks of all kinds.....	35 per cent.	32½ per cent.	2½ per cent.
Portable machines:—			
Portable steam-engines, and parts of.....	35 do	30 do	5 do
Threshers and separators, and parts of.....	35 do	30 do	5 do
Sewing-machines, or parts of.....	\$3 each and 20 per cent.	30 do	1½ do
Machines, type-writing.....	30 do	27½ do	2½ do
All other machinery, except portable machines, composed wholly or in part of iron and steel.....	30 do	27½ do	2½ do
Malleable iron castings and steel castings.....	\$25 per ton and not less than 30 per cent.	25 do	14¢ do ad. val.
Nails and spikes and sheathing nails, composition..	20 per cent.	15 do	5 do
Nails and spikes, wrought and pressed, galvanized or not, horse-shoe nails, and all wrought iron or steel and other nails, N.E.S., and horse, mule, and ox-shoes.....	1½c. per lb.	30 do	11 do ad. val.
Nails and spikes, cut.....	1c. do	¾c. per lb.	¾c. per lb.
Nails, wire.....	1½c. do	1 do	½c do
Plough-plates, mould-boards, land-sides, when cut to shape from rolled plates of steel, but not moulded, punched, polished, or otherwise manufactured, and being of greater value than four cents per pound.....	12½ per cent.	5 per cent.	7½ per cent.
Other plates for agricultural implements.....	35 do	5 do	30 do
Pumps, other than steam.....	35 do	30 do	5 do
Railway fish-plates and tie-plates.....	\$12 per ton.	\$10 per ton.	\$2 per ton.
Safes and doors for safes and vaults.....	35 per cent.	30 per cent.	5 per cent.
Screws, iron or steel, commonly called wood screws:—			
2 inches or over in length.....	6c. per lb.	3c. per lb.	3c. per lb.
1 inch and less than 2 inches.....	8c. do	6c. do	2c. do
Less than 1 inch.....	11c. do	8c. do	3c. do
Scales, balances, and weighing beams.....	35 per cent.	30 per cent.	5 per cent.
Skates of all kinds.....	20c. per pair and 30 per cent.	10c. per pair and 30 per cent.	10c. per pair.
Stoves.....	30 per cent.	27½ do	2½ per cent.
Swedish rolled iron nail rods, under ½ inch in diameter, for manufacture of horse-shoe nails..	20 per cent.	15 do	5 do
Boiler tubes of wrought iron or steel.....	15 do	7½ do	7½ do
Other wrought iron tubes or pipes, not classified...	10c. per lb. and 30 per cent.	7c. per lb. and 30 per cent.	10c. per lb.
Wire fencing, barbed, of iron or steel.....	1½c. per lb.	¾c. per lb.	¾c. do
Wire, covered with cotton, linen or other material.	35 per cent.	30 per cent.	5 per cent.
Surgical and dental instruments.....	20 do	15 do	5 do
Steel ingots, cogged ingots, blooms and slabs.....	30 do but not less than \$8 per ton.	\$5 per ton.	\$3 per ton and in some cases more.
Saws.....	35 per cent.	32½ per cent.	2½ per cent.
Manufactures of iron or steel, not classified.....	30 do	27½ do	2½ do
Jellies, jams and preserves, N.E.S.....	5c. per lb.	3½c. per lb.	1½c. per lb.
Lead pipe and lead shot.....	1½c. do	1c. per lb. and 25 per cent.	5 per cent ad. val.
Leather:—			
Leather, sole.....	¼c. p. lb. & 15 p.c.	15 per cent.	¼c. per lb.
Leather, belting leather, dressed, waxed or glazed..	20 per cent.	15 do	5 per cent.
Calf, kid, lamb and sheep skins, dressed, waxed or glazed.....	20 do	17½ do	2½ do
Upper leather, dressed, waxed or glazed.....	20 do	17½ do	2½ do
Japanned, patent or enamelled leather.....	25 do	22½ do	2½ do
All other leather and skins tanned not classified..	20 do	15 do	5 do

STATEMENT showing sundry articles on which reductions of duty were made by tariff changes of 1894 and since.

