

be hereby authorized by this House to examine such witnesses on oath or affirmation where affirmation is allowed by law.

Motion agreed to.

CRIMINAL CODE AMENDMENT.

Mr. DICKEY moved for leave to introduce Bill (No. 37) to amend the Criminal Code, 1892. He said: This Bill proposes to amend sections 179 and 180, with regard to immoral literature and circulars issued with a fraudulent purpose. The Act does not provide that advertising or the sending of such circulars by express shall be illegal. It is also thought that a fine should be imposed as an alternative to imprisonment. The present Bill is intended to supply these omissions.

Motion agreed to, and Bill read the first time.

CIVIL SERVICE ACT.

Mr. COSTIGAN moved:

That the House resolve itself into Committee on Thursday next to consider the following resolution:—

“That it is expedient to amend the Civil Service Act, and to provide for the appointment of a Civil Service Board consisting of three members; two at salaries of four hundred dollars per annum each, and one, who shall be Supervisor of the Civil Service, at a salary on appointment of not less than fifteen hundred dollars, with an annual increase of fifty dollars up to a maximum of two thousand dollars.”

Motion agreed to.

PREFERENTIAL TRADE WITH GREAT BRITAIN.

Mr. McNEILL. Before the Orders of the Day are called, Mr. Speaker, I desire to ask a question of the First Minister, of which I have given private notice, whether it is the intention of the Government to endeavour to secure the co-operation of the other British colonies in urging upon the Imperial Government the adoption of a policy of preferential trade between the Empire. If so, how soon will the Government take steps to secure such co-operation, and what are the steps the Government have in contemplation?

Sir JOHN THOMPSON. It is the intention to invite the co-operation of the other colonies and to call their attention to the movement in Canada in that direction as soon as possible.

WAYS AND MEANS—THE BUDGET.

Mr. FOSTER moved:

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

He said: In rising to move that the House go into Committee of Ways and Means, it becomes my duty, in the first place, to make, as briefly as I possibly can, consistent with plainness, a statement of the operations of the preceding year, and of the current year, so far as

Mr. SPROULE.

we have overtaken it. In doing so, I desire, without further ceremony or prelude, to state that in March last, when I had the honour of making my financial statement in this House, I estimated that the revenue which would accrue during the year would be as follows:—

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

The actual receipts were as follows:—

Customs.....	\$20,501,059
Excise.....	7,945,097
Miscellaneous.....	8,475,715
Total.....	\$36,921,871

showing a very slight excess of \$1,059 in Customs; an increase of \$45,097 in Excise, and an excess of \$210,715 in Miscellaneous. So that, whereas the total estimate for that period was \$36,665,000 the total receipts were \$36,921,871, being an excess of receipts over estimates of \$256,871. The following were the receipts during the preceding year of 1890-91:—

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

This shows a decrease in Customs receipts during 1891-92, as compared with 1890-91, of \$2,898,241; an increase in Excise of \$1,030,247, and an increase in Miscellaneous of \$210,555, or a total of receipts in 1891-92 of \$36,921,871, as compared with a total of \$38,579,310 in 1890-91, showing a total decrease of \$1,657,439. In the case of the following articles we have received increased Customs duties:

Ale, beer and porter.....	\$ 27,136
Animals, living.....	2,319
Books, periodicals and other printed matter.....	15,410
Candles.....	1,252
Carriages.....	50,766
Carpets.....	11,740
Cement.....	1,162
Coal and coke.....	13,408
Drugs, dyes, chemicals and medicines.....	31,523
Earthenware and china.....	37,228
Fancy goods.....	34,452
Flax, hemp and jute, manufactures of.....	25,916
Fruits, green.....	41,511
Furs and manufactures of.....	20,847
Glass do.....	9,388
Gloves and mitts.....	7,636
Gold and silver, manufactures of.....	3,655
Gun powder and other explosives.....	5,565
Iron and steel, manufactures of.....	70,979
Lead, and manufactures of.....	1,522
Leather, and manufactures of.....	29,504
Metal, composition and others.....	5,835
Oils, coal, kerosene, and products of.....	33,821
Packages.....	2,583
Paper, and manufactures of.....	21,564
Printing presses.....	2,702

Seeds and roots	\$10,900
Soap of all kinds	4,702
Spirits and wines upon which an increase of Customs duties was placed	12,874
Varnish	2,719
Vegetables	9,247
Wool, and manufactures of	132,214
All other dutiable goods	165,204

And from the following articles decreased duties were received:—

Brass, and manufactures of	\$ 15,563
Breadstuffs	139,557
Bricks and tiles	11,963
Clocks and clock springs	1,878
Coffee	1,121
Coffee, and manufactures of	20,709
Cotton, and manufactures of	20,802
Crapes of all kinds	2,163
Embroideries, not otherwise provided for	13,715
Fish, and products of	2,935
Fruits and nuts, dried	3,440

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

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

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

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

	Spirits.	Beer.	Wine.	Tobacco
	Gals.	Gals.	Gals.	Lbs.
Average for 1867	1 134	2 739	139	2 130
do 1890-91	745	3 790	111	2 292
do 1891-92	701	3 516	101	2 291

Generally, with regard to these different items of the revenue, it may be interesting for the House to know that, comparing 1891-92 with 1889-90, taking the full years before and after the increase and reduction of duty respectively, the imports in 1891-92 were \$116,978,943, against \$112,765,584 in 1889-90. But the duty accruing last year was only \$20,550,581, as compared with \$24,014,908 in 1889-90. Thus, though the imports for home consumption last year as

compared with the years 1889-90, were \$4,213,359 greater, the duty collected was \$3,464,327 less, or, in round figures, the Customs taxes were three and a half millions of dollars less than in 1889-90. The per capita Customs burden in 1889-90 was \$5.01, and in 1891-92 \$4.25, being a reduction per head in the burden of taxation of 76 cents. The duty per cent of dutiable and free goods in 1889-90 was 21.21; last year it was 17.56, a reduction of 3.65 in the rate of duty. It is as well to state here in carrying this a little further, that the total duty collected in 1891-92 from Customs was smaller than in the year 1882 by one and one-fifth millions, than in 1883 by two and one-half millions, than in 1887 by two millions, and than in 1889-90 by three and one-half millions of dollars, showing that the contention is true that the present Government, in the furtherance of its policy, is from year to year materially reducing the taxation of the country. In making the changes in the tariff in June, 1891, I estimated a loss upon the average consumption of sugar of \$3,500,000 in our revenue. I estimated a gain from the Excise duties of \$500,000 on malt, \$600,000 on spirits and \$400,000 on tobaccos. But the increase has not come up to the estimate. The increased gain in malt was \$339,924, in spirits \$329,

610. In tobacco the estimate was exceeded. Whereas the estimate was \$400,000, the increase has been \$514,140. The total increase from these higher Excise duties was \$1,183,674. In order to meet these higher Excise duties to some extent, the duties on imports of these articles were slightly increased. The result was not to increase the revenue, for, although we received an increase in ale and porter of \$27,136, and in spirits and wines of \$12,874, we had a decrease in imported tobaccos of \$56,308, so that the total decrease in Customs amounts to \$16,298 so far as these increases were concerned. Therefore, as regards the increases and losses which were estimated, the revenue has gained less from the impositions upon malt and spirits, and we have lost more than I have estimated by taking off the duties upon sugar, on account of the increased consumption as shown by the following table :

SUGAR CONSUMPTION.

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

The figures indicate a consumption as per customs returns for 1891-92 of an average of about 70 pounds for each man, woman and child in the Dominion. So that if we had kept the same taxation upon the sugar for 1891-92 which ruled in the preceding year, instead of \$77,828, we should have got \$5,418,918. That is to say, at the same rate of consumption, we have actually removed from the taxation of the country five and one-third millions of dollars.

