

Sir HECTOR LANGEVIN. Mr. Speaker: Is not a notice of motion required in this case?

Mr. BLAKE. No.

Sir HECTOR LANGEVIN. I see, by Rule No. 31, that

"Two days' notice shall be given of a motion for leave to present a Bill, Resolution, or Address, for the appointment of any Committee, or for the putting of a question; but this Rule shall not apply to Bills after their introduction or to Private Bills."

Well, is it not the fact that, after the action of the Committee yesterday, these Bills disappeared altogether from the Notice Paper; and therefore that there is no Bill before the House?

Mr. SPEAKER. This Bill has been introduced.

Mr. BLAKE. And read the second time.

Mr. SPEAKER. And read the second time before the House.

Sir HECTOR LANGEVIN. It was referred by the House to the Committee of the Whole, and has not the Committee, by its action, arrested the Bill altogether?

Mr. SPEAKER. According to English practice, the way to bring a Bill again before the House—as the Committee cannot kill a Bill which is before the House—in the event of a Bill being dropped from the Order Paper, it is competent, on a subsequent day, without notice, to move to fix a day when the Bill shall again be considered.

Sir HECTOR LANGEVIN. Of course I put the question—as this is the first time that a motion of this kind has been made, at all events during this Parliament because I thought it proper that we ought to have a ruling about it, in order that we might govern ourselves in future similar cases.

Mr. DESJARDINS. Mr. Speaker: Are we to understand that the Committee having made no report to the House, the House can take possession again of this Bill, and dispose of it as if it had not been sent to the Committee of the Whole, and that Committee had made a report? If the Committee has made no report, I think that it is yet in possession of the Committee of the Whole.

Mr. BLAKE. No. Mr. Speaker, it is impossible to get it back into Committee of the Whole, without this procedure; but the hon. gentleman does not want to get it back there, and he thinks that it is there yet.

Motion (Mr. Cameron, Huron) negatived on the following division:—

Yeas:
Messieurs

Allen,
Allison,
Armstrong,
Auger,
Bain,
Béchar, d,
Bernier,
Blake,
Bourassa,
Brecken,
Burnham,
Burpee (Sunbury),
Cameron (Huron),
Campbell (Renfrew),
Cassgrain,
Catalda,
Charlton,
Cockburn,
Guthbert,
Davies,
Dickinson,
Dodd,
Fairbank,
Farrow,
Fisher,
Fleming,
Forbes,
Foster,
Gillmor,
Gunn,
Harley,
Hay,
Holton,
Ionia,
Irvine,
Jackson,
Jamieson,
Keefer,
King,
Kinney,
Kirk,
Lauderkin,
Laurier,
Mackenzie,
McMillan (Huron),
McOraney,
McIntyre,
McIsaac,
McMullen,
O'Brien,
Paterson (Brant),
Pickard,

Platt,
Ray,
Reid,
Richey,
Rinfret,
Robertson (Hamilton),
Ross (Middlesex),
Rykert,
Scrivner,
Shakespeare,
Somerville (Brant),
Somerville (Bruce),
Springer,
Sutherland (Selkirk),
Trow,
Vail,
Wallace (Albert),
Wallace (York),
Watson,
Weldon,
Wells,
Wheler,
White (Renfrew),
Wigle, and
Wilson.—17.

NAYS:
Messieurs

Abbott,
Amyot,
Baker (Missisquoi),
Baker (Victoria),
Barnard,
Beatty,
Bell,
Benoit,
Benson,
Bergeron,
Bergin,
Billy,
Blanchet,
Blondeau,
Boldue,
Bossé,
Bowell,
Burns,
Cameron (Inverness),
Cameron (Victoria),
Campbell (Victoria),
Carling,
Caron,
Cimon,
Cochrane,
Colby,
Costigan,
Coughlin,
Coursol,
Curran,
Daly,
Daoust,
Dawson,
De Beaujeu,
Desaulniers,
Desjardins,
Dugas (Dundas),
Dupont,
Ferguson (Leeds & Gren),
Ferguson (Welland),
Fortin,
Fréchette,
Gagné,
Gigault,
Girouard (Kent),
Gordon,
Grandbois,
Guilbault,
Guillet,
Hackett,
Haggart,
Hall,
Hawkins,
Hesson,
Homer,
Hurteau,
Ives,
Kilvert,
Kranz,
Lebrasse,
Landry,
Langevin,
Lesage,
Macdonald (Sir John),
McDonald (O. Breton),
Mackintosh,
Macmaster,
McMillan (Vaudreuil),
McCallum,
McDougald,
McGreevy,
McLellan,
McNeill,
Massue,
Mitchell,
Moffat,
Montplaisir,
Orion,
Oimet,
Painé,
Patterson (Essex),
Pope,
Robertson (Hastings),
Royal,
Scott,
Small,
Smyth,
Sproule,
Tassé,
Taylor,
Tilley,
Tupper (Cumberland),
Tupper (Pictou),
Tyrwhitt,
Valin,
White (Cardwell),
White (Hastings),
Williams,
Wood (West'd) and
Wright.—101

WAYS AND MEANS—THE BUDGET.

Sir LEONARD TILLEY. Mr. Speaker: I desire, Sir, before you leave the Chair, to make the financial statement; and, at the same time, to call the attention of the House to the resolutions the Government propose to move when in Committee with reference to the changes in the Tariff. At the last Session of Parliament, on the sixteenth day after the opening of the Session, I was in a position to make the financial statement of the Government. Circumstances have occurred to delay the statement on this occasion, and there has been some criticism in the House, and out of it, on account of this delay. I desire, in the first place, Sir, to make a few remarks with reference to the circumstances that have caused this delay; and I believe, when they are stated to the House, hon. members will fully understand the necessity for it, and approve of the course the Government have taken. It will be remembered, Sir, that, at the last Session of Parliament, the Government asked this House to reduce the taxation to the extent of \$1,000,000 or \$1,250,000 for the then current year. After looking carefully over the receipts, and the probable expenditure for the current year, the Government thought they might safely ask Parliament, at this Session, to reduce the taxation another \$1,000,000 or \$1,250,000. That having been decided upon, it, of course, became a question as to the articles on which this reduction should be made. We found the Congress of the United States in session, with various propositions before them for the reduction of the Customs duties and the Inland Revenue taxation, varying from \$50,000,000 to \$120,000,000, according to the action of Congress on these resolutions. One proposition alone was, that tobacco should be reduced from 16 cts. to 8 cts. a lb.; another proposition was that it should be removed entirely. If either of these propositions carried, it would become necessary for the Parliament of Canada, for the purpose of preventing illicit trade, protecting the honest trader, and protecting our own manufacturing industries, that our duties should be reduced in proportion to the reduction made in the United States. Therefore, if the proposition to reduce the duty 8 cts. per lb. on tobacco were adopted, it would necessitate a reduction in Canada which would involve \$750,000; if it was removed altogether it would

Mr. CAMERON (Huron).

necessitate the reduction of \$1,250,000, or, perhaps, \$1,500,000; and, under these circumstances, it became necessary that we should wait until we saw what the nature of the legislation of the United States with reference to the Customs and Excise Revenues had been before we were prepared to submit to Parliament our proposition. It was not until the night of the 3rd March that these questions were decided, and, though we had asked for the earliest possible information as to the nature of the changes that took place, it was the 16th March before we received a certified copy; and then it became our duty to examine it carefully, as it was quite apparent, with a reduction of the duties on tobacco, that, from that article alone, we would lose a very large amount of revenue. This necessitated a change of proposed reduction of duty on articles imported through the Customs. Well, Sir, under any circumstances, Tuesday would have been the earliest possible day we could have submitted our propositions to the House, and it having been decided that we should separate for the Easter holidays on the following evening, it would have been most inconvenient to present the financial statement, and then have the discussion to stand over for a week or ten days. Under these circumstances, the Government thought it best to allow the financial statement to remain until the reassembling of Parliament, and take the first Government day to submit it to the House. With this explanation, Sir, I believe the delay will be justified, and I trust that the country will not suffer materially. We are not in the position we were last year. We then proposed to take the duty off one or two articles of importance, and it would not have been fair to the trade of the country had they not been decided at once. The propositions which the Government have to make now are not to go into immediate effect, and therefore it is of less importance. But, Sir, I now proceed to the discharge of the important duties devolving upon me; and while I feel that the Government have material of the most satisfactory character to submit to the consideration of the House, I do not feel that I have that physical vigor that will enable me to do justice to the subject as I would desire to do, and as I am sure the House would expect me to do. In the first place, I would call the attention of the House to a declaration I made in the opening of my speech at the last Session of Parliament. It was this: that at no period in the history of Canada had Government met Parliament with its finances in a better position than it was on that day. Further, at no period in the history of Canada did the credit of Canada stand as high as it did on that day, and at no period in the history of the Dominion was it more prosperous than on that day; and I am happy, Sir, in believing that the House and the country will endorse me when I say that the remarks made on that occasion may be repeated with all truth to-day. I do not desire, Sir, to occupy any more of the time of the House than is absolutely necessary in presenting our case, and in dealing with the income and expenditure of the last year. My remarks will be brief, inasmuch as the Public Accounts have been placed in the hands of the members who are familiar, not only with the figures, but with the financial position of the Dominion, and which was referred to in such eloquent terms by the mover and seconder of the Address in answer to the Speech from the Throne. I may, Sir, however, restate them here in order that we may refresh our memories with reference to the position that we occupy. First, Sir, let me say that the Consolidated Revenue of last year amounted to \$53,383,000, and the expenditure to \$27,067,000, leaving a surplus of \$26,316,000—the largest surplus that has ever been declared in Canada. Add to that \$1,744,000 received as subsidies of land in the North-West, making altogether a surplus of over \$28,000,000 for the last year. Well, Sir, during the same period there was expended on Capital Account, for the Canadian Pacific and Intercolonial Railways, for the