Article.	Old Rate of Duty.	New Rate of Duty.	Reduction.
Manufactures of leather:—			
Harness and saddlery	35 per cent.	30 per cent.	5 per cent.
Leather belting	25 do	20 do	5 do
Manilla hoods	20 do	Free.	20 do
Gas, coal oil and electric-light fixtures, or parts thereof.	30 do	27½ per cent.	2½ do
Milk, condensed, sweetened	1¼ c. p. lb. & 35 p. c.	¾ c. per lb.	17 do ad. val.
do do not sweetened	35 per cent.	¾ c. do	
Plumbago	15 do	10 per cent.	5 per cent.
Blacklead	30 do	25 do	5 do
Plumbago, manufactures of	30 do	25 do	5 do
Mucilage	30 do	25 do	5 do
Oils:—			
Mineral—			
Coal and kerosene, distilled, purified or refined, naphtha and petroleum, N. E. S.	7¼ c. per gall.	6c. per gall.	1¼ c. per gall.
Products of petroleum	7¼ c. do	6c. do	1¼ c. do
Lubricating oils, composed wholly or in part of petroleum and costing less than 25c. per gall.	7¼ c. do	6c. do	1¼ c. do
Essential oils	20 per cent.	10 per cent.	10 per cent.
Paints and colours:—			
Colours and paints, pulped or ground in oil or other liquids and all liquid, prepared or ready-mixed paints, N. E. S.	30 do	25 do	5 do
Ochres and ochrey earths and raw siennas	30 do	25 do	10 do
Oxides, fire-proofs, umbers and burnt siennas, N. E. S.	30 do	25 do	5 do
Paints ground or mixed in, or with, either Japan, varnish, lacquers, liquid dryers, collodion, oil finish or oil varnish, rough stuff and fillers.	5c. p. lb & 25 p. c.	25 do	5 cts. per lb.
Putty	25 per cent.	15 do	10 per cent.
Paper, leaf and grass, &c., manufactures of:—			
Bags or sacks, printed or not	35 do	25 do	10 do
Ruled, boarded and boxed papers	35 do	30 do	5 do
Straw board, in sheets or rolls, plain or tarred	40c. per 100 lbs.	30c. per 100 lbs.	10c. per 100 lbs.
Paraffine wax	3c. per lb.	2c. per lb.	1c. per lb.
Pencils, lead, in wood or otherwise	30 per cent.	25 per cent.	5 per cent.
Pocket-books, purses	35 do	30 do	5 do
Lard, tried or rendered	3c. per lb.	2c. per lb.	1c. per lb.
Meats:—			
Bacon and ham, shoulders and sides	3c. do	2c. do	1c. do
Canned meats	3c. do	25 per cent.	3 per cent.
Dried or smoked meats and meats preserved in any other way than salted or pickled, N. E. S.	3c. do	2c. per lb.	1c. per lb.
Other meats salted	3c. do	2c. do	1c. do
Sand paper, glass, flint and emery paper	30 per cent.	20 per cent.	10 p. c.
Sauces and catsups in bottles	40c. per gall & 20 per cent.	35 do	16 do ad. val.
do do bulk	30c. per gall & 20 per cent.	35 do	56 do
Soy	10c. per gall.	35 per cent.	23 per cent.
Flax seed	10c. per bush.	Free.	10c. per bush.
Soap:—			
Common or laundry, not perfumed	1¼ c. per lb.	1c. per lb.	¼ c. per lb.
Harness soap	30 per cent.	25 per cent.	5 per cent.
Perfumed or toilet	1c. p. lb. & 10 p. c.	35 do	22 do ad. val.
Powders, pumice, silver and mineral soaps, sapollo and like articles	3c. per lb.	35 do	10 do do
Ginger, preserved	35 per cent.	30 do	5 do
Sugar candy, brown or white and confectionery, including sweetened gums and candied peel	1¼ c. per lb. and 35 per cent.	1c. per lb. and 35 per cent.	¼ c. per lb.
Glucose or grape sugar, glucose syrup or corn syrup	1¼ c. per lb.	1¼ c. per lb.	¼ c. do
Turpentine, spirits of	10 per cent.	5 per cent.	5 per cent.
Twine for harvest binders, of jute, manilla or sisal and of manilla and sisal mixed	25 do	12½ do	12½ do