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

Mr. FOSTER. Don't be in too great a hurry ; always make haste slowly. Deducting one million dollars of Excise which we added and which accrued from the increased Excise duties, the net decrease in taxation was four and one-third millions of dollars, which amounted to 90 cents per head of the total population. Now, it is fair to say that if the remission had not been made it is not probable that the consumption would have been quite so high, for the cheaper the product the greater the consumption ; that is notable in the case of tea and sugar, and articles of that kind. It is, however, true that in taking off the duties upon raw sugar we have remitted to this country, upon an actual necessary consumption of sugar, an amount of money in the neighbourhood of \$5,000,000 during the last year. While on that point it may be just as well to make a statement in order to

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contrast the two policies, in order to meet to a certain extent, an assertion which is often heard, that the system of taxation and the amount of taxation as it bore upon certain classes, was less under the administration of our predecessors than under our own. Let me add this further statement : that we collected on coffee in 1892, \$7,177 ; but if the same duties had been paid upon the coffee consumed in this country last year as was placed upon coffee under the preceding administration, instead of the people having paid \$7,177 they would have paid \$66,746. Duty on tea was last year paid to the amount of \$8,265. If the same rates of duty had been paid last year as were paid under the preceding administration the country would have paid on the same consumption of tea \$1,266,233 instead of \$8,265. In the matter of rice, which is also the poor man's food, we paid last year \$80,762 ; but if the duties in force under the preceding administration upon the article of rice had been paid last year, instead of that amount the people would have paid \$229,820. In sugar, as I have stated, the duty of 1892 was about \$77,000, whereas under the rate of taxation existing under the preceding administration, the duty paid would have been \$4,433,109. That is to say, on these four articles alone, coffee, tea, rice and sugar, the country paid last year \$172,463 ; under the rate of taxation, upon a similar consumption, of the preceding administration, they would have paid \$6,000,905. Under the two rates of taxation the savings to the people in these articles alone last year was \$5,828,442. There is no dispute that in the case of every one of these articles every dollar of that taxation would have come out of the pockets of the consumer, because it is upon materials which are not grown in this country. With reference to receipts from Miscellaneous, I may say that last year they were the largest since Confederation, amounted to \$8,475,714, as against \$4,533,073 in 1878, \$4,075,907 in 1873, and \$1,978,247 in 1867 ; that is, the increase in earnings from 1867 to 1873 amounted to \$2,088,660 ; in 1878 the earnings further increased by \$457,166 ; in 1892 they had increased over 1878 by \$3,942,641, an increase of 87 per cent. I come now to speak for a few moments of the expenditures for the last year. The estimated expenditure in March last was \$36,650,000 ; the actual expenditure was \$36,765,894, an increase over the preceding year of \$422,327 on Consolidated Revenue Account alone. The increases, as will appear from the following table, took place in the following items of expenditure :—

Interest on Public Debt.....	\$ 179,841
Sinking Funds.....	89,782
Administration of Justice.....	24,130
Legislation.....	706,389
Arts, Agriculture and Statistics..	16,315
Quarantine.....	2,839
Superannuation.....	12,569
Railways and Canals (Consolidated Fund).....	20,649
Lighthouse and Coast Services....	11,042

Fisheries.....	\$10,408
Scientific Institutions.....	3,265
Subsidies to provinces.....	32,156
Customs.....	4,308
Excise.....	21,812
Post Office.....	154,444

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

Charges of Management.....	\$ 8,674
Premium, Discount and Exchange.....	69,475
Civil Government.....	9,113
Penitentiaries.....	8,269
Immigration.....	3,440
Pensions.....	11,393
Militia.....	13,205
Mounted Police.....	39,046
Public Works (Consolidated Fund).....	309,694
Mail Subsidies and Steam-ship Subventions.....	47,910
Ocean and River Service.....	22,091
Marine Hospitals.....	1,065
Geological Survey.....	3,202
Indians.....	93,169
Government of the North-west Territories.....	4,468
Miscellaneous.....	17,098
Weights and Measures and Gas.....	3,331
Culling Timber.....	2,456
Adulteration of Food.....	1,337
Public Works (collection).....	6,193
Railways and Canals (collection).....	167,639
Dominion Lands.....	25,675

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

asserted, and it cannot be proved, as the statement is often made, that this Government is rolling up the yearly expenditures of the country. On the contrary, they have been kept at a dead level, and but for the abnormally long session of last year, would have shown a decided decrease over a period of six years. Leaving the expenditure on the Consolidated Fund Account, let us see what was the result of the expenditure on capital account for the last year. Taking it in brief, I find that on capital account, excluding railway subsidies, we spent last year \$2,165,700, as against \$3,115,859 in the preceding year, a saving in expenditure, or a lessening in expenditure for last year over the preceding year in that regard, of \$950,159. Taking in the railway subsidies and treating that expenditure as on capital account, we spent last year \$3,413,915 as against \$4,381,564 in the preceding year, a saving in this expenditure of nearly \$1,000,000 as compared with the preceding year. The course of the capital account since 1887-88 has been continuously downward, commencing in that year with an expenditure of \$4,437,460; in the second year, 1888-89, \$4,420,313; in the third year, 1889-90, \$4,053,150; in 1890-91, \$3,115,860; in 1891-92, \$2,165,700, the average of these five years being \$3,638,436, the expenditure for the last year coming beneath the average of the last five years by \$1,472,796, and being less than the expenditure of 1887-88 by \$2,271,760. Taking the expenditure on Consolidated Fund Account and the expenditure on capital account, we find this state of things: that whereas the over-expenditure on the first was \$422,327, the under-expenditure on the second was \$967,649, making the total expenditure on Consolidated Fund and capital account, last year, \$545,322 less than the preceding year, thus again substantiating the fact that the expenditures of this country are year by year diminishing instead of growing larger. With respect to the debt of the country, it will be remembered that for two or three years I have been able to chronicle a very small addition to the debt. I am not able to do that this year. Having taken off the large revenue which accrued from sugars, and having offset that only by about one-third of its loss; we have had less surplus to draw from for our capital expenditure, and consequently had to meet a larger amount of capital expenditure out of borrowings. So, whereas in 1889 the net debt was \$237,530,041, in 1890 \$237,533,211, in 1891 \$237,809,030, in 1892 it rose to \$241,131,434, being an increase over the preceding year of \$3,322,404. But this increase in the debt is more apparent than real, which will appear from these considerations. Of that increase, \$970,000 arose from the cancelling of the North Shore Railway bonds, which before this year stood as assets for the country, although they produced no revenue, and although, under the peculiar arrangement which was made, they could have by no possibility produced

revenue in years to come. They have been written off. That adds to the increase of debt the amount of \$970,000, which, as I have said, is apparent and not real, so far as any benefit to the country as a producing asset is concerned. Then, again, we went last year on the market for a loan, and, as the hon. gentleman who sits opposite me knows, loans, if they are put on the English market at low rates of interest, sell at a discount. The loan that was put on the market last year was at 3 per cent, and, although under all the circumstances it realized more than we could have expected, and although, in comparison with all other countries seeking money last year we stood in the vantage ground, with the exception of Great Britain herself, which has, of course, great advantages, we yet sold that loan at a discount, and the amount of the discount became an addition to the capital account in the shape of an addition to our debt. It is, however, as I have said, more apparent than real. If it had been put on the market at the rate of 3 per cent, there would have been no discount, and there would then have been no debit to the capital account of the country. We would have paid the same in the end, but it would have been paid in the increased yearly interest, which would have come out of the Consolidated Fund and not have been charged to capital; but the discount on the loan, as the discount on all loans, has been charged to capital account, and so adds, as I have said, \$1,122,541 to the apparent increase of debt on capital account. With these explanations, which are meant simply to explain and modify, but not at all to do away with the fact which appears in our accounts, and which will always appear in our accounts, we have added \$3,322,404 to our debt during the past year. It is important that, in the interest of truth, the explanations should go along with the statement. They are meant to do just what they are meant to do and no more, to explain but not to palliate. It will be remembered that three or four years ago I made the statement that I thought we had reached the time when we should call a halt as regards the increase of the debt of the country, and that I thought I saw from that point of time the possibility of raising our revenues without increased taxation, and meeting therefrom the necessary services of the country, of laying up the yearly amount for the sinking fund, and of making a fair capital expenditure year by year, and of accomplishing that without adding to our debt. That promise or that prophecy was literally fulfilled up to the past year. It could not be fulfilled after that, because we took millions of dollars from our revenue in remitting the taxation upon raw sugar, which changed the aspect of affairs, and consequently we had to draw on loans for a certain amount of our capital expenditure. If, however, we had kept the duty on sugar, instead of having had this increase to the capital debt of the country of which I have just spoken, we would, from the revenue which would have accrued from sugar, not