enlargement of the Canals, and on the Surveys in the North-West, \$7,400,000, leaving a handsome surplus over and above all the expenses of Capital Account during the last year; and when we take into consideration the Sinking Fund, which forms a fund for the reduction of the debt, the net debt for the Dominion, notwithstanding the expenditure of \$7,340,000 on Capital Account, was \$1,750,000 less, and the interest paid for the year, \$15,000 less than it was the year previous. Now, Sir, we not only spent \$7,340,000 on Capital Account, but we redeemed maturing liabilities, during that period, of \$4,000,000. We had paid in from the surplus earnings of the people of the Dominion five millions nine hundred and twenty odd thousand dollars, from which the amount I have stated was paid, leaving nearly \$2,000,000 towards the expenditure of the current year. Under these circumstances, our financial position was an easy one. We were not forced into any market for a loan, but met a large expenditure and redemption of debt with the surplus, and the deposits of the people in the savings banks. I need not dwell longer upon this general statement, with reference to the financial operations of the year; but I desire to call the attention of the House, for a few moments, to one point, which may be referred to by hon. gentlemen opposite when they deal with my statement. During the last year the expenditure was \$1,500,000 more than it was the year before

An hon. MEMBER. Hear, hear.

Sir LEONARD TILLEY. \$25,500,000 was the expenditure the year before last; last year it was \$27,000,000. Now, Sir, I hear an hon. member opposite say "hear, hear," and therefore I desire to go into details with reference to the increased expenditure, to show that, while it amounted to \$1,500,000 more last year than the year before, it did not mean more than \$500,000 of taxation to the people of the country. I have here, Sir, a statement of the increased expenditure during last year, and it will be satisfactory to hon. members, I have no doubt, to have their attention called to the different items of this increase, and to the circumstances which caused them. The first item is \$146,650 increase of interest. Now, Sir, we did not have to pay during the year \$146,650 more for net interest than in the previous year. That amount is simply the difference between the receipts on the interest account, and the payments on the same, as I explained at the outset. The net interest paid was \$15,000 less than the year before, but owing to the increased deposits in the savings banks, the Canadian Pacific Railway having also deposited with us under their contract a large sum on which interest had to be paid, the amount paid out in interest was larger than it would otherwise have been; but the Government did not allow the money so deposited to lie idle. They deposited it in the banks and obtained 4 per cent. interest upon it; and while the payments were increased, the receipts were increased in like proportion. Therefore, that \$146,000 of increased interest was not a tax upon the people. We paid that additional for the money deposited with us and received it in return, leaving \$15,000 less paid during the year than in the year before. That, I trust, is satisfactory so far as that item is concerned. The next item is Sinking Fund, which was increased by \$39,993. That item goes on increasing year by year, and is applied to the reduction of the debt. That is surely not a payment that can be complained of. It increases under the arrangement by which our loans are obtained, and is paid in for the extinction of maturing liabilities. Then we have \$75,481 increase of subsidies paid to the Provinces, which have not yet reached a population of 400,000, and are entitled to 80 cts. per head of the population, until they reach that point. The Government, surely, cannot be blamed for paying that. The next increase is \$30,072 for Civil Service. Hon. gentlemen opposite may say that might have been avoided; but when we consider the fact, that under our Civil Service Act, the

civil servants are entitled to \$50 a year increase, we see that that would consume half the amount; and as we are increasing so rapidly in population, and in the development of the resources of the North-West, the enlargement of our staff is necessary, particularly in connection with post offices and post office savings banks, so this increase of expenditure cannot be looked upon as unreasonable. On the Census there was an expenditure of \$125,637. That is a service the Government had to perform; and I do not hesitate to say that the hon. Minister who has it in charge has performed it, during the last year, upon terms much more economical than in 1871. Then for the Militia there was an increase of \$105,811. There may be some questions among hon. members of this House as to the expediency of increasing that expenditure; but for several years previous to 1879 it was reduced, and it was decided, last year, to increase it, and Parliament will probably be asked for a still further increase for this service. Though questions may be raised as to the expediency of this step, yet I believe that, considering the magnitude of our country and the position we occupy as a Dominion, and considering the diminution of this expenditure during four or five years previous to 1879, Parliament and the country will justify the expenditure. Then Public Works shows an increase of \$284,674. For two or three years past we have not expended so much on this branch as in 1874, 1875, and 1876. The expenditure for public buildings, post offices, custom houses, &c., in various parts of the Dominion has been considered by both parties the duty of the Government, when the state of the public funds would permit it. With reference to Indians, on which service there has been an increase of \$378,317, I admit that the expenditure has been large. But I would ask whether any hon. member of this House would prefer the state of affairs we now see in the neighboring Republic, or have the Government deal honestly and liberally with the Indians, in order that we may avoid these difficulties. Therefore, Sir, though it may be regretted by every hon. member of this House on both sides, that it becomes necessary that increased expenditure should take place, I am satisfied not one will object as it is necessary to the development of the North-West. In the Post Office Department there has been an increase of \$103,909, to which is to be added \$30,000 or \$40,000 for expenditure properly belonging to last year. This would increase it to \$150,000, against which we have an increase of revenue of \$200,000;—the difference between the receipts and the expenditures for the last year in the Post Office Department. Notwithstanding our expenditure in the North-West, which I will not call extravagant, but expensive, it was less last year than it has been in any year since 1874-75. Then, with reference to Public Works and Canals, the increased expenditure was \$189,847; but I have the satisfaction of being able to state that there was also increased business on the road, and that that increased business gave us increased revenue, from which came that \$189,000. It, therefore, involves no taxation upon the people, and it shows that our railways are doing more work, giving us greater returns, and costing us nothing more than before. Out of \$1,500,000 of increased expenditure, I have named articles covering \$1,484,000; and I am sure the House will say, under these circumstances, that there is a very small portion of that \$1,500,000 of additional expenditure to be added as taxation upon the people, and that the circumstances connected with it are of the most satisfactory character. Now, Sir, I pass to another consideration in connection with this expenditure. It is a common thing for our friends of the Opposition to point to this increased expenditure without giving the explanation regarding it. But I want to emphasize my explanation by this declaration: though the expenditure was \$1,500,000 more last year than it was the year previous, if we had simply

Sir LEONARD TILLEY.