STATEMENT showing sundry articles on which reductions of duty were made by tariff changes of 1894 and since.

Article.	Old Rate of Duty.	New Rate of Duty.	Reduction.
Twine, cotton.....	1c. p. lb. & 25 p.c.	25 per cent.	1c. per lb.
Twines of all kinds, N. E. S.	30 per cent.	25 do	5 per cent.
Twines, manufactures of, viz. :—			
Hammocks and lawn tennis nets and other like articles, N. E. S.	35 do	30 do	5 do
Varnish, lacquers, japans, japan driers, liquid driers, and oil finish, N. E. S.	20c. p. g. & 25 p.c.	20c. p. g. & 20 p.c.	5 do ad; val.
Tomatoes, fresh.....	30c. per bush. and 10 per cent.	20c. per bush. and 10 per cent.	10c. per bush.
Tomatoes and other vegetables, including corn and baked beans in cans or other packages.....	2c. per lb.	1½c. per lb.	½c. do
Webbing, elastic.....	25 per cent.	20 per cent.	5 per cent.
Wood and manufactures of:—			
Barrels containing petroleum or its products, &c.	40c. each	20c. each.	20c. each.
Caskets and coffins.....	35 per cent.	25 per cent.	10 per cent.
Mouldings, plain.....	25 do	20 do	5 do
do gilded, &c.....	30 do	25 do	5 do
Hubs, spokes, felloes and parts of wheels, rough hewn or sawn only.....	15 do	Free.	15 do
Shingles.....	20 do	do	20 do
Show cases.....	\$2 each & 35 p. c.	35 per cent.	\$2 each.
Woodenware, pails, tubs and churns.....	25 per cent.	20 do	5 per cent.
Picture frames.....	35 do	30 do	5 do
Veneers of wood not over ¼ inch thick.....	10 do	5 do	5 do
Coke, (2,000 lbs. to a ton).....	50c. per ton.	Free.	50c. per ton.
Marble, in the rough, in blocks, containing less than 15 cubic feet.....	15 per cent.	do	15 per cent.
Marble, in the rough, in blocks, containing 15 cubic feet or over.....	10 do	do	10 do
Ship timber and ship planking.....	20 do	do	20 do
Timber, hewn and sawn and timber used for spars and in building wharfs.....	20 do	do	20 do
Timber, square or sided.....	20 do	do	20 do
Crossed lumber.....	20 do	do	20 do
Sawn boards, planks, deals, and other lumber, undressed or dressed on one side only.....	20 do	do	20 do
Pine clapboards.....	20 do	do	20 do
Spruce do.....	20 do	do	20 do
Posts, last blocks, wagon blocks, oar blocks, gun blocks, heading, and all like blocks or sticks, rough hewn or sawed only.....	20 do	do	20 do
Laths.....	20 do	do	20 do
Pickets and palings.....	20 do	do	20 do
Staves of wood of all kinds.....	20 do	do	20 do
Flax fibre, scutched.....	1c. per lb.	do	1c. per lb.
do hackled.....	2c. do	do	2 do
Flax, tow of, scutched or green.....	½c. do	do	½ do
Raspberries, wild.....	3c. do	do	3 do
Album insides, made of paper.....	35 per cent.	do	35 per cent.
Blast furnace slag.....	20 do	do	20 do
Bibles, prayer books, psalm and hymn books.....	5 do	do	5 do
Books printed in any language, other than the English and French languages, N. E. S.	15 do	do	15 do
Bookbinder's cloth.....	10 do	do	10 do
Buttons, shoe, papier maché.....	5c. per gross & 20 per cent.	do	5c. per gross & 20 per cent.
Oxide of copper, N. E. S.	30 per cent.	do	30 per cent.
Curling stones of granite.....	25 do	do	25 do
Ammonia, nitrate of.....	do	do	do
Cyanide of potassium.....	do	do	do
Saltpetre.....	20 per cent.	do	20 do
Soda, chloride and bi-sulphite of.....	20 do	do	20 do
Tin crystals.....	20 do	do	20 do
Zinc, salts of.....	5 do	do	5 do
Sumac, other than for dyeing purposes.....	20 do	do	20 do