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only have kept the debt from increasing, but we would have diminished the total net debt of the country by about \$2,000,000. So that my promise made at that time, was upon the set of circumstances then existing, and that it has not been literally fulfilled this year is because the Government thought it better to remit this enormous amount of taxation to the people of to-day, and to make the people of future years pay their proportion of the amount that was necessary for the capital works of the country, over and above what we can spend and spare of current revenue. As to the receipts for the current year, I find that from July of last year to 31st January of this year, the income has been \$21,772,600, as compared with an income last year of \$20,716,451. That is an increase in receipts of about \$1,000,000, as compared with the last year. Last year, we received in the second half of the year \$16,205,420. If we receive that same sum this year, which is a little doubtful, the whole revenue of the country will amount in the present year to a little more than \$38,000,000. The expenditure of the present year, up to 31st January, is \$19,189,893. The expenditure for the same period last year was \$19,817,325. The expenditure in the last five months of the last year was \$16,948,562. If the same rate of expenditure is observed during the last half of this year, we shall have expended \$36,500,000, or thereabouts; but I am not at all certain that the same rate of expenditure can be observed. We are, for instance, to pay additional interest upon our loans; we are to pay, I do not know how much, but a pretty round sum, for fitting up the quarantine facilities of the different ports of the country; and these two amounts, as will appear from the Supplementary Estimates, soon to be brought down, will swell by a very considerable amount the calculated expenditure of the current year in its last half beyond what was the expenditure during the last half of last year.

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

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

so far, are nearly \$1,000,000 greater than they were during the corresponding period of last year; while the expenditures up to the present time are considerably less than during the corresponding months of last year. It is not necessary for me to explain to the House—the House is well aware of it already—that in order to meet the extra expenditure upon capital account, and to take up the temporary loans which had been running, a loan had to be put upon the British market. That is fully explained in the Public Accounts, and it has also been explained to the House.

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

Mr. FOSTER. That is stated in the accounts.

Sir RICHARD CARTWRIGHT. Not in detail.

Mr. FOSTER. The items may not be in detail, as the items very seldom are. However, suffice it to state that a loan was put on the market for £2,250,000; that the price fixed was £91, and that the realization was £92 0s. 10^d. The loan was subscribed three times over or more; but what was a more gratifying feature of the last loan was this: that the number of individual subscribers to the loan was very much greater than in any former experience of loans that we have put upon the British market. The applicants numbered about 420, as compared with 367 for the issue of the £4,000,000 loan in 1888, a loan which was nearly twice as large. That, I think, shows a widened public interest in the financial affairs of Canada, and an increased confidence in the securities that Canada puts upon the British market.

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

Mr. FOSTER. I have not the particulars at hand; but I can tell my hon. friend, in brief, what they are. We paid to those who negotiated the loan the exact commissions which were laid down in our contract. We paid to the brokers, as we had

always done, one-quarter per cent. There were no charges outside of that, except slight amounts for printing and the like.

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

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

Sir RICHARD CARTWRIGHT. I did not see it.

Mr. FOSTER. I do not remember the discount terms just now, but I will bring it down. It was nothing more than the spreading of the loan and the usual discount. I desire for a moment to call the attention of the House to the improved condition of things, so far as indicated by the savings of the country, and the position of the Savings Banks. It will be within the memory of the House, that on the 1st October, 1889, the new Order in Council went into force which reduced the interest allowed on deposits in the Savings Banks from 4 per cent to 3¹/₂ per cent. That, and perhaps other causes, led to an increase in the amount of withdrawals from the Savings Banks, which will be shown when I read the balances in the different years. On the 30th June, 1889, there was a balance of \$42,956,357. On the 30th June, 1890, that balance had decreased to \$41,012,465; and in 1891 it had decreased to \$39,400,026; being a total decrease during these two years, of \$3,556,330 as regards the Savings Banks alone. In 1892 matters began to mend, and that year shows an increase in the total balances in the Savings Banks of \$129,521; a small increase but upon the right side. However, the six months of the current year show an increase in the balance of \$443,210, which at the same rate would be equivalent to pretty nearly \$1,000,000 during the year, which shows that the tide has turned, so far as the deposits in the Savings Banks are concerned, that the drain upon them has ceased and has turned into an increasing surplus. As regards the total savings, as shown by the deposits in the different Government Savings Banks, in the chartered banks, in the City and District Savings Bank and in La Caisse d'Economie, they amounted on the various dates named to the following figures:—

	30th June, 1878.	30th June, 1888.	30th June, 1891.	30th June, 1892.	1st December, 1892.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Post Office Savings Banks.....	2,754,484 03	20,689,032 62	21,738,648 09	22,298,401 65	22,891,074 45
Dominion do	5,742,529 32	20,682,025 61	17,661,378 07	17,231,145 98	17,081,682 47
Chartered Banks:—					
Deposits by public payable on demand.....	35,090,284 00	50,331,413 00	59,383,409 00	65,611,678 00	68,694,266 00
After notice or fixed date....	29,979,041 00	62,529,285 00	83,249,806 00	95,331,100 00	101,526,186 00
City and District Savings Bank, and La Caisse d'Economie...	5,631,172 00	10,475,292 00	10,982,231 00	12,236,099 00	12,904,195 55
Totals	79,197,510 35	164,707,048 23	193,015,472 16	212,708,424 63	222,997,404 47
Increases		85,509,537 35	28,308,324 93	19,682,952 47	10,288,979 84 (for 6 months).

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

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

	1878.	1891.	1892.	Percentage of 1891 over 1878.	Percentage of 1892 over 1891.
	\$	\$	\$		
Exports.....	79,323,667	98,417,296	113,963,375	24	15½
Total imports.....	93,089,787	119,967,638	127,406,068	28½	6½
Total trade.....	172,405,454	218,384,934	241,369,443	26½	11
Trade with Great Britain.....	83,372,719	91,328,384	106,254,984	9½	16
do United States.....	73,876,437	94,824,352	92,125,599	28	Decr. 2½
do France.....	1,754,394	2,565,877	2,770,173	46	8½
do Germany.....	521,580	4,336,232	6,526,228	731	50½
do Holland.....	266,764	404,532	846,167	51½	109
do West Indies.....	4,397,996	6,360,926	7,638,846	44½	20
do China and Japan.....	486,244	2,202,102	3,300,108	352½	49½
do other countries.....	1,366,532	3,685,842	5,168,657	169½	40

It will be seen that while there was a loss of trade with the United States of about \$2,000,000 in 1892, that was more than compensated—seven times compensated—by an increase of \$15,000,000 in our trade with Great Britain. It is sometimes stated that our trade with other countries in the world is not satisfactory. It is true that with the United States and Great Britain we do the most of our business; but a comparison of the above figures shows that we are gradually, and in some instances rapidly, increasing the area of our commerce with other countries. The record I have given is, I think, one which is encouraging to the House, and which will be encouraging to the country, as showing a gradually-widening, and, to a certain extent, although as yet small in its entire amount, a