collected what was necessary for the expenditure, and nothing more, the sum that the people would have been taxed, would have been 1.3 cts. a head less than would have been taxed for the expenditure between 1874 and 1878 had the late Government collected sufficient to pay the expenditure. I want that, to be distinctly understood, because it is the measure of the taxation upon the people. As we find our receipts from our railways and post offices and other sources increase, so, of course, the expenditure must increase in the same proportion; but, unless that increase causes an increase in taxation, the people will not object, but will rather be satisfied to know that our country is prospering, and that the public works are in such a satisfactory condition. Now, Sir, I come to the receipts and the expenditure of the current year as under the amended estimate. The amended estimate, based upon the data we have at present, that is after eight months of the year have expired, is that we will receive from Customs, \$22,750,000; from Excise, \$5,900,000; from the Post Office, \$1,600,000; from Public Works, including Railways, \$3,000,000; from Interest on investments, \$800,000; from other sources, \$800,000—making a total receipt for Consolidated Revenue for the present year, of \$34,850,000. The expenditure on Consolidated Revenue will be \$22,850,000, leaving a surplus for the current year of \$6,000,000. Now, Sir, we also estimate that we will receive from our lands in the North-West as large a sum during the fiscal year as during last year, \$1,750,000, making, altogether, a surplus during the current year of \$7,750,000. We will probably receive from savings bank deposits during the year, \$5,250,000. Now, what have we to meet? We have a probable expenditure on the Pacific Railway, on the Intercolonial Railway, on our Canals, and on the Surveys in the North-West, of \$12,500,000 this year. We have to redeem maturing liabilities—and at this moment they are nearly all redeemed—to the extent of \$7,000,000. With the surplus that is estimated, with the proceeds of the lands, with the money that we receive as deposits of the people in the savings banks, and the balance in our hands, deposited in the banks on the 1st of July last, added to these sums, we will have ample to pay all. If, under any circumstances, anything should occur to diminish the deposits in the savings bank, which is very doubtful, judging from the amount we have received, a loan of two or three million of dollars in Canada would be taken up readily—because there are enquiries in every direction for our securities. So that, under existing circumstances, we will not require to go abroad for one dollar, but will be able to meet everything in the way we propose. Sir, there is a very considerable increase for the current year. The increase was \$1,500,000 last year, and I doubt not that by the time the Supplementary Estimates are brought down, and some important undertakings provided for, that the expenditure this year will be \$1,800,000 more than last year. Now, let us see Sir, what the items are that compose that \$1,800,000. I will state the most of them to the House. There is an increase of \$500,000 to the expenses of the railway during the current year—\$500,000 the hon. Minister asks over and above the sum voted the last Session of Parliament. That would be a very important item if we had nothing on the other side; but it is quite clear that the revenue will increase over and above the estimated increased expenditure of \$500,000 during the present year—that is, the expense of working it will increase, owing to the increased business, but the increased revenue will be ample to meet it. This is what we are able to state from the results of the eight months that have already expired. Under these circumstances, it will be readily seen that the \$500,000, though it adds to the gross expenditure, adds not \$1 to the taxation of the people. Then with reference to the Indians, \$200,000 is asked for in order to meet the expenses I have referred to. We hope by-and-bye, with

our large Indian reserves, with the instructions that are being given our Indians in agricultural pursuits, they may be induced to settle down and cultivate the lands, and cease to be, to a great extent, a charge upon the Dominion of Canada. But, as I stated with reference to the expenditure of the past year, it becomes a question whether we shall expose ourselves to the difficulties to which I have referred or whether we shall humanely spend an additional sum of money for this purpose, and avoid the difficulties which we might, without such expenditure, anticipate. Then there are \$32,000 this year additional for the service of Immigration. I think probably that may amount, with the Supplementary Estimates, which are to come down, to \$50,000; but, when we look at the prospects ahead, when we consider the indications that are already given, that we are to have, during this spring, a very large immigration indeed, and that the sum expended on immigration last year, as compared with the number of immigrants that came into the country, was very small, and that the expenditure this year, as compared with the number of immigrants that arrived in the country, will be only one-third of what it was in former years—there is not an hon. member in this House on either side, who will object to an additional expenditure of \$50,000, if it results in bringing men and women into the country to settle here and make it their home. Then, in reference to Canals and Telegraphs, we shall have expended \$50,000 extra this year. That has been found necessary with reference to the repairs of canals and the extension of our telegraph system—telegraphs on the coast, telegraphs in the North-West, telegraphs in British Columbia; and as the means of communication by telegraph becomes an absolute necessity in these days for the economical management of our commerce, no hon. member, I am sure, will object to an increased expenditure in that direction. Then we have, in the current year, \$150,000 which was appropriated by Parliament last Session, for a bounty to the fishermen. That, of course, was voted by the House and accepted, and it is considered, I am satisfied, a wise, a judicious, and a just contribution to the fishermen of the country. Then we have \$130,000 spent for the Census, over and above the expenditure last year. The expenditure last year was \$100,000 and upwards, and the expenditure this year is \$130,000 in excess of that. There can be no objection to that, knowing that it is being economically expended. Then we have, for the North-West Mounted Police, an increase of \$123,000. The right hon. the leader of the Government stated in the House last Session, the reason why it became necessary to increase that force. Parliament sustained it, and this increased expenditure is the result of the action of Parliament. Then, with reference to the Post Office, \$100,000 will be the increase during the present year, and we expect an equivalent in the shape of additional income from it. Then we have General Election expenses, \$175,000. That might have been postponed, Mr. Speaker, for another year, but I think the majority in this House will say it was money judiciously expended. Then there are the subsidies to Provinces. That is the result of the action of Parliament, and became necessary under its action. There is \$150,000 increased expenditure on Public Works. I venture to say that there is scarcely an hon. member of this House but will sustain the Government in that expenditure, unless, perhaps, he thinks his locality is neglected in its apportionment. When I made the statement that, whenever the means of the country would justify it, these buildings were to be erected, I observed that there was a very general response. Those items amount to \$1,665,000 of the \$1,850,000 which it is supposed will be the increased expenditure of the present year, and but a limited portion of that will be in the shape of taxation on the people. Taking the expenditure of this year based upon the Estimates I have just stated, and taking the population as a basis, the sum the

people require to be taxed to meet it, is but 1 ct. per head in excess of the average from 1874 to 1873, and that notwithstanding we have spent \$30,000,000 on railways and other public works since 1878. So much with reference to the increase and expenditure of last year and this year. I desire now to come, before I refer to the next financial year, to a few points that I think, after consideration, I will be justified in calling the attention of the House to. It has been the policy of the Government, ever since 1879, to present, in the financial statement to Parliament, the facts which, in their judgment, justify the policy known as the National Policy. From 1879 down to the last Session, and including last Session, we laid before Parliament facts that, in our judgment, could not be gainsaid, to show that the policy was a sound policy and a policy in the interests of the country. To show, at the same time, that the fears that were expressed by hon. gentlemen opposite were groundless with reference to its effect, I might on this occasion rest the cause of the Government upon the verdict of June last; but I think it is better to go on year after year, not relying upon that verdict, but, as the evidence accumulates, laying it before the House in order that the public may have it and understand it, and in order that they may become even firmer, if need be, in their faith in the policy than they showed themselves to be in June last. Under these circumstances, I desire to submit a few facts for the consideration of the House which, in my judgment, justify that policy. Although I may be travelling over to some extent the ground I have gone over on former Sessions, still there is an accumulation of evidence. I may not occupy so much time as last Session, when, because I made my speech a little longer than usual, hon. gentlemen said: "We are going to have an Election." I do not desire now to go into the details so minutely, but I desire to point out some of the leading facts, and, as the hon. leader suggests, get ready for another Election. I will take up a few statements made by hon. gentlemen opposite in 1879 against this policy. One of them was that it would make the rich man richer, and the poor man poorer; that it really was a system of taxation that was to bear especially upon the poor man, but the rich were to be benefited by it.

Mr. MACKENZIE. Hear, hear.

Sir LEONARD TILLEY. Well, hon. gentlemen opposite say "hear, hear." I will only state one or two facts. I have stated them before, but they are made stronger year by year. What are they? What is the evidence that is unmistakeable as to the position of the poor man, the working man, taking the masses of the people who have necessarily to work for their living? What is the result? From 1874 to 1878 inclusive they only increased their deposits in the savings banks by \$2,300,000, in 1875 and 1876 they were absolutely less than the previous years, and, in 1877, were increased, by the fact that a disastrous fire took place in the city of St. John, and the parties who obtained their insurances could not get 3 per cent.—no, nor 2 per cent.—in the banks of New Brunswick, and so deposited them in the savings banks as they could do then without limit. The large portion—I may say the whole—of the increase of 1877 was due to policy holders, who had received their insurances placing them there, not requiring them immediately. But including the increased deposits of 1877 and 1878, the increase in five years was only \$2,300,000, or practically about the interest that was added to the principal, whereas during the last four years they have deposited, in excess of the sums withdrawn, \$13,000,000. And, what is more, the deposits in the banks, which were \$66,406,516 in 1873, were \$96,879,544, on the 31st December, 1882—an increase of \$30,473,028 in four years. Now, here we have \$43,000,000 increased deposits, and is not that a proof that the masses of the people of this country are in a better position than