STATEMENT showing sundry articles on which reductions of duty were made by tariff changes of 1894 and since.

Article.	Old Rate of Duty.	New Rate of Duty.	Reduction.
Glove fasteners, metal, eyelet hooks and eyelets.....	30 per cent.	Free.	30 per cent.
Globes, geographical, topographical and astronomical..	20 do	do	20 do
Grommets.....	According to metal.	do	
Ingot moulds.....	1½c. per lb. but not less than 35 per cent.	do	1½c. per lb.
Iron sand or globules and dry putty for polishing granite	20 per cent.	do	20 per cent.
Lamp black and ivory black.....	10 do	do	10 do
Manilla hoods.....	20 do	do	20 do
Brass in bars, bolts not bent or otherwise manufactured, and in lengths not less than 6 feet.....	10 do	do	10 do
Brass, drawn, and plain and fancy tubing, not bent or otherwise manufactured, in lengths not less than 6 feet	10 do	do	10 do
Brass in strips for printers' rules, not finished.....	15 do	do	15 do
Lead, nitrate of and acetate of, not ground.....	5 do	do	5 do
Lead, tea.....	30 do	do	30 do
Stereotypes, electrotypes and celluloids of books and bases and matrices and copper shell for the same, whether composed wholly or in part of metal or celluloid.....	¾c. per sq. inch.	do	¾c. per sq. inch.
Mohair yarns.....	10c. per lb. and 20 per cent.	do	10c. per lb. and 20 per cent.
Carbolic or heavy oil.....	10 per cent.	do	10 per cent.
Olive oil for manufacturing and mechanical purposes....	20 do	do	20 do
Plumbago crucibles.....	30 do	do	30 do
Potash, caustic.....	20 do	do	20 do
Potash, red and yellow prussiate of.....	10 do	do	10 do
Prunella for boots and shoes.....	10 do	do	10 do
Rosin oil.....	20 do	do	20 do
Saddle jiggers and stirrups.....	3 do	do	35 do

This list includes all the articles on which reductions have been made, and shows that there was an important and significant reduction. And hon. gentlemen must take into account this fact—that this reduction in tariff was made at a time when reduction of the tariff was accompanied with the greatest difficulties. It was made at a time when prices were lowering in the United States, in Belgium and in every great manufacturing country; not only when prices were lowering as quoted in the regular markets, but when hard times had made it necessary for manufacturers to sell, if they could get cash, even if they had to sell at cost or less than cost. Many and many a case occurred in which manufactured goods were held as collateral by the banks, and the manufacturers being unable to meet their obligations, the banks sold the collateral security for whatever they could get, in order to turn

it into cash. It was in this period of depression, this period of strong competition, this period of slaughter prices, that we undertook the revision of the tariff. Taking all these things into consideration, the remarkable cut that was made in the tariff on these articles, going to the very verge of the extreme, shows that a great advantage was afforded to consumers in the remission of taxation and the consequent cheapening. I think I have disposed of the statement made by these two hon. gentlemen, that, though I proposed a reduction of the tariff, I did not carry it out.