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rapid development of trade with the other great countries of the world. The record of our trade for last year is one which you may search our returns through in vain to find equalled. This shows an increased trade with Great Britain in 1892, over 1891, of \$15,000,000; with France, one-fifth of a million; with Germany, two and a fifth millions; with Holland, one-half a million; with the West Indies, one and a third million; with China and Japan, one and a tenth million, and with other countries, one and a half million, besides a small increase with Italy and Newfoundland, whilst the only large decrease we had was with the United States, of two and seven-tenths millions. Therefore, I state again, that the condition of our foreign trade

shows strongly in 1891-92 in our favour, and I believe it will be received by this House and by the country as an answer to the oft-made and baseless assertion, that the trade of our country is stunted and retrograde. Coming to the home products, the exports of Canada of these during the last year, as compared with 1892, show the following results:—

	1892.	1891.
Produce of the Mine.....	\$5,906,471	\$5,784,143
do Fisheries.....	9,675,398	9,715,401
do Forest.....	22,281,744	24,282,015
Farm products.....	50,708,134	39,634,599
Manufactures.....	7,040,988	6,296,249
Miscellaneous.....	71,518	45,337
Total.....	95,684,253	\$5,757,744

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

That is a large increase in a single year. The increase in farm products alone goes to prove the assertion we make, that the farmers of this country are yearly producing more and finding larger and remunerative markets, and in this respect we can stand comparison with the producers of the rest of the world. More we cannot expect. We are in this world, in this age, united in a great

commercial bond with the peoples of other countries, all of us governed by the common wants of the world, and kept in close and constant communication by means of the telegraph wire and rapid transit, so that the world's wants and the world's yield are at once known and the prices of great staples fixed accordingly. Taking that into consideration, the increase of \$21,000,000 in the exports of farm products alone, during the past year, is a very gratifying extension in our trade. I wish to speak now for a moment about the diversion of trade, and there is one point to which I wish to draw the attention of the House and the country with regard to the tariff and our farmers. Every-one knows that about two or three years ago the duties upon farm products, bacon, ham, shoulders of beef, mutton, pork and lard were rearranged. At that time it became patent to the country that large supplies of these articles were coming in from the United States and displacing farmers' products in this country, and the Government came to the help of the farmers, at their request, and raised the duties upon these articles. What happened? Whereas in 1890 33,000,000 pounds of bacon, beef, mutton, pork and lard were brought in from the United States and distributed in this market, the importation fell, in 1891, to 17,000,000, and in 1892 it fell to 13,000,000; and whereas in 1890 the value of the importation was \$1,734,000, in 1891 it fell to \$973,000, and in 1892 to \$723,000. The following table shows the particulars:—

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

	1890.	1891.	1892.	Decrease from 1890.
	Lbs.	Lbs.	Lbs.	Lbs.
Bacon, hams and shoulders.....	4,344,200	2,561,044	1,008,068	3,336,132
Beef.....	6,427,993	2,698,305	2,235,987	4,192,006
Mutton.....	246,343	6,322	11,560	234,803
Pork.....	17,161,592	11,085,111	9,492,965	7,668,627
Lard.....	4,882,831	988,999	691,246	4,191,585
Total.....	33,062,979	17,342,781	13,439,826	19,623,153
Value.....	\$1,729,403	\$968,568	\$723,081	\$1,006,322

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

Mr. McNEILL. That shows the advantage of protection.

Mr. FOSTER. As to the diversion of trade, let me read to you the figures of 1891-92, with reference to some products of Canada exported to Great Britain, in order to make a comparison. Horned cattle fell off nearly \$1,000,000, owing to circumstances well known. Leaving that out of account, we find some very encouraging items. Canadian cheese, apples, and bacon have made their place in the British market. Canadian butter had also made a place for itself, but not a very enviable one; but under the operations of the

Dairy Commissioner and the dairy stations, which have been established by the Government to stimulate the production of a better quality, the quality of Canadian butter has been raised; it has been put upon the market in uniform quality, stamped as Canadian butter, making its own way, and comparing 1891 with 1892 we find that, whereas in 1891 only \$440,060 worth of Canadian butter was exported to Great Britain, last year \$877,455 worth found a place for itself in the British market, being an increase of 99 per cent. The following table speaks for itself:

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

	1891. Value.	1892. Value.	Per cent of Decrease.	Per cent of Increase.
Horned cattle.	\$ 8,425,396	\$ 7,481,613	11	.....
Butter.....	440,060	877,455	.....	99
Cheese.....	9,481,373	11,593,690	.....	22
Bacon.....	589,599	1,089,060	...	84
Hams.....	36,398	53,939	.....	48
Apples, green or ripe.....	1,235,247	1,405,527	.....	14
Apples, dried..	7,353	10,692	.....	45
Fruits, canned and preserved	9,500	23,679	.....	149

	1891. Value.	1892. Value.	Per cent of Decrease.	Per cent of Increase.
Barley.....	\$ 75,225	\$1,233,844	.....	1,540
Oats.....	5,954	1,975,485	.....	33,079
Peas, whole...	1,439,747	2,332,307	.....	62
do split...	45,601	89,781	.....	96
Wheat.....	969,134	5,726,505	.....	490
do flour...	851,912	1,110,368	.....	30
Eggs.....	83,589	592,218	.....	608
Horses.....	156,254	214,785	.....	37

By the way, if you look into the Trade Reports you will find that the price of eggs—that much abused article—exported to the British market is one cent and a fraction per dozen higher in value than those exported to the American market. It is well that these figures should be noted and should be spread before the public, in order that they may see the actual expansion and the possibilities of the market in Great Britain for the products which they raise; and I wish to give also this statement, showing the increase in three of the great articles of Canadian export which have had their reputation made for them, and which have been consecutively and skillfully placed on the British market—cheese, cattle and apples, and also the exports of the great division of our products:

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

	1868.	1878.	1892.	Per cent of Increase, 1892 over 1868.	Per cent of Increase, 1892 over 1878.
	\$	\$	\$		
Produce of the mine.....	1,446,857	2,816,347	5,906,471	308	109
do fisheries.....	3,357,510	6,853,975	9,675,398	188	40
do forest.....	18,262,170	19,511,575	22,281,744	22	14
Animals and products.....	6,893,167	14,019,857	28,594,850	314	103
Agricultural products.....	12,871,055	18,008,754	22,113,284	72	23
Manufactures.....	1,572,546	4,127,755	7,040,988	347	70
Cheese.....	* 620,543	3,997,521	11,652,412	1,779	189
Cattle.....	1,099,940	1,152,334	7,748,949	605	572
Apples.....	+ 87,333	*149,333	1,444,883	1,560	867

* From Ontario, Quebec and Nova Scotia only.

† Fruit, green.