they were before, when, in five years, they could only lay by, including interest, \$2,300,000 in five years? I think it is needless for me to say any more to establish that the country is better off now than it was then; that men are earning better wages than they were then receiving, and that they are employed wherever they require employment. Their surplus earnings are shown by the returns of the banks, and their purchasing power by the quantities of goods they have used in this country, both imported and manufactured; this should be a sufficient answer to the fears expressed by the hon. gentlemen at that time. Now, Sir, that was one fear they expressed, what were some of the others? Why? That trade with Great Britain, under this policy, would diminish, and trade with the United States would increase; and we were charged with being disloyal, because we introduced a policy which would inevitably produce that effect. That was stated bore distinctly on the floor of this House, and given as one reason why this policy should be rejected. What are the facts? They are simply these: that last year the imports from Great Britain were \$13,000,000 more than they were in 1878, while the imports from the United States were between \$300,000 and \$400,000 less than they were during the same period. Now, Sir, there is another important feature connected with this matter. I think my hon. friend from Lambton undertook to represent, after the first year's operation of our policy, that the duties on English goods had increased in a greater ratio than the duties imported from the United States. I have the imports of last year before me, and what do I find? I find that the duties on goods imported from Great Britain have increased $2\frac{1}{2}$ per cent. as compared with the year 1878, while the duties on goods imported from the United States have increased $4\frac{1}{2}$ per cent., and it must be borne in mind that of the goods imported by us from the United States, a very considerable portion now consists of raw cotton—and that there has been a very large increase in that article—200 per cent. or something of that kind—and that we in 1878 imported a large portion of our sugar from the United States, which likewise tended to increase the rate duty. Now, the nature of and limited value of these importations from the United States clearly shows that, so far as the present Tariff is concerned, it is indirectly in the interests of the British manufacturers, as compared with the manufacturing industry of the United States; and, therefore, the fears of my hon. friends, upon this subject, may also be dispelled. Confident as we were that this policy would, to a large extent, establish an equilibrium between our imports and exports, fear was expressed that our expectations would not be realized. And the hon. leader of the Opposition, in the remarks that he made on the Address in reply to the Speech from the Throne, drew attention to the absence of any reference to this subject in that Speech. Well, let me say for his information—he may, however, in looking over the papers, have ascertained it already—let me say to him, and to this House, that the present Tariff has had, very largely, the effect we anticipated. From the year 1867 to 1871-72, being the first four years of the Union, the difference between the exports and imports averaged \$12,250,000 per year; during the second four years, it averaged \$36,000,000 per year; in the third four years, it averaged \$15,000,000 per year, and during the last four years, that is from 1878 to 1882, the average was \$8,333,333. It will, therefore, be seen that our policy has had very considerable effect in establishing an equilibrium between income and expenditure. Now, Sir, there has been some anxiety manifested in the country, and I think it was also manifested by the hon. leader of the Opposition, with reference to the effect that must necessarily be produced if our exports are not equal to our imports. I think I gathered from him that he had grave doubts as to the early future of our country if that state of

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things continued. If I am correct in my recollection of the views he expressed upon that occasion, he differs from some of the hon. gentlemen who sit near him, because I have heard them state in this House that the greater the difference between imports and exports, the greater evidence was there of the increased wealth of the country. From the discussion that has taken place upon this subject, it will not be expected that the Government should entertain that view. The opinion has been expressed through the press that, owing to our increased imports, a commercial crisis is not far off. I have thought it my duty, occupying the position I do, to enquire into this matter, and to see whether during the last four years there has been any evidence of the approach of such a crisis, arising from this cause—that is in the demand for exchange or in the facilities or means of paying for these imports. Now, Sir, we had to provide during the last four years, not only \$33,000,000, but we had to provide for exchange to the amount of \$32,000,000, interest on debt and sinking fund—these items amount to an average of about \$8,000,000 a year—and, of course, it is quite proper for us to consider whether or not we are in a position, and have been in a position, for the last four years, without creating embarrassment with reference to exchange in making payments on the other side of the Atlantic. Are we in a position, and have we been in a position to meet this amount without any difficulty whatever? I am satisfied, Mr. Speaker, that we have been able to do it without embarrassment or difficulty. You add the \$32,000,000 transmitted during the four years to the \$33,000,000, the difference between the imports and exports, and you have \$65,000,000. How has that been met? There are certain data of a reliable character that we have, and from it I am satisfied that this amount has been met without any difficulty whatever. In the first place, the Government of Canada have floated loans to the extent of \$8,000,000 in excess of payments that at the time had to be made on the other side of the Atlantic. That \$8,000,000, of course, was available for exchange, or was brought into the country in gold; then, in addition to that, we had \$4,500,000 paid as the Fishery Award: that is \$12,500,000. We had, belonging to the Dominion of Canada, about \$30,000,000 worth of shipping engaged in foreign trade. It is but a low estimate to suppose that \$30,000,000 yielded 10 per cent. to the owners. Every man who is interested in shipping will say that that is a ruinous return, considering the depreciation in the value of the vessel; but taking that as the basis, it shows a return in the shape of exchange payments made for freight earned abroad, of \$3,000,000 a year. In four years that amounts to \$12,000,000. Then, during the four years, we exported in lumber, grain, and other products of Canada, \$350,000,000 worth. There has been expended in the disbursements, 5 per cent. on the value of the cargo, that amounts to \$17,500,000. Then, Sir, there has been about \$1,500,000 received on insurance—on vessels which have been lost during that period. Then we have sales of Provincial Government bonds, and capital stock of the Canadian Pacific Railway, that was paid by persons residing outside of the Dominion of Canada, making altogether about \$15,000,000. It was stated, either by the mover or the seconder of the Address in reply to the Speech, that the money brought into the country by immigrants during the last year amounted to \$10,000,000; but I take a low estimate, and I will fix that item at \$10,000,000 for the four years. Having provided for the payment of interest and sinking fund, and the exchange necessary to pay for the difference between imports and exports—we have, on those items alone, \$3,000,000 or \$4,000,000 in excess of the sum necessary. Under these circumstances, I think our fears as to the future may also be quieted, provided we can keep, as we hope to keep, by this policy, the ratio between imports

and exports nearer than they were from 1871 to 1878, or even from 1867 to 1871, or from 1874-75 down to 1879. This, I say, will be the case if we can keep the proportion where it is; and I do not hesitate to say that I, for one, do not look upon a very large increase of imports as an unmixed blessing. If the people are in a position to consume the goods which come into the country—if they have the purchasing power, it is an evidence of their wealth. But my hon. friend the leader of the Opposition called the attention of the House to a remark which I made to a personal friend—a merchant of St. John—and I suppose I repeated it in public afterwards—to the effect that if I were his age, and engaged in business, I would put on the whole of the canvas I could carry for ten years, and then take in sail. I believe, from the fact that we are opening up and developing the great North-West country, from the fact that the population coming into the country at the present time are bringing in a large amount of money for investment, from the fact that, last year, we had of the value of imports over \$1,000,000 of settlers' effects—and which will be increasing, and which, of course, does not create any difficulty financially—from the fact of the large expenditures in the North-West, I hold that the return of the pendulum—which always does come back—will be deferred, and that we have seven years of prosperity before the country. If, Sir, our business men are not carried away by this success and prosperity—if they do not import over and above what the requirements of the country absolutely demand, if they do not, in their anxiety to do business, trust men who will fail and not pay them—then, Sir, I say there will be no difficulty whatever, in my judgment, for the next seven years, with reference to the commercial condition of the country. So I hold that the fear which was entertained and declared that we would not be able to establish the equilibrium between the exports and imports must to a certain extent have been dispelled, because there were \$8,333,000 as compared with \$12,000,000 for the first four years; \$36,000,000 the second, and \$15,000,000 the third, which shows, that with the prosperous times of last year, and the large importation which took place, the balance was only \$8,333,000 against us. Therefore, their fears on this point ought also to be dispelled. Then, Sir, it was stated, that this policy being at variance with the policy of the Mother Country, it would create a bad feeling there, and the result would be that Great Britain would be anxious to throw us off in her indignation. Not only so, but it was said that it would affect our credit abroad. Well, Sir, has it affected our credit? I cannot see that it has. Year by year our position is becoming better. As I stated on a former occasion, in 1879, our securities were 4 or 5 per cent. below those of New South Wales, which stood at the very top of the list. To-day, we are 2 per cent. above them. We are further in advance than we were twelve months ago. Hon. gentlemen may say that this is caused by the cheapness of the money, but that would not account for the difference between the two cases. Let me give some of the reasons why our securities stand where they do to-day. This policy of the Government which is securing a handsome surplus from year to year, has, in the first place, given confidence to the investors, and what has it done besides? Where would our securities have been to-day, if, considering that during the last four years we have spent \$36,000,000 on Capital Account, and that during the same period we have redeemed \$20,000,000 of debentures and other securities falling due—if, instead of having the surpluses we have had—if, instead of having increased the earnings of the people placed at the disposal of the Government—if, instead of having \$1,750,000 paid in yearly from the proceeds of our lands—if, instead of this state of things we had had deficits, and our savings bank depositors nearly stationary, we would have been compelled to go to the Eng-