THE LIBERAL-CONSERVATIVE RECORD.

Now, Mr. Speaker, one further subject, one that may pertinently be discussed at this the last session of the term of the present Parliament, and it is this:—From 1878, when the people, by a large majority, gave their verdict for the

change in the fiscal policy of this country, the Liberal-Conservative party and the Liberal-Conservative policy have dominated in this country and have moulded the administrations. Upon these seventeen years, the Liberal-Conservative policy is written. That record is before the country, upon that record they are quite willing to be judged. But, Sir, the Liberal-Conservative party wish to be judged upon their whole record, and not upon any particular part of it, administrative or otherwise, that any hon. gentleman may choose to pick out to suit his convenience. I do not fear, neither does the Liberal-Conservative party, that if that record is fairly and adequately looked at, the people of the country at the coming elections will not be exactly of the same mind that they were in 1878, in 1882, in 1887, and in 1891, and that they will not be in favour of the continuation of a reasonable policy of protection for this country. Sir, what has been the record of these seventeen years ?

FACILITIES FOR INTERNAL COMMUNICATION.

A vigorous public policy has been carried on in this country in favour of improved facilities of internal communication, which have been pressed upon this Parliament, which have been acceded to by this Parliament, and which have been carried out in the country. The record of the Liberal-Conservative party embraces the building and completion of the Canadian Pacific Railway and of the many miles of railway, aided by subsidies more or less liberal, which have been spread over the country, in addition to our great trunk lines of railway. Not only, Sir, have these railroads been projected and built as a part of the Liberal-Conservative policy, and against the steady opposition of hon. gentlemen opposite, but in reference to the canals, and some parts of the canal system, the same fact appears. A vigorous public policy in connection with the canal system of this country, is within the record of the Liberal-Conservative party. Not only have they widened and deepened the old canals until they are now within two years of completion to a fourteen foot depth, from the great lakes to the city of Montreal, but they have taken that other step, of making this country entirely independent, so far as water communication on the great lakes is

concerned, of any other people, and have built the great Sault Canal, a channel of communication which opens to us the remotest of the great lakes, without asking permission of any other people in the world.

EXTERNAL STEAMSHIP COMMUNICATION.

With regard to our railways and our canals, there has been a vigorous policy pursued ; so there has been with reference to lines of communication external to this country. In regard to our steamship lines of communication, whenever our policy has been brought before this country, it has been met either with sneers, or with active opposition by hon. gentlemen opposite. Take the line to the West Indies and to South America, which, seven or eight years ago, was projected in this House, which received the assent of Parliament, and which was carried into execution. Every one knows with what opposition it was met by the leader of hon. gentlemen opposite, and by his party. What has taken place ? Why, Sir, with reference to the West Indian trade, whereas, in 1887, our total trade was but \$4,000,000, in 1895 our total trade with the West Indies amounts to \$8,500,000, an increase of about 112 per cent in our trade with those islands in those few years. And to-day, Sir, the West Indies, in its aggregate of trade, takes the third place in the list of countries with which Canada is carrying on business. Every one knows the opposition which was met by the proposal to subsidize a line of steamers from the western coast to China and Japan, but it was carried out. It had in it that good feature, that sterling feature, of co-operation with the British government in the matter, and that line has been carried out successfully, trade has increased ; and the average of the trade, during the last five years, with China and Japan, amounted to \$2,800,000, whereas it was but a beggarly average of \$623,000 from 1874-5 to 1879, when hon. gentlemen opposite were in power. Take, also, the line of communication with Australasia, a line which was put on some five years ago, a line which encountered the strongest opposition from hon. gentlemen opposite, but a line which has been successfully put in operation, and is to-day uniting the Australasian colonies and Canada hand in hand in mutual sup-