This would keep up the train and trend of the thought I have been developing of the gradual and steady progress of the country in its external trade, and particularly in its exports. So much with reference to the commerce of Mr. FOSTER.

the country. I may not have succeeded in developing much interest with the hon. gentlemen opposite, or at least with some of them, in my figurative remarks; but now I come to the tariff; and, as I approach the tariff, I notice

that my hon. friends' interest deepens. I wish to state a few things with reference to the tariff and the tariff policy. No man with his eyes open would think for a moment of denying the fact that there is more or less agitation in the country with reference to the tariff and to trade conditions. One person will notice it from one stand-point, another from another stand-point. We may not all take statesman-like views; but, whatever views we take, this much is true, and we admit it, that there is an agitation on this matter, and that people are alive to the discussions upon trade policies and to discussions upon tariffs, and to the question what is to be the guiding policy now and for the future. Several things have conspired to make the agitation upon the tariff in this country possibly deeper to-day than it has been for a number of years. Will the House permit me to mention a few of these? In the first place there is a difference in view on the question of principle which has existed ever since we have been a country, which came to a point of cleavage direct and sharp in 1878, between those who believe that a free trade policy out and out is the proper policy for this country, let the revenue take care of itself, or take care of the revenue in whatever way you can; those who believed that a tariff for revenue purposes with incidental protection was the thing for this country, making the revenue the prime consideration, and distributing it so as incidentally to protect the industries of the country, and the third class of people, who believed that for Canada, under the conditions then existing, and which have existed since the principle of a sufficient and reasonable protection to the nascent industries of the country was to be followed first, and that revenue was to take care of itself on that line. Those were the three great schools of thought. We do not expect that because in 1878 one school of thought triumphed and concentrated its opinion in the tariff, but that to a large extent they are nourished to-day, as in 1879. Changes there have been. Men who believed in free trade have come to believe in protection. Maybe it has happened that some who believed in protection have come to believe in free trade, or a revenue tariff with incidental protection, or something of that kind. But the differences which existed then are differences which exist now, and they contribute to the agitation and discussion of the question at the present time with a vivacity probably greater than at former periods, from circumstances which I shall mention afterwards. Then again, there is an agitation evoked by dissatisfaction in regard to changes in the tariff in respect to relative or absolute protection which arise from various circumstances, for instance, in the differences in value that have arisen from 1878 to the present time. Whether specific duties alone or specific and ad valorem duties are placed upon these goods, the differences in value through a series of years

change the amount and incidence of protection. Dissatisfaction has arisen also from the fact of raw materials being in some cases cheapened, and in such cases the protection which was fair when raw materials were higher in price, becomes a little more than fair when raw materials lower in price. Out of all these reasons and others there might arise discussion and thought and, it may be, dissatisfaction, even among persons who believe in a protective policy, but who are not pleased with the changes in the relative or absolute scale of protection arising from the causes I have given. Then again, Sir, I am inclined to think that the McKinley Bill has done something towards sharpening this agitation in the country. Necessarily it did so. Hon. gentlemen opposite, before that Bill was passed, prophesied that it would do so; after it was passed, they declared that it did so, and I am not going to counter their declarations in that respect. For the McKinley Bill, whether it was so intended by its framers or not, did this and did it very effectually; it raised barriers against certain Canadian products, namely, farmers' products, and to that extent it interfered with trade and made necessary the diversion of trade, and every diversion of trade is followed necessarily by its train of dissatisfaction and loss. It may be, that after the diversion has been made, the people will be more prosperous, the markets will be more remunerative, but none the less every diversion of trade from one channel to another causes dissatisfaction and loss to individuals. So that I think the discussion has been sharpened in reference to this matter on account of the passage of the McKinley Bill. It certainly has been sharpened by the results of the elections which took place not long since in the United States of America, and which have been magnified without warrant, which have been unduly magnified by leaders of the party opposite, into a victory for free trade, pure and simple; and statements have been made throughout the length and breadth of the country that, owing to that change, a free-trade policy was to be inaugurated, and that great benefits would come in certain directions, and great changes would have to be made in this country. That has set people to thinking, that has set people to agitating and proposing, and that has added very materially to the discussions and the talk that is going on about this matter in the country to-day. For my own part, I differ with hon. gentlemen opposite, or on this side, who believe that the wings of free trade have been spread for a flight during all future ages in the United States of America, by the election of Mr. Cleveland. I cannot find it in the previous records of the party, I cannot find it in that latest concentration of the party doctrines upon tariff measures, the Mills Bill; I cannot find it in that latest utterance of President Cleveland in his acceptance of the candidature; I cannot find it in the thought, and feeling and breath of the American people to-

day. I think the man who stands up in this country and contributes his quota to the unrest, and dissatisfaction and discontent with the present state of things in this country, by preaching to them that now this second daughter of Britain has entered into free trade, and the next to follow will be the third daughter of Britain, Canada—I cannot believe that these men are doing the best, from a statesman-like point of view, for this country and for the people of this country. However, the fact is, that this has lent point to the discussion and thought about the tariff and trade policies. Then there is another thing which must be taken into account at the present time, and that is the unprecedentedly low price of cereals in the markets of the world; and directly upon that supervenes the effort of the demagogue, the effort of the unscrupulous man, to make the people believe that in some occult way all this is due to the miserable Government and the miserable policy which, for the time being, prevailed in this country. Now, Sir, no sane man, standing up before a number of sane men, will venture that argument. Every one is open, in his calmer moods, to the opinion, to the conviction of the truth, that, if the prices of cereals in the country are low, they are low from certain abnormal causes, and that they are probably temporarily low. But, whatever may be the cause, the fact of these low prices of cereal products throughout the country at the present time, adds point and strength to the discussion, and is used to spread dissatisfaction and discontent. Of course, an Opposition always has open to itself to take advantage of all these things. All things are fair in politics, it is said; and I suppose any average party would take advantage of all the circumstances that arose, and as they arose, to make sentiment against their opponents and in favour of themselves. And, Sir, of late, and with greater vigour, supervening on these things, has come an active propaganda in this country and in the country alongside of us, the end and aim of which, no, I will not put it that way—the result of which, whether it is the aim or not, is to make people unduly discontented and unduly unrestful. In this country everybody acknowledges the geographical difficulties, its great extent, its sparse population, its different races and creeds, its different sections with their different distribution of the resources with which nature has endowed them. But I hope every man also recognizes—if he does not he ought to—that this country, if it is to remain a country, if it is to become a great country, and to have permanence and durability imprinted upon it, has to learn the lesson, and learn it now, and keep it learned, that you cannot afford to appeal to the prejudices, or the poverty, or the wants of one section against another; that you cannot afford to pander to the prejudices or the likes of one class to the detriment of the whole. I am here to-day to state that I misjudge the Canadian people, I do

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not read aright the spirit of the Canadian people, if, man for man, throughout this country, when they are fairly talked to and fairly reasoned with, they will not lay down, as a basis, that we must get along together in this country; we do not ask that any class shall go scot free of taxes and burdens, while others pay an undue proportion; we do not ask that any section shall be lightly burdened while other sections are heavily loaded; but that class or section, wherever it may be, must, proportionately to its strength, bear its just and equal portion of the burdens that are necessary in order to carry on the affairs of this country, and to give it permanence and durability. I think it is an unfortunate thing that in order to gain power, and in order to make a point against their opponents, advantage is being taken of the present state of things to preach a doctrine in this country which, if it is adhered to, means disruption, and is opposed to the only policy which can give us true permanence and true prosperity. Sir, I wish to notice in passing that these men preach certain doctrines, they go before the people with certain statements; they go before the people with inferences from those statements, some of which they draw, and some of which they do not draw, but all of which they allow, and others which they force to be drawn; and I believe that there are people who go out from the meetings addressed by hon. gentlemen opposite with the firm belief that there is some way by which we can carry on all our services in this country, by which we can have perfect free trade, and will not have to pay a dollar of taxation. Now, if hon. gentlemen opposite can define and point out any means or method by which that can be done, well and good; but, if not, the doctrine that ought to be preached in every school-house, on every platform, is that there is no way to build up a country in its public works, looking after its public services, giving it the improvements which the people need in the race of progress alongside of other countries to-day, no other way than by taxation; and that if the people will not bear reasonable burdens, they cannot expect to promote the building up and the improvement of the country. I think the Canadian people are sensible enough and strong enough to accept that doctrine, and to work under the impulse and in the spirit of that doctrine. So that I think, having stated these things, I have stated what leads to the unrest, the dissatisfaction, the agitation upon the tariff question; and I have tried to state them fully. We do not say that the policy we adopted in 1878, in the exact degree of protection that was placed upon the country at that time must be unvarying, must never be changed; but, out of all these causes I have mentioned, the feeling of unrest exists, and it reaches this House of Parliament, and that feeling will be met by the Government frankly, honestly and fairly. So