lish market for \$10,000,000 a year, and ask the capitalists of that country to take our securities for that amount—I ask where would our securities have stood in that case? We would have stood as to New South Wales, as we did before. Whereas, to-day, we occupy the proud position of being at the head of all colonial securities in the English market. We are likely to stand there, because, apart from our maturing liabilities—\$25,000,000 in 1885, and \$10,000,000 which we have taken up and will be taking up, the next three, or four, or five years—if we can have a surplus of three or four millions a year, and saving deposits of a like sum, we will not from this day to the finishing of the Canadian Pacific Railway, require to go to the English market, except to replace those liabilities which mature; under those circumstances, hon. gentlemen can easily understand that our securities will continue to maintain a good position. But if we had not a surplus, if we had not this money paid in by our people out of their savings and had to go to England to ask for these loans we would soon see the effect. Our credit has not been injured; and every hon. gentleman knows that our position to-day—in the estimation of our fellow countrymen in the fatherland—stands higher than it ever stood before. Then, Sir, there was another fear expressed by hon. gentlemen opposite. It was said that the imposition of a duty upon agricultural products, necessitating their being bonded in their passage through Canada, would interfere with our trade—that is, it would diminish the value of the foreign exports, and this it was not desirable to do. One hon. gentleman, who is not now in this House, pointed out how large a sum of money was paid to the railways and forwarding companies for the transmission of American products to the ports of the Dominion of Canada for shipment, and he made out apparently a strong case. His arguments would have had a great effect if his conclusions had been justified by the facts. But it was found that measures were taken by the hon. Minister of Customs, by which very little difficulty occurred in the transmission of the products of the United States through Canada. It was found that there was a large increase in 1878-79, and 1879-80, but in 1881 a falling off, as compared with 1879-80, and hon. gentlemen opposite called the attention of the House to that fact. I understand that a very large falling off in the exports of the natural products of this continent, both in the United States and in Canada, occurred. But I may state here that, during the past year, there has been an increase of nearly \$1,000,000 in the exports of American products from the Port of Montreal alone, and the quantity would have been much larger had it not been for the failure of the corn crop, which affected the exports from the American ports as well. The falling off in the exports from Canadian ports has been in the same proportion as the falling off at American ports; but had it not been for the failure of the Indian corn crop, the exports would have been as large as they were in any year from 1879 to the present—except one. It is quite clear, however, that up to the present time there has not been a falling off, but an increase; but that increase has not been as large during the last year or two as it was for the two years previous. The Government have always been exceedingly anxious to encourage this trade. They would have hesitated a long time before taking any steps that would diminish the volume of trade going from the ports of the Dominion. Our whole policy, the policy of both Governments since 1867, has been to afford increased facilities to the shipping coming to and going from Canadian ports. Since Confederation \$1,200,000 have been expended in establishing lighthouses, fog-whistles, &c., in order to give additional security to our shipping; and the expenditure for the maintenance of those has increased \$250,000 a year since Confederation. These figures

show that every Government, and every Parliament, have been fully alive to the importance of this matter; and it is probable that before Parliament rises there will be an application to the House for further aid in this direction, in order that we may secure a larger proportion of the export trade of the United States, if it is possible to secure it. There can be no doubt as to the policy of the Government on this question, when it is remembered that it has been the policy of the Government, in legislating for the Canadian Pacific Railway, to direct the trade of the great West, during the summer, through Montreal and Quebec, and during the winter, through the open ports of the Dominion. The House may rest assured that no step will be taken by the Government that will in any way diminish the extent of the exports of the United States, or of our own country, from our own ports. Then, again, Sir, it was said that this Tariff would not prove to be a Protective Tariff; and that if it did prove to be a Protective Tariff, it would not be a Revenue Tariff; that we were on the horns of a dilemma, and must fail one way or the other. Is it necessary for me, Sir, to produce any data to show that it has been a Protective Tariff? Well, I think I will, because before this discussion closes, I have no doubt that, because the increased purchasing power of the people of Canada has been such that they have gone on largely increasing the consumption of imported and Canadian manufactured goods, some hon. gentleman opposite may argue that this is an evidence that this Tariff has failed to be a Protective Tariff. I have a few figures which I think it is important to give, in addition to the evidence that must have come to the attention of every hon. gentleman, no matter where he has gone throughout the length and breadth of the Dominion. If his eyes were open, he must have seen new industries arising, large extensions being made to existing industries, and a largely increased population engaged in them. In 1877-78, the quantity of wool imported into Canada for manufacturing purposes, was 6,230,084 lbs., against 9,546,684 lbs., in 1881-82, an increase of 50 per cent., besides an increased consumption of our own wool. The raw cotton imported, in 1877-78, amounted to 7,243,413 lbs., against 19,342,059 lbs., or an increase of over 175 per cent. Nothing can show more accurately the increased manufacture of cotton goods, than the extent of the imports of raw material, because we produce no raw cotton in the country. With reference to hides. In 1877-78, the value of the imports was \$1,207,300, while, in 1881-82, the value was \$2,200,000, an increase of nearly 100 per cent. Then the consumption of coal is a very good test of the extension of machinery driven by steam. In 1877-78, the consumption of coal, not including British Columbia, was 1,665,401 tons, and, in 1881-82, 2,525,297 tons, an increase of 859,896 tons. That shows the extent of the demand for the article that is necessary to create the power to drive the machinery of our various industries in Canada. Then we have another test. Go where you will, my experience has been that the manufacturers of machinery are full of orders—so full, in fact, that they are unable to supply their customers, who are, therefore, obliged to order from the United States in some cases. Wherever we go, we find the manufacturers smiling, and looking perfectly satisfied with what they have to do. In 1877-78, the value of the machinery imported into Canada was \$283,633, while, in 1881-82, it was increased to \$2,194,446, an increase of nearly 700 per cent., besides the greatly increased quantity of machinery manufactured in the country—which gives unmistakable evidence as to the increase of our manufacturing industries. As to our friends fears about the progress of our manufacturing industries, I think that fact ought to be sufficient to quiet them. It was also alleged that the Tariff would increase the price of coal, and would not promote the development of the coal beds of

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Canada. In 1879, I stated that the opinion of the Government was that in four or five years the quantity of the coal raised in Canada would increase 400,000 tons. Within four years it has increased between 500,000 and 600,000 tons. It is, therefore, evident that this policy is developing the coal beds of the Dominion. I may state that the indications are, in Nova Scotia alone, at two points within a short distance of the coal mines, the consumption of coal this year by two manufactories will be 70,000 tons in excess of that of last year. I think this is pretty good evidence that, as far as the development of this particular industry is concerned, the policy has been a success. Then, again, there was another industry the Government stated it was their policy to encourage—the reestablishment of the refining of sugar here, and the restoration of our sugar trade with the countries of produce. We had lost our direct trade with the sugar producing countries to such an extent that, in 1877-78, but 6 per cent. of the sugar consumed in the Dominion came direct from those countries. That has been changed. Last year 87 per cent. of the quantity consumed came direct from the sugar producing countries. That shows pretty clearly, I think, that we have reestablished our trade with the West Indies. It was said, however, that this policy would put millions into the pockets of a few rich men, the sugar refiners, and give employment to a limited number, but would cost the people in the increased price of sugar so much money that it would be better for them to pay the board of the men who were to be engaged in those refineries rather than depart from the old system. Now, I have in my possession a carefully prepared statement of the value of refined sugar in New York and the Dominion, at stated periods in every month during the last year; and, according to that statement the consumers of Canada had their refined sugar—this table applies particularly to granulated sugar, but it is still stronger with reference to the other sugar—at a saving to them of 67 cts. per 100 lbs. during the last year. If that be the case, and if but 100,000,000 lbs. of refined sugar were consumed in the Dominion, that would represent a saving of \$670,000. It may be quite true there was some deficit in the revenue as the result of this; but take a-half off the amount and put it into the revenue, and you have still a very large and handsome sum saved by the people of Canada. In addition to the building up of this important industry, and the reestablishment of our trade with the sugar producing countries, we give employment directly and indirectly to thousands of people besides fostering an industry which the Government and Parliament thought it was highly desirable should be restored. The results, in my opinion, are so satisfactory that hon. gentlemen opposite who opposed this policy will have now to abandon their objections.

Mr. PATERSON (Brant). Will the hon. gentleman give the figures in New York and Montreal?