port of the service ; and it is also doing this great thing, giving a successful and progressive increase of trade. But, Sir, out of it there has come something more valuable than this co-operation and communication ; there came, as the natural result, an inter-colonial conference of delegates from the great colonies of Great Britain, held here in Ottawa two or three years ago ; and as a result of their deliberations, as a result of their resolutions, as a result of the persistent and prudent way in which these have been brought to the attention of the British government, we have to-day something that should be noted and is remarkable—the British government itself proposing to ask the British taxpayer to put his hand into his pocket to the extent of £75,000 yearly, for ten years, to co-operate with Canada and Australia in building up a great line of steam communication from Sydney and Melbourne, in the far Pacific Ocean, across this continent, and over the Atlantic to Liverpool and the ports of Great Britain. But, Sir, in addition to that, the great scheme of a trans-Pacific cable has been discussed, has been presented to the British government, and has so far claimed the attention of the British government that the Colonial Secretary has asked for delegates from the Australasian colonies and from Canada, to meet in London to talk over the possibilities and prospects of achieving that

great line of swift communication between Australasia, Canada and Great Britain. So, Sir, I say that in regard to steam communication, we have had a vigorous and consistent policy, and a policy which has not only succeeded in a business point of view, but it has, I contend, still more succeeded in awakening interest and sympathy in other colonies and in Great Britain, and which is drawing closer and closer together, on lines of mutually helpful enterprise, all the colonies, and Great Britain co-operating as one. In addition to this we have this year subsidized a most successful winter service between St. John and Liverpool, and have in contemplation the establishment of a direct steamship service between Canada and France.

DEVELOPMENT OF INDUSTRIES.

Sir, I need not make an extended argument with reference to the establishment, and maintenance, and expansion of the industrial life of this country. That that industrial life has been established, and has expanded, we have proofs on every side. Every one who has experience dating back to 1878, and who compares that period with 1895, knows the advance that Canada has made in her industrial life. I will not press that argument a single step further. I merely wish to call your attention to the result of ten years, as shown by the census of the Dominion of Canada :

CANADIAN INDUSTRIES PER CENSUS RETURNS.

	1881.	1891.	Variation.	
			Increase.	p.c.
Number of establishments.....	49,722	75,768	26,246	52
Capital invested..... \$	164,957,423	354,620,750	189,663,327	114
Number of employees.....	254,894	370,256	115,362	41
Wages paid..... \$	59,401,702	100,663,650	41,261,948	69
Cost of raw material.....	179,929,193	256,119,042	76,189,849	42
Value of products.....	309,731,867	476,253,886	166,527,019	53

That does not take in the increase that took place between 1879 and 1881, nor does it take in the increase that took place between 1891 and 1895, which is nearly a half decennial period. These figures may be laughed at by hon. gentlemen opposite. They are in the habit of taking part of the census that suits them and declaring it must be relied on, and then of taking another part which does not suit them and declaring it

cannot be relied on. The same Government was in power when the censuses were taken, and if one part is reliable the other part we must suppose to be equally reliable. Hon. gentlemen are prone to make a point of looking over the census and finding some small knitting works, entered as a manufacturing industry to declare that no reliance can be placed on the enumeration. The whole argu-

ment is taken away when hon. gentlemen examine that portion of the census which groups industrial establishments with reference to their output. Five classes are given with respective output, viz., those under \$2,000, those from \$2,000 to \$12,000, from \$12,000 to \$25,000, from \$25,000 to \$50,000, and those over \$50,000. From an investigation of these five classes it will appear that the per cent of total output of the first class is exactly what it was in 1881, whilst the increase in the fifth or largest class is 14 per cent greater than that of the smallest class for the decennial period of 1881 and 1891. Alongside of that, put the other fact that the same system of enumerating establishments which was followed in the census of 1881 and 1871, was adopted in the census of 1891, the taking of the census in each case having been pursued upon the same plan.