that the Government, while it wishes to give due weight, and no more than due weight, to any one of these causes, and to any one of these complaints; while it acknowledges their varying force, varying in proportion to their merit and their strength; although the Government does not intend to be either frightened or forced into doing something which it does not believe to be right; the Government takes its stand to-day, and is willing to have it known everywhere. What it proposes to do will be done after the most careful, and earnest, and due consideration, not extended beyond a reasonable period—than will be that which, as a matter of trade and tariff policy, is best for this country as a whole. It proposes to do what is best for all classes counted together, whilst giving due weight to the importance of, and to the position of, each class, and varying the burdens accordingly. It proposes to adopt a policy and to carry out the particular lines of that policy, with due regard and consideration as well to the internal conditions of Canada as to her position amongst other countries of the world under the present conditions of trade and tariffs. These are lines, and to what end? It may be asked, what does the Government propose to do, for these are generalities? I grant that these are generalities. It has been a discussion of generalities, or of principles, if you like to denominate them as such. Then the first question comes from my hon. friend, Will the Government adopt free trade? My answer to that is, no. I know I disappoint my hon. friend in not taking up the pet idol and dream of his heart, the one idea which is the bright star of his existence, towards which he treads his devious way, sometimes in one country, and sometimes in another, from platform to platform, but always with that bright particular star in sight; now, I believe, only fifteen years distant is this bright particular star of free trade, the freest of free trade. There are some considerations why the Government does not propose to adopt free trade. The first is the requirements of the revenue. A stronger man than I am, a deeper thinker than my hon. friend, a man in mental power who towers among the best, has stated it, and from a less prejudiced stand-point, perhaps, because he put it from the stand-point of hon. gentlemen opposite, and he has challenged any man to show how, in this country, now, or for many years to come, any scheme of free trade could be adopted which could be worked, and he expressed his conviction that the circumstances of the country precluded its adoption, and precluded the direct taxation which must necessarily follow upon its adoption. The requirements of the revenue prevent it; \$28,000,000, outside of earnings, have to be raised in this country for its current services. I invite hon. gentlemen to come down to particulars, and to show to this House and the country how they will effect savings in the different items of expenditure so as to reduce that

amount by a very large sum. Small savings can be made, small savings are being made, but that the services of this country require much, and are so important they cannot be stopped, is a truth with which every man is conversant; and the point arises as to how \$20,000,000 can be raised for the services of the country, \$20,000,000 from Customs revenue with free trade with all countries, or with any great country in the world. But, Sir, outside of that point, which is in passing, there is another reason why this country cannot adopt free trade at the present time. It is on account of the industrial and general development of the resources of this country. Here we have under a system adopted earlier than 1878 so far as incidental protection is concerned, in 1878 so far as absolute and direct protection is concerned, developed in this country large and varied industries. Nobody denies that. A vested capital of \$353,000,000, employing 368,000 hands, at a yearly wage of \$100,000,000 and a development of the wealth of the country to the value of \$90,000,000 annually—these are facts stated in cold figures of the census, taking 1891 and comparing it with 1881. This development of industries has gone on for years. It has reached a certain point, it cannot be sacrificed; neither has it reached that point where, unaided, it can yet stand the competition of countries like Great Britain or the United States, with their centuries of wealth behind them, with their great skill, with their enormous markets, with their great production which finds a market in the world in such large quantities. So that these have to be taken into account. Have not these industries grown since 1878? The figures I have given show that they have. They have kept population in this country—

Several hon. MEMBERS. Hear, hear.

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

country, and a great start made in developing in that way the resources of the country. Do hon. gentlemen ask the history of the im-

ports of raw material? It is contained in these figures:—

IMPORTS RAW MATERIALS, 1869, 1879 AND 1892.

	1869.	1879.	1892.	Per cent of Increase 1892 over 1869.	Per cent of Increase 1892 over 1879.
Wool	Lbs. 2,061,576	4,976,758	10,224,086	395	105
Cotton	" 1,245,208	9,720,708	46,322,525	3,620	376
Hides	\$ 891,488	1,202,890	1,837,102	106	53
Gutta percha.....	" 90,536	133,214	730,657	707	448
Hemp	" 199,179	199,179	877,989	.....	340
Raw sugar.....	Lbs. *21,656,918	+22,925,779	+343,121,731	1,484	1,395
Lumber and timber..	\$ 203,276	531,278	1,094,635	438	106
Silk.....	"	35,556	260,299	.....	632

* Sugar below No. 9 cane juice melado.

+ Sugar below No. 14 and melado.

If hon. gentlemen want further information, let them go to the census returns for the figures of industries for 1881 and 1891, and learn from these that the number of establishments have gone up from 49,000 to 75,000, an increase of 51 per cent; the capital investments from \$165,000,000 to \$353,000,000, an increase of 114 per cent; the number of employees from 254,000 to 367,000, an increase of 44½ per cent; wages paid, from

\$59,000,000 in 1881 to \$99,000,000 in 1891, an increase of 67 per cent; raw material from \$179,000,000 in 1881 to \$255,000,000 in 1891, an increase of 42 per cent. Value of products from \$309,000,000 in 1881 to \$475,000,000 in 1891, an increase of 53 per cent; an added value, according to the statistician, of \$33,000,000 per year in 1881, and of \$89,000,000 in 1891, added to the wealth of the country. These are the figures:

CANADIAN INDUSTRIES PER CENSUS RETURNS.

	1881.	1891.	Variation.	
			Increase.	Per cent.
Number of establishments.....	49,923	75,768	25,845	51·8
Capital invested.....	\$ 165,302,623	353,836,817	188,534,194	114
Number of employees.....	254,935	367,865	112,930	44·43
Wages paid.....	\$ 59,429,002	99,762,441	40,333,439	67·86
Cost of raw material.....	179,918,593	255,983,219	76,064,626	42·3
Value of products.....	309,676,068	475,455,705	165,779,637	53·5

Added wealth, 1871-1881.....\$33,000,000 per year.
do 1881-1891..... 89,000,000 do½.

That is an additional proof that industries have taken root, and have grown and developed, and in so doing, have developed also the strength, and the richness, and the reliability of this country upon itself. But, Sir, if more is required let him look a little further at the increased home supply in 1892, as compared with 1878, and the great difference in the consuming population of this country—not so great as my hon. friend would think well, but yet a large increase in the consuming population of the country. That large increase has all been supplied by the home manufactures of this country; I

mean so far as ratio is concerned. Let him ask himself as to the increased exports of manufactured goods, being an advance of 70 per cent over 1878 and of 347 per cent over 1868, and let him ask himself as to the decreased imports of manufactured goods. Let him put all these things together, and he will gain a heightened and strengthened idea of what the industries of this country have attained in that time. Not only have the industries increased in themselves, but let us not forget their collateral advantages. Every ton of ore which is dug, every mill whose wheel re-