Sir LEONARD TILLEY. I shall be very happy to do so. I was not in this House in 1874, but I read the Budget Debate. The then Finance Minister expressed regret that there was no ex-Finance Minister to reply to his Budget Speech. Considering the reply he obtained from a gentleman who was not an ex-Finance Minister, I will not venture to say anything of the kind on this occasion, because I may find that I may meet a more formidable opponent than I did formerly. I am sure I will meet a much more courteous one, as I understand the hon. gentleman who has just put me this question is to reply. I will give the hon. gentleman the figures he has asked for. It was said that our Tariff, if it was successful as a Protective Tariff, would not give a revenue. Well, the trouble is now, that, in their estimation, it produces too much revenue. I have a few facts to give to the House which are very remarkable and important, as far as the producing power of

the Tariff is concerned. I have jotted down here a few of the articles, some fifteen or eighteen items, on which we received, during the last year, an increased revenue of \$6,689,000, as compared with 1877-78. They are worth giving to the House. On wines we received, last year, as compared with 1877-78, an increased revenue of \$195,977; on spirits, Customs and Excise, \$1,237,635. I am happy to say that this is not altogether an increase in the consumption, but an increased duty tended to produce this result; otherwise we might view it with more regret. On tobacco and cigars, Customs and Excise, the increase has been \$364,000; on silks, satins and fancy goods, \$731,000; machinery, \$498,000; on products of the farm, the increased revenue, as the result of this policy, on agricultural products brought from the United States, is \$532,000; fruit, green, \$57,000; dried fruit, \$91,000; from linen, on which the increase of duty was but 2½ per cent., we have received an increase, revenue of \$152,000 over 1878, showing, in a marked manner, the increased purchasing power on the part of the people; furs of manufactured, \$63,000; jewellery, \$68,000; watches, \$74,000; manufactures gold and silver, \$53,000; glass, plate and plated manufactures, \$143,000. Here is the astounding fact that, notwithstanding the increased manufactures of cotton in the Dominion, and that the quantity of raw cotton thus consumed here was increased by 200 per cent., imports were greater last year than in 1878, of the description of cotton not made in the country; and the amount of duty collected was \$1,230,000 over that collected in 1877-78, notwithstanding the vast increase in our cotton mills. On the finer descriptions of woollen goods, the increased revenue is \$1,189,000, making an aggregate increase of \$6,689,000. Of this a large portion has been on articles which are certainly not the necessities, but the luxuries of life, which people consume when they have the means to do so. We, therefore, see how it is that this Tariff, which has given increased employment to an increased number of men and women in the country, has really produced a largely increased revenue, owing, to a very great extent, to the present prosperous and happy condition of the people. May I say that there has never been a period in the history of this country, when taxation was paid more cheerfully by the people, than the present. We do not hear any grumbling about the rate of taxation; on the contrary, as long as men are prospering, as long as they have money in their pockets, as long as they have plenty of employment—and it is the duty of every Government and the representatives of the people to see that the masses, as far as possible, have these—they are in a contented condition. Sir, this, to my judgment, establishes pretty clearly that the Tariff has proved itself not only protective, but beyond doubt, a revenue-producing Tariff. Our friends on the opposite side say: a Tariff producing more than is absolutely necessary. I think I have answered the several objections raised by hon. gentlemen opposite in 1878. A great many more objections were made, and a great many more might be answered, but I will satisfy myself with these for the present. Now, Sir, I desire to call the attention of the House, before I take up the expenditure of 1883-84, to the changes that are proposed in the Tariff to be submitted in Committee. I may say that these propositions are submitted with the view, in the first place, of relieving the country of \$1,000,000 or \$1,250,000 of taxation; and, in the second place, they are submitted so as to give, wherever we can, what we felt we could not safely give in 1879, because the Tariff was then to some extent an experiment. Articles that were raw material to a manufacturer, in some cases, was subjected to a duty of 10 per cent., though it was not produced in the country. We did so because we were not quite sure that the operation of the Tariff would give us all the revenue we desired. But finding that it gave us more than we wanted, we proposed, last Session, and now we continue that policy, to take off

the 10 per cent. duty—or duties analogous to that—and on goods that are not manufactured in the country, and we give the raw material to the manufacturer free, in order that he may have the benefits and advantages of this. We would have taken that course in 1879, had we felt quite certain as to the effect to be produced. But more than that, we find that our enterprising neighbors to the south of us have made up their minds that, if such a thing is possible, they will have for their manufactures the market of Canada at any price. Circulars are being distributed with reference to certain articles, and we find by them that if they could choose certain manufactures and obtain our market for a year or two they could have the market for themselves, and they are making an effort to get it. Therefore, it is that wherever we find from past experience that the competition is sufficient among our own manufacturers to give us an article as cheap or cheaper than it was before, we propose to ask Parliament that the market shall be largely retained to these manufacturers. We have taken some time to consider certain cases, and we can afford to wait a year in order to ascertain results with reference to some of the industries, and in regard to these we are not prepared to ask the House to make a change at present; but in others, where we are satisfied that we have produced articles in the past at a lower price, or at as low a price, as they were produced before this Tariff came into operation, we propose to ask Parliament to protect these men from the sharp competition from outside. I take up the Free List in the first place. We propose to add to the Free List, agates, rubies, pearls, sapphires, emeralds, garnets, opals, not polished. Aniline dyes are now on the Free List, but we propose to make a change, and it is this: That all aniline dyes in packages over 5 lbs. shall be free. A large quantity of this article is imported into Canada in small packages, and we are adopting precisely the same principle with reference to this article that we did with reference to garden seeds put up in small packages. Under this arrangement the paper comes in free, and the labor also is untaxed; we propose that all packages of less than 5 lbs. shall be subjected to 10 per cent. duty. Celluloid in sheets, lumps or blocks, dry colors, metallic oxides, cobalt, zinc and tin, are also added to the Free List. Diamond drills for prospecting for minerals: these are frequently brought into the country and have been subjected to a duty. They were brought in by men who were prospecting for minerals, and, therefore, for the purpose of developing the mineral resources of the country, and we ask Parliament to declare that they shall hereafter be free. Dye, jet black, feathers, plush of silk or cotton, that formerly paid 10 per cent., are put on the Free List. Kainite or German potash salts for fertilizing: these are used in our manufactures, and have been paying 20 per cent., and it is proposed to admit them free. To lumber or timber—add gumwood; this description of wood is now imported from the United States by our sewing machine manufacturers, and as it cannot be had in the Dominion, we propose to put it on the Free List. Then, as this is a paternal Government, and a Government that looks after the smallest interest of the country, we propose that sawdust shall be free—sawdust of certain wood, of walnut and various other woods, because sawdust now pays 20 per cent. duty as unenumerated article. It is used in the manufacture of various articles, being mixed with some other material, and is to some of our manufacturers an article of importance, and, therefore, we propose to make it free. Hickory sawn, in shape for spokes for wheels, but not further manufactured, and natural mineral waters, to be free. Then, in regard to settlers' effects. Formerly a settler coming into the country paid duty on musical instruments, sewing machines, live stock, carts and other vehicles. It is now proposed that

all these articles when brought in by a settler and having been in use one year shall be free. Asphaltum, which paid 10 per cent., to be free. Now I come to a proposal that has elicited as much attention outside of Parliament as almost any subject that has been referred to in the last four years—that is the question of duty on books. A very strong pressure has been brought to bear on the Government to admit books for scientific institutions, for free libraries, and for educational institutions, free. The proposition was, that all books not made in Canada, nor likely to be made here, should be admitted free. The Government found it was not possible to adopt that proposition, because it could not be expected that the thousands of collectors all through the country, should know whether the books imported were made in the country, or likely to be made here, and it was impossible, therefore, to impose upon them this duty, intelligent and capable men as they undoubtedly are. We could not say that all books should be admitted free, because the manufacture of books and the printing industry of the country are important interests. We stated distinctly when we imposed a duty of 15 per cent., as against 5 per cent., that it was for the purpose of encouraging those industries in the Dominion, and, after giving the matter a good deal of consideration, we did not see that we could agree to the proposals made; but it was a question with the Government how far we could deal with the subject practically, in order that their wishes might be met in part, if not in whole. Under these circumstances, we decided to submit the proposition which I shall have the honor to present to the House. Free libraries asked to have their books free, this granted, individuals, who did not live in the neighborhood of free libraries, would, of course, feel it a great injustice to be compelled to pay 15 per cent. duty. We felt that we could not ask exceptional legislation, otherwise there would be a grievance. And, therefore, we propose—and it will involve the loss of \$50,000—that books bound, printed over seven years, or printed by any Government or scientific association and not for trade, shall be free. This will cover, perhaps, half the import of books, the duty collected last year being about \$100,000. It will cover books in the dead languages, reference books for libraries, a large portion of the books required for educational institutions; but when people wish to obtain the novels of the present day they will be required to pay 15 per cent.; and this will retain in the hands of the book publishers of Canada the publication of such books as they have been publishing. A gentleman said to me the other day: "If you lay down the principle that books not published in Canada shall be admitted free, what would I, an author, do? I would go to the United States and have my books published there, and bring them in duty free. I would thereby have both markets, and there would be no inducement for me to have my books published in Canada, but, on the contrary, there would be an inducement to go to the United States and publish them there."

Mr. MACKENZIE. Did I understand the hon. gentleman to say that all educational books would be admitted free.

Sir LEONARD TILLEY. No. Books of every description printed over seven years.

Mr. MACKENZIE. I understood the hon. gentleman to say that books used in educational institutions would be admitted free.