WHY SHOULD CANADA CHANGE HER TRADE POLICY ?

But if we are not to continue the same policy, I wish to ask myself and to ask this House the question, why should we change? Is there any reason why we should change? Is there any reason in the record of the past seventeen years why the fiscal policy of this country, which has resulted in such improvement and advance, should be changed for some other? No. Is there any reason to be found in the bases which have been laid down from time to time by hon. gentlemen opposite as tariff and trade lines on which they think this country should mould its policy and carry on its administration? Hon. gentlemen opposite are men of many political faiths so far as tariff is concerned, but they are men of no steady convictions so far as those same faiths are concerned. Hon. gentlemen opposite have put before this country during the last five years, several plans, several bases of operation. They have had Commercial Union, they have had Unrestricted Reciprocity, they have had Free trade as it was in England—all of these have been advocated and strongly advocated by my hon. friend who sits opposite me (Mr. Laurier), and by my hon. friend who leads the financial section of that side of the House, in so many strong, sturdy and plain

English words; and if there was any doubt in regard to the position of the last mentioned gentlemen, he cleared away that doubt two days ago when he took occasion to reiterate his position by reading a letter written in 1891.

Sir RICHARD CARTWRIGHT. In 1892.

Mr. FOSTER. The political belief he held then, he reiterated as held by him now. One of his beliefs is this, that free trade with the United States is of greater moment to this country than free trade with all the rest of the world, with the United States left out.

Sir RICHARD CARTWRIGHT. Hear, hear.

Mr. FOSTER. Yes; and no man knows better than my hon. friend that free trade with the United States of America is impossible without discriminating against the rest of the world, and he himself has stated it again and again. Everybody knows that the temper of the United States even under Democratic rule was far removed from free trade, and under Republican rule is still further removed from free trade. My hon. friend as the coming financier of a possible new government, if hon. gentlemen opposite should get into power, is determined, taking his last confession, to give to this country unrestricted reciprocity with the United States, though it involves discrimination against the mother country and every other country. I take that as the latest confession of the political faith of the hon. gentleman who is to be Finance Minister, as the hon. leader of the Opposition has stated, and who will rule and dominate the tariff policy of hon. gentlemen opposite if they got into power within the natural term of his life.

Sir RICHARD CARTWRIGHT. Instead of the Manufacturers' Association, as is the case with you.

Mr. FOSTER. I will use that statement before the country as a lesson which the people may ponder over in connection with the political faith, the political action and electoral action which took place in 1891. Is there any reason why we should change our line of reasonable protection in order to adopt any of those facile political faiths which have been confessed from time to

time by hon. gentlemen opposite? Is there any reason for a change to be found in the general circumstances of the world to-day? If in 1878 the people of this country thought that a reasonable protection was necessary to give them the vantage ground in competing with the world and building up and establishing industrial life in this country, is it any less necessary to-day? Is the competition less keen to-day than it was in 1878? Are the tariff lines of the various countries of the world lower to-day than in 1878? Is the tendency of the commercial countries of the world changed in the direction of freer trade and lower duties? No, Sir. They have changed and are changing in the direction of greater stringency and more prohibitive tariffs, and circumstances, if they have changed from 1878 to this time, are stronger to-day in the direction of making Canada keep, for the sake of her trade and business interests, to the line of reasonable protection, instead of taking the line of free trade or of partial free trade. Why, to-day, after the Democratic administration had lowered the duties to a small extent, but so far away from free trade that they enjoy a tariff with an average of 42 per cent on dutiable articles for home consumption in that country, when they had given Canada some little better footing in their market by lowering to some extent duties on agricultural products, what to-day has happened? A Republican majority in the House of Representatives has sent to the Senate a Bill which proposes to raise the rate of taxation on all those articles, and to raise them so as to be prohibitive as regards the introduction of the products of Canada into the United States. Is that a reason why we should change our line of policy? If in 1878 there was reason for the adoption of this policy, in 1895 there is greater reason that this policy should be continued, and we should hold to it in Canada.