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volves, every cotton spindle that turns, every branch of industry that works up raw material brought in, or raw material obtained in this country, adds to the employment which the country needs, adds to the earnings of the country, and adds to the wealth of the country, to be shared in by every sober, intelligent, and industrious class in the community from one end of the Dominion to the other. These things lead me to the conclusion, and I think they will lead this House and this country to the conclusion, that we cannot adopt free trade, and open up these industries—nurtured from 1878 to the present time, I grant you, by a reasonable and I hope a sufficient protection,—that we cannot open up these, to the unlimited competition of old manufacturing countries like Great Britain and the United States of America, without sweeping away the larger proportion of our industrial development, and reaping all the want, and loss, and misery that will accrue. And after all what better would we be off if we did this? We would not be so well off, because some time, sooner or later, if Canada is ever to be a great country, and it is, it would come to the conclusion again that we would have once more to reverse our policy, and that we would have to develop our own industries and resources. No country in this world at the present time can be great on one branch of work alone, and this country of ours, taking its resources and capabilities into account, would be guilty of the height of madness, if it left everything to the pursuit of agriculture and the natural products, so to speak, and did not strive to be a manufacturing country, giving employment to its own people, and working up its own resources as well. The position of the Government is clear upon that. Will my hon. friend make his position equally clear? I have read his Hamilton speech and his Toronto speech, and for the life of me I do not know where he stands to-day; and there are hundreds of thousands of people in this country as well who cannot put their finger upon the trade policy of my hon. friend opposite and tell what it means. At one time he is all free trade; let the taxes take care of themselves. At another time he says: We must go slowly, free trade is in the distance, and we will come to it gradually. While at another time he is in favour of unrestricted reciprocity with the United States, and discriminations against the rest of the world; the very antithesis of free trade. What are we to judge from all these statements? The hon. gentleman had some quiet fun the other day at the speeches of Ministers, and when this House is in a leisure moment, and when I get more time, I propose to take a few of my hon. friend's speeches and dissect them. But, Sir, what I invite him to do now, as I invited him to do two years ago, is: that he should come out of the bush and into the open and tell us just where he stands. Well, Sir, the Government has an equally straight and equally

frank position to take upon the question of unrestricted reciprocity: but I am not going to take up the time of this House discussing that. Why? Because the country has discussed it and has given its verdict upon it in the general election with its eyes half open, and in the by-elections when it saw straight ahead on this question. Unrestricted reciprocity is a policy which, involving as it does discrimination against Great Britain, revolts the loyal feeling of the people; involving as it does free trade with the United States in manufactured articles, as well as in the products of the soil, strikes a blow at the manufacturing and industrial life of this country, and is repudiated by that class of the people. It is a policy which strikes a blow at the autonomy and self-respect of our people in that it inevitably hands over the autonomy and the tariff and fiscal legislation of this country to a foreign, a superior and a stronger power: and whether my hon. friend seasons it with independence or not I care not. Independence, or not, that policy adopted, and that policy carried out, means the extinction of Canada's separate, individual life, and the destruction of her aspirations after autonomy and nationality. I carry this further. The people have condemned it; they have thrown it out the back door, and they will throw every politician who stakes himself before the country on that policy, out of the same back door. Not in Canada to-day, nor in any year to come, will that kind of policy, pure and simple, when the people think it over and get to the bottom of it, command the support of a majority of the people of this country, or that flag ever be wafted to success: but, Sir, if there is anything like honourable reciprocity, anything like a reciprocity with mutual advantages, and which can be bought by not paying too dearly from the life blood and industrial blood of this country, if there is any reciprocity of that kind, this Government stands committed to take it, and to strive to get it. Sir, this Government does not stand to take that in which there is no honour, in which there is not a fair and mutual advantage, and in which it must pay for what it gets by the extinction of the country's name and independence. Well, Sir, there is another idea promulgated, and that is the pet idea. I was going to say, of my hon. friend from North Bruce (Mr. McNeill)—preferential trade; and the pet idea of many other gentlemen besides—an idea which, however much it may be laughed at by hon. gentlemen opposite, is an idea which, in its intrinsic worth and in the increasing favour and fervour of acceptance which it is meeting at the hands of thinkers and workers, ought not to be laughed at, which cannot be scouted, which has much to commend it. Even though it be not a present possibility, even though it be years in the future, it is an idea which has its groundwork in a thought wider than self or the selfish interest of any one country. It is an

idea which in its scope lifts one, which gives one an idea of Imperial potency and durability and strength, which is a good heaven to throw into the lower political life of any country—an idea of continents and islands spanning the globe, with climate and productions and resources of infinite variety, with great mental capacity and endowment, with all the instrumentalities of a great trade ready to hand, and with a commercial fleet that fills every sea. I say to you, Mr. Speaker, that that idea, if it could be realized, would be the finest, the highest and the noblest thing that has been concentrated into political or public action since the world had a beginning. I am not going to say that it is a present possibility, but I am going to say that it is so potent an idea that it is well for Canada and well for every British country to hold the strongest vantage position for its possible adoption; and we do not know how soon changes in public opinion may bring nearer to a reality that which to many seems to-day but a dream and a vision. This Parliament has pledged itself on preferential free trade. I believe other colonies of the Empire will view it favourably and will also pledge themselves upon it. I know that an increasing number of thinkers and workers in Great Britain are favourable to that idea in the abstract, and many of them in the concrete, as well; and I know, too, that it has to meet the prejudice of a half-century of economic teaching, especially among the masses of the people in the old country, who have been nurtured and grown up in that teaching. As I said before, if it is not a present possibility, it is yet well for us to keep ourselves in a vantage position, where we may do our part to adopt it, if it becomes feasible. So much with reference to that. Now, Sir, after all this, the question comes, What then? There is only one thing left. My course of reasoning has brought hon. gentlemen along that line; and the one thing that is left, in the opinion of the Government, is that which the Government proposes to do. It proposes, in the first place, then, to keep the old landmarks in sight. There has been much talk about the old flag and the old policy. I will, at this time, for the sake of variety, give the remark a different turn. I will say that I believe, and the Government believes, that it is in the interest of this country, that we should not lose sight of the old landmarks which we set up in 1878, and which have remained ever since. I am not going further to state what has been done by this policy in its principle and in its application, faulty though in some respects that application may have been—yes, must have been, because it was administered by human means. But I am going to say this, that that is the line by which we have marched up to our present prosperity, and that it is with the idea of keeping these landmarks in sight that we propose to take the next step in the interest of this country. But my hon. friend says to me: The United States

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is going to have free trade in a few months, possibly. Suppose that were so—I do not believe it—but suppose it were so. My hon. friend would have to ask and answer another question: How did the United States attain to that position where it could throw its ports open and defy the competition of the world? It came to that position by the road, not simply of a reasonable protection always, but a protection which was oftentimes more than reasonable, but which it would put on, and which it kept on until it developed its immense iron resources, its immense resources of every kind, and secured its accumulation of skill and capital and power, and its market of nearly 70,000,000 people. It marched up to that point along the pathway of a strong and safe protection; and the argument has not reached a conclusion when my hon. friend is able to say: "The United States is going to have free trade next year, and Canada must have free trade as well." We have yet more to do; we have yet further progress to make; we have yet further to toil along the same line along which, from 1878 to the present time, we have come to the degree of prosperity and of development which we have reached. My hon. friend had some criticism when the Premier, in a speech in Toronto, spoke of the National Policy as being wider than the tariff. It is wider than the tariff; we have always contended that it was. The tariff, giving a reasonable protection, was simply one part of the National Policy, which was adopted by this Government firmly and strongly and unitedly in 1878, but which was had in view, in part or in whole, long before 1878 by the chiefs and leaders of the party who put it in full operation in 1879. What was that National Policy to do for Canada? It was to amalgamate and weld together the different scattered territories of this country. That was one branch. It was to open these to settlement, and to transport on easy and quick terms. That was another branch of it. It was to build up the young industries of this country in order that the development of its resources might take place, in order that this country might become, to a certain extent, a manufacturing country, self-reliant, giving employment, in large part, to its own people. This was also a component part of the National Policy. And this National Policy, drawn on these lines, was what the Government of this country placed itself upon in 1878, and it is that which it stands on to-day, although in part what was to be done at that time has been very largely done, especially as to the amalgamation of our territories and the opening up of our means and facilities for transport. We believed, in 1878, that a reasonable protection upon industries which could fairly have a chance to plant and develop themselves in this country, was the only means by which to lift the country out of the condition it was in in 1878—and we ought never to forget that condition; and, on account of that policy, great strides have been

made along the lines I have referred to. So that the Government proposes—and it takes the people into full confidence—not to abandon the principle of a fair and reasonable protection to the industries of this country. Now, as I said before, the Government takes its stand on the ground that all classes should bear proportionately equal burdens; and if, in the course of the investigation which is now taking place, and which will be continued for some further time, it is found that burdens press unduly on any class or section of the country, it will be the bounden duty of this Government to remedy that, and, if possible, equalize those burdens. If in the course of that investigation which is now going on, and which will be continued for some short time yet before a conclusion is reached, it be found that protection has been given to some industries which have no prospect at all of ever becoming fairly rooted in this country, it will become a question with this Government, whether or not it is not best to drop hot-house protection and give simply the reasonable and sufficient protection which is necessary in order to establish industries which, when established, will give some assurance of permanency and continued prosperity. These, then, are the present lines. To lighten the scale of taxation, in so far as possible, and in doing that, we must make up our minds to pare down, as far as we possibly can, all expenditures that are not absolutely necessary for the service of this country; to refuse expenditure on works which it would not be proper for a wise and economical Government to set on foot and continue in the country; to, as far as possible, adapt the scale of protection to legitimate industries and to what is reasonably necessary in order to establish and protect them; to use the raw material of the country, in so far as it can be used, and to extend the free list as far as possible, consistent with the revenue requirements of the country, in order to bring about this lessened taxation and this lessened scale of protection, which, lessened and equalized in that way, may be just as effective, and more effective, after the change has been made, than it was before. What I want to state is this, that information has been gathered by the Government, particularly by myself, during the past year, and that information will be gathered during the coming season; that the Minister of Trade and Commerce and myself, with the two level-headed business men who control the Customs and the Inland Revenue, propose during the coming year not only to listen to the complaints and the pleas of people who come to Ottawa to see us, but we propose to supplement that by a personal inspection and investigation of the various industries of the country. We propose to go further. We propose that it shall not be said that only one class has the ear of the Government, but that every class, the agricultural, the artisan, the manufac-

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

Some hon. MEMBERS. Hear, hear.

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

with reference to the export duty on logs. Hon. gentlemen who live in the sections which, I may say, are most closely affected by that business, understand its acute nature, and all hon. gentlemen who have studied the course of the lumber resources and interests of our country, and who desire to see these lumber resources conserved, as far as they reasonably can be, have had their attention drawn to this matter as well. The facts of the case are to-day that a most wasteful, and, I believe, entirely unnecessary drain is being made on the timber resources of this country under present conditions. I know it is a most difficult matter to decide just how much of the drain should take place, and, when you have decided that, it is still more difficult to so regulate it that it will keep within those bounds; but, over and above those difficulties there comes the strong warning that Canadian lumber resources, which should last us for centuries, are in danger of being prematurely exhausted, and it is well that this matter should undergo most serious and calm consideration, utterly removed from partizanship and trade reprisals, or the like, upon its own broad and sufficient basis. And I wish to state here that, during the coming summer, the Government will take steps, the steps that are necessary and that are most fitting, to gather all the information with respect to these matters that it can, to submit to the House at its next session. And I desire also to state, so far as the Government is concerned, should this investigation lead it to take a certain course, it will not consider that it is debarred from taking the course that is shown to be imperatively necessary because any persons have, last year or this year, on the existing state of things, bought limits or invested in timber lands in our country. The supreme consideration must be our own forest resources, and how to preserve them. I am not saying what conclusion will be reached; I cannot say, because the full information is not before the Government or the House, but we merely wish to enter the plea that, if the revision should be deemed necessary it will not be considered by the Government to be debarred by the fact that limits have been bought or purchases have been made on conditions which now exist. A strong agitation has been brought to the notice of the Government with reference to oils. We have heard that debated in this House. Hon. gentlemen on both sides of the House have taken divers positions with regard to this duty. No cool, reasonable man, on either side, having thoroughly looked into it, can come to any other conclusion than that it is a most difficult question. We have to do justice to an industry which has been, from 1868 particularly, the pet of Governments, so far as protection is concerned, which enjoyed the caressing care of the old Government before 1873, the kindly encouragement of the Government from 1874 to 1879, and the continued favour of the Government from 1879 up to the present time. This industry, though I grant you that it is

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very largely local, has a strength and power in its plea which appeals to every sentiment of a Canadian, and would move every Canadian to go just as far as he could in order to save the wealth and preserve the industry of the people, individually, who have carried on that business and are carrying it on to-day. On the other side, there is the claim of the consumers, who demand that the oil shall be reduced in price, and who ask that the protection which is now given shall be either entirely removed or reduced. I am not going to add to the discussion of that subject by going into the merits of the case. After hon. gentlemen who understand it have spoken as they have in this House, the merits of that question ought to be fairly well understood. I am simply going to say what position the Government take with regard to it. There is a straight protection on oil of $7\frac{1}{2}$ cents per imperial gallon, exactly equivalent to the 6 cents per wine gallon which was upon it before the present rate of $7\frac{1}{2}$ per imperial gallon was made. There is, outside of that, a condition imposed upon trade and transport which has the effect of protecting that industry to a large extent, possibly to the extent of 2 cents or 3 cents per gallon, arising from the fact that transport is limited to certain vessels and in certain directions, and that the oil is subject to inspection, of course. This is outside of the straight protection, and what the Government propose to do, and they have thought over this matter very carefully, is to propose to this House that the transport shall be freed and that the straight duty shall remain for the present as it is. In that way, the abnormal and hidden protection, so to speak, will be taken away and transport will be left free to modern methods, and at the same time a large, I acknowledge it, and, I hope, a sufficient protection will be left to the industry, enough to serve it for the present at least. One other question has been pressed upon the Government, and that is the duty on binder twine. This is complained of especially by certain sections of the country, by the farming class, almost as a unit. That question has been debated in this House, as well, and I am not going into its merits. The protection given to the industry in the United States is, I think, about $\frac{1}{2}$ cent per pound, with free raw material. In this country the material is free and the protection upon it at present is 25 per cent. A disadvantage from which the manufacturers suffer in this country is in our later harvest and the consequent fact that the surplus of the United States binder twine, known to be a surplus, being left over after their crop is gathered, is still in time to come into this country for use in binding our own crop. It is not, therefore, the intention of the Government to take away the duty on binding twine entirely. It is an industry in this country; it gives employment to several hundreds of people. I have examined into the question, and, so far as I can see, it is not a

foreign monopoly, however strong and however close may have been, or to a certain extent is at the present time, the relation between the two. But I am bound to state this, that, as every one knows, a monopoly exists on the other side of the line. The industry is carried on in this country, notwithstanding the disadvantages I have referred to, and what the Government proposes to do is, while granting relief to the farmers and to those who use binder twine, at the same time to continue reasonable protection to the manufacturers. I shall propose to the committee that from and after the passage of the resolution, the duty on binder twine be reduced from 25 per cent to 12½ per cent. There is still one other question; that is the question of mining machinery. You will remember that three years ago we exempted from duty for three years mining machinery such as was not manufactured in Canada. The term expires in March of this year. I propose to ask the House to extend that privilege on mining machinery for three years longer. In the revision for next year we will take this matter up, and it may be that it will be placed upon a different, but, I hope, no more unfavourable basis. Mr. Speaker, I thank you and the House for having listened so patiently to these lengthened remarks.

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

After Recess.

Sir RICHARD CARTWRIGHT. At any time, and under any possible circumstances