Sir LEONARD TILLEY. No; that was objected to. Chronometers and compasses for ships, free. Copper in sheets, formerly 10 per cent., free. A good many manufacturers use it very largely; we imposed a duty of 10 per cent. in 1879, but it is now proposed to admit it free. Iron and steel, old and scrap, free. Iron beams, sheets or plates, and knees for iron or composite ships, free. We are now building in Canada, and we will

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probably build more extensively in the future, composite ships with iron frames, iron beams, and sheathed with wood, and the iron that is imported for the purpose—because vessels so brought into the country would, if British vessels, under the Merchant Shipping Act, come in free—will be admitted free of duty. This is intended as an encouragement to the ship-building industry, and it is proposed to extend the time over which such articles will be admitted free for a period of three years, because we believe the time is coming when we will have sufficiently developed our iron industries so as to produce our own beams, sheets, and knees for iron vessels. I may say, while speaking on the article of iron, that it has been one of the most difficult questions with which the Government has had to grapple, because iron used in the larger portion of the manufactures of the Dominion, to-day, is a raw material; but the Government consider it so important an industry to develop that they are resolved to develop it if this can possibly be effected by any legislation or moderate encouragement, inasmuch as the value of iron when manufactured is mainly in labor, the labor of the country. From the time of mining the ore, excavating the coal, converting the coal into coke, until the operations are completed, its value, to a very large extent, lies in the labor employed, and it is therefore an industry of the greatest importance. The Government will submit a resolution to the Committee, that on and after the first of July next, and for three years, \$1.50 per ton will be paid on all pig iron produced in Canada during three years, and \$1 per ton during the next three years, as a bounty for the encouragement and development of this industry. Iodine, crude, is to be free. Marble in blocks, fifteen cubic feet and over, now paying 10 per cent., will be free; and sawn slabs, now paying 15 per cent., will be 10 per cent.: sawn slabs in the ordinary form, that is, sawn on both sides. Otto of roses will be free. Platinum wire will be free. Seeds, anise, coriander, fennel and fennugreek, will be free. Spurs and stils for earthenware makers; sausage skins or casings not cleaned; valerian root; wire of brass or copper, round or flat, will be free. Wire of iron or steel, galvanized or tinned, fifteen gauge, and smaller, will be free. There are industries in Canada at the present time engaged in the manufacture of iron cordage and rope. Cordage for ship purposes at present is free. The result is that while a duty of 15 per cent. is exacted on that description of wire, manufacturers were handicapped; and it is proposed, inasmuch as we are not likely to produce the finer wire of fifteen gauge and smaller, to admit wire used for the manufacture of sieves, and other work of that kind, duty free. Steel railway bars or rails, fish-plates and sheets for the manufacture of saws are all admitted free until the close of this Session; but as I have a proposition on this subject to submit further on I need simply say now that it is intended that from the close of the Session and afterwards that steel railway bars or rails, fish plates and steel for the manufacture of saws, shall be free. I now come to the articles, the duty on which we propose to decrease. The first is buckram, which enters largely into certain manufactures, and now paying a duty of 20 per cent., we propose to reduce the duty to 10 per cent. Button covers 10 per cent. This will aid industries of the kind which are established here, the cover for the buttons being made 10 instead of 20 per cent. Coal dust to be 20 per cent. *ad valorem*, instead of specific. This article has been brought into Western Canada and used by manufacturers. Under the present Tariff, 50 cts. and 63 cts. a ton have been collected; if hard coal, the duty was 50 cts.; and if bituminous, it was 60 cts. This was a very large *ad valorem* duty on this article, which is used in certain industries in that section; and, therefore, it is proposed to change this duty to 20 per cent. *ad valorem*. Dried fruit, now 25 per cent., to be 20 per cent. Lamp black and ivory black, now 20 per cent., to be 10 per cent.

Lead, nitrate and acetate, now 20 per cent., to be 5 per cent., the same as dried white and dried red lead. Leather: lamb, sheep, buck, deer, elk, and antelope, dressed and colored or not, reduced from 15 per cent. to 10 per cent. This description of leather is used by glove makers. Kid, tanned, dressed and colored or not is now 15 per cent. This is also used in the same manufacture. Liquorico paste, now 20 per cent., to be 15 per cent. Marble in blocks, fifteen cubic feet and over, free, and under fifteen cubic feet, 10 per cent. Slabs, sawn on two sides, now 15 per cent., to be 10 per cent. Oil and enamelled cloth for trunk and valise makers, now 30 per cent., to be 15 per cent. Paper, union collar, cloth, now 10 per cent., to be 5 per cent. Precious stones: opates, emeralds, garnets and opals, polished, to be 10 per cent. Spices, except nutmegs and mace unground, now 20 per cent., to be 10 per cent.; ground spices remain as at present. Tobacco and snuff, specific duty, reduced from 25 cts. to 20 cts. per lb. I may state here, that owing to the fact that the United States have reduced the Excise duty on tobacco and snuff, from 16 cts. to 8 cts. per lb., the Government found it an absolute necessity, for many reasons—though there are other articles on which they would rather relieve the people from taxation—to reduce our duty on tobacco made from foreign leaf, from 20 cts. to 12 cts., and from Canadian leaf, from 8 cts. to 2 cts. And as the amount obtained from Canadian tobacco is small, we propose to make the rules and regulations such as will be acceptable to those who are tobacco growers. Spirits of turpentine, now 20 per cent. to pay 10 per cent. It is proposed to make the duty on bells—except on bells imported for church purposes, which are free—30 per cent. Sometimes they are made of brass, and at other times of other material, and the rate of duty was fixed according to the material of which they were made; and, therefore, in order to obviate the difficulties which have arisen in the past, it is proposed that all bells, except church bells, shall pay a uniform duty of 30 per cent. Cloth of other materials than cotton or woollen, made uniform, 30 per cent. For the same reason, we find it necessary to deal with these articles to which I have just referred. Sometimes a difficulty arose with reference to the material of which a cloth was made. If part cotton and part wool, and in some cases, part rubber, a great deal of difficulty has arisen in the Department; and, in order to obviate this, a specific duty of 30 per cent. is imposed. Either sulphuric or nitric, 20 per cent. The question has arisen, whether those articles are subject to spirit duty, or non-enumerated; and in order to set this question at rest, it is proposed to make the duty 20 per cent. Clothing made waterproof, now, according to material of cloth—now 35 per cent. Jellies and jams, now as confectionery, 6 cts. per lb., specific. A difficulty has occurred in past as to the value of these articles, and it is proposed after a careful examination, to fix the duty at 6 cts. per lb., specific. Magic lanterns and optical instruments, now according to material, to be 25 per cent. The same difficulty has arisen, as to the material of which these articles were made, and it is, therefore, proposed to make the rate of duty clear, no matter what material is used in their manufacture. Nickel anodes to be 10 per cent., same as now charged. This is to settle a question which has arisen as to their class. Lubricating oils, the wording of the Tariff is changed. To avoid difficulties, the wording of the Tariff is now so made as to settle the rate of duty; but there is no change as to the rate which has been collected by the Department in the past. Vaseline and similar preparations of petroleum, in bulk 5 cts., and in bottle, &c., 6 cts. per lb. This is a case of the same kind.

Mr. BLAKE. What is the proposition about lubricating oils?

Sir LEONARD TILLY. It is simply to settle the question which has been raised; but the same rate of duty is now to be collected.

Mr. BLAKE. What duty do you fix?

Sir LEONARD TILLEY. It remains just as it was.

Mr. BLAKE. The hon. gentleman does not state what he proposes to do?

Sir LEONARD TILLEY. It is 25 per cent. Then pocket-books and purses. There has been a question whether or not they are under the heading: trunks and valises made of leather; and to settle this, they are added to that list, in order that the duty may be definitely fixed. I now submit an important proposition in reference to woollen cloth, which is to be charged as woollen clothing; dress and costume cloths, under 25 inches wide, and not weighing more than three ounces per square yard, to be 20 per cent. I call the attention of the House to this matter, because I think it is important. A great deal of difficulty has occurred all over the country in establishing a uniform rate of duty on certain classes of goods. In one locality, $7\frac{1}{2}$ cts. per lb. and 20 per cent. would be collected, and, in another, 20 per cent., and this rate is fixed for the purpose of defining clearly the duties which are imposed upon these articles; and therefore the Department have fixed it in this way: that the article being 25 inches in width or less, and not weighing over 3 oz. per square yard, shall pay 20 per cent., while that which is wider—the class of goods manufactured in the Dominion of Canada to-day, and heavier—shall pay a higher rate of duty. This is a definite description by which our officers everywhere will be able to collect a uniform rate of duty. This is a matter of considerable importance, as hon. members who are in business will readily understand, and I am sure that the hon. Minister of Customs has experienced a great deal of difficulty in connection with this subject.

Mr. BLAKE. Does the hon. gentleman mean to say that the present rate of duty is maintained with reference to wider and heavier goods?

Sir LEONARD TILLEY. Yes; wider and heavier goods pay the present rate of duty; only narrow goods, under 25 inches wide, and light goods, pay 20 per cent. Recently the Government have had deputations waiting upon them, asking their co-operation in the protection of the game of the country, and the Government will ask Parliament to prohibit, for reasons which will be stated, the export of deer, wild turkey, and quail. In Ontario, so far as deer are concerned, and that is the Province most interested, Americans go in there and slaughter deer right and left, and if not checked will soon exterminate them. The Ontario Legislature have prohibited their export, but, at all events, it is more properly within the authority of the Dominion Parliament to deal with the prohibition of exports, and so it is proposed for the time being at least, to prohibit the exportation of deer, teal and wild turkey, and to impose a penalty in case of violation. Now, Mr. Speaker, I come to the items in which we propose an increase of duty. Acetic acid is a material which varies very much in strength, and in the United States a duty is imposed in accordance with the strength; but it is not imported in sufficient quantities to justify the Government in applying that expensive test. It is proposed to increase the duty from 12 cts. to 15 cts. The manufacturers of vinegar assert that this article, imported in strong condition, being reduced, enables the parties importing it to undersell them. As to other acids, the importers sometimes mix them, and in the same way they are in the habit of mixing sulphuric acid with others, which are admitted at 20 per cent., in order to evade the higher rate of duty imposed on sulphuric. Mixed acids are to pay 25 per cent. instead of 20 per cent. Ab-inthe is another article which is imported into Canada; I suppose it is to be found in the list of unenumerated spirits, but it is an article deleterious in its effects, and it is proposed to impose upon it a duty of \$2 per gallon. Aniline dyes, of less than 5 lb. packages, are to pay a duty of 10 per cent.;

agricultural implements and machines to pay a specific and *ad valorem* duty equal to 35 per cent., and upon portable machines, spades, hoes, and forks the same duty will be imposed. A careful examination has been made of the value of these goods, and we came to the conclusion that a specific and *ad valorem* duty equivalent to 35 per cent. should be imposed. This is one of the articles to which I referred in my remarks with reference to the policy of the Government in changing the Tariff. If you take up the list of the American houses in Winnipeg, you will find that they offer their agricultural implements at precisely the same prices as our manufacturers have been selling them for, and in some cases men who were agents for our manufacturers in the North-West, have become agents for American manufacturers, and a fair inference is that they allow them a larger margin than our own people allow them. The result is, that unless some steps are taken, the Americans will drive our people out of that market, and they will then increase the price of the implement to the consumer. Our people show that their prices are as low as those of the United States implements, and we ask Parliament to say—inasmuch as the people of Canada, who manufacture these implements, can produce them as cheaply and sell them at from 10 to 15 per cent. less than in 1878, and are prepared to supply them as cheap as the Americans—that they shall not be deprived of our own market, and therefore we ask for this increase in the Tariff.

Mr. BLAKE. What are the proportions between the specific and *ad valorem* duties?

Sir LEONARD TILLEY. We propose to make it 35 per cent. It is now 25 per cent.

Mr. BLAKE. How much is specific?

Sir LEONARD TILLEY. About one-half, I think.

Mr. BLAKE. What are the proportions of specific and *ad valorem* duties?

Sir LEONARD TILLEY. About half each, I think. The same principle of specific and *ad valorem* duties is applied, as the House will see as I proceed, to carriages. In many cases inferior goods are sent into Canada, their defects being covered with putty and varnish, and under-valued and inferior; and the Government has decided that the only way to reach such cases is to impose a specific and *ad valorem* duty. Bed comforters and quilts, now paying 20 per cent., it is proposed shall pay 27½ per cent.; boot and shoe laces are to pay 30 per cent. instead of 20 per cent.—they are now manufactured in the Dominion, and can be furnished as cheaply as the imported if the manufacturer can secure the market. Braces and suspenders, now paying 25 per cent. are to pay 30 per cent.; playing cards, now 35 per cent., 6 cts. per pack; carriages, now 30 per cent., are to pay a specific and *ad valorem* duty equal to 35 per cent. on the same principle as that applied to agricultural implements.

Mr. BLAKE. Is it about equally divided?

Sir LEONARD TILLEY. Yes, I think it is 15 or 20 *ad valorem*, and the balance is specific. Children's carriages are to pay the same. Cordage of all kinds, 20 per cent. Cordage for shipping purposes at present pays 10 per cent. and all other cordage 20 per cent.; and what is the result? The result is that nearly all the cordage imported into Canada is for shipping purposes. It is now proposed that all cordage shall pay 20 per cent. Ten cents per ton will be added to the drawback paid to the builders of new ships in the Dominion. This change is made in order to give the manufacturers of cordage in Canada a fair chance, which they have not now. Cotton, printed or dyed, now 20 per cent., after the 1st January next will pay 27½ per cent. There are establishments for the manufacture of these goods being built in Canada. When the Tariff was changed in 1879, we imposed only a Revenue Tariff duty. Whenever capitalists were in a position to manufacture it in Canada

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we stated, it would be placed on the same footing as other protected goods; but as they will not be ready to manufacture before the 1st of January, it is proposed that the new duty shall not go into force until that date. Jewel, watch, and similar cases, lined with satin or silk, now 25 per cent. are to pay 30 per cent. The material now pays 30 per cent., and it is proposed to place the manufacturers of the cases in a better position by making the duty on the manufactured article 30 per cent. Cane or rattan, split, to be 25 per cent.; it is now 20 per cent. There is an establishment for the manufacture of rattan goods at Woodstock. They furnish the split cane to furniture manufacturers, and they furnish it of as good quality and as cheaply as the imported article. This industry is capable of being made one of the most flourishing in the country, and it is desirable to give them some protection.

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

After Recess.

Sir LEONARD TILLEY. When the Speaker left the Chair I was calling attention to the proposed increases in the Tariff. I think the last article I referred to was split cane. It is proposed to increase the duty on cane from 20 to 25 per cent. It is also proposed to change the duty on fruit in air-tight cans. There is a different duty imposed upon fruit which is sweetened and fruit which is not sweetened in the Tariff as it stands at present; but there have been so many attempts to enter sweetened fruit at the low rate of duty, that I propose to place the same duty upon all fruit in cans—3 cts per 1 lb. can. Iron bedsteads, I propose shall now be classed as furniture and be placed at 35 per cent. On show cases, now paying 35 per cent., a specific duty of \$2 is to be added. Hair cloth, now paying 20 per cent., is to pay 30 per cent. A first-class article is now being manufactured in that line in the Dominion; and is sold at a price as low as it can be imported for and less; and the parties who manufacture it simply ask that they may have the market. Jute carpeting, matting or mats, now 20 per cent., are to be 25 per cent. *ad valorem*. Lamp wicks, now 20 per cent., are to be 30 per cent. Music, printed, now paying 6 cts. per lb., I propose shall pay 10 cts. per lb. Fancy paper, now paying 25 per cent., is to pay 30 per cent., the same as wall paper. Iron pumps in addition to the 25 per cent. duty now paid, to pay 50 cts. each specific duty. Steel in ingots, bars, sheets, coils, I propose shall pay \$5 per ton, on and after 1st of July next, when steel will be manufactured in Canada. Files, now 30 per cent., are to pay a specific duty: under 9 inches in length, 5 cts. per lb.; 9 inches and over 3 cts. per lb. Tin crystals are to pay 20 per cent. Vinegar, now 12 cts. per gallon, is to be 15 cts. per Imperial gallon. Vegetables, that is, tomatoes, including corn and peas in cans, are to pay 2 cts. per lb. can. Tomatoes have been charged 2 cts. per can of a pound, but it is proposed to include peas and other vegetables at the same rate as tomatoes. I referred, a short time ago, to the proposed reduction of the Excise duty on tobacco. I now desire to refer to the proposed Excise duty on cigars. At present it is 40 cts. per lb. It is proposed that, between this and 1st of July next, the Excise duty on cigars, manufactured from imported tobacco, shall be 30 cts. per lb., and that after 1st July, when the stamps have been prepared and the arrangements made in the Department for the change, it shall be \$3 per thousand. That will make a difference after July—the Customs duty remaining as it is—in favor of the manufacturers of \$1.80 per thousand. On cigars made from home-grown tobacco, the Excise duty will be \$1.50 per thousand, after July 1st, but it will remain at 15 cts. per lb. in the meantime. This covers very generally the articles, except one I do not recollect having referred to, but which I am quite sure is in the resolution, cotton duck. Cotton duck for ship sails and for fishing vessels and boats now pays 5 per cent. A large