Mr. MILLS (Bothwell). You say you have abandoned it. You claim you have taken off \$6,000,000.

Mr. FOSTER. No one is so foolish as to think that is an abandonment of the principle of protection. When the hon. gentleman goes to the country and wages political warfare against this party and the Govern-

ment the last thing he will say is that we have abandoned protection. The first assertion and the only assertion he will make is, that we are hide bound protectionists, and that therefore we should be put out of office.

CLOSER TRADE RELATIONS WITH THE EMPIRE.

But there is a line which I think it is possible, and I believe it is right that the statesmanship of this country as well as of Great Britain and other colonies of the Empire should consider and ponder carefully and well, and that is whether it is not possible for statesmanship in the colonies and Great Britain to bring about between the colonies as amongst themselves and between the colonies and Great Britain concurred action which will be conducive to the commercial interests of both, and which will result in greater power and strength. I read an article but a little time ago in the "Nineteenth Century Review," in which the general question which is agitating many thoughtful minds at the present day was raised and discussed, as to whether the Empire would be able to feed itself in the event of a war against Great Britain which would cut off her supplies from hostile nations. Feed itself! Why, Sir, if statesmanship is not able, practically to solve that question, statesmanship must find it impossible to solve any of the great questions, which from time to time present themselves for consideration. The Empire able to feed itself! Yes. This article showed that 100,000,000 bushels of wheat were necessary to England, other than what the colonies afforded her at the present time, in order to feed the people of the Empire there. One hundred millions bushels of wheat! Why, fifty thousand Canadian farmers with 100 acres each, in wheat, and raising twenty bushels to the acre, would produce the 100,000,000 of bushels of wheat needed by Great Britain. And, what is fifty thousand farmers cultivating five millions of acres, compared with the English farmers wanting employment and the numbers of millions of acres of good wheat land in Manitoba and the North-west Territories, which has not yet been scratched by the plough. Meats to the value of one hundred and forty millions of dollars would need to be supplied by the colonies, to make up for Great Britain's deficiency,

supplied now from foreign countries. Well, cattle, and horses, and pigs in illimitable quantity could be raised in this country. And as to butter and cheese; fifty thousand farmers owning each fifty cows, amounting to 2,500,000 in numbers, would supply butter and cheese going far to meet the demands of Great Britain for such supplies. And, with the vast lands of the North-west, that is not an estimate which cannot be reached, if adequate means were taken to bring it about. So, Sir, I might go on to amplify this. The sugar which is necessary for the consumption of Great Britain could be supplied by the West Indies, and by the East Indies, with the cultivation of the cane lands which are now going out of use, and which by its diminution is impoverishing the planters and the labourers of the West Indies. That industry might again have its period of flourishing and its reward of remunerative production were concurrent action taken in Britain and the Islands. So, all the way through. It is a problem which only requires time and good statesmanship to solve. And, as I said before, it is for Canada, for Australia, for the other colonies of

Great Britain and for Great Britain herself to ponder this seriously and carefully; to consider whether or not, an arrangement cannot be come to which will make the Empire and its dependencies sufficient within themselves to feed the Empire, and by doing that add to the volume of business, and to a mutually remunerative production. And, Sir, the statesmanship which could formulate some such policy of mutually beneficial trade would achieve an end infinitely higher and more wide-reaching. It would evolve from the dark foreground of the not distant future, a national life of singular strength and beauty, in which Canadian Britain, and Australasian Britain, the Britain of Asia and Africa and of the Isles of the Sea, would group themselves in grand imperial unity; the old enriching the new, and the new imparting fresh strength to the old,—through whose world-wide realm the blood of a common commerce should mingle with the blood of a common patriotism, whose power would compel peace, and whose millions of happy people would march in the van of the fullest freedom and the highest civilization.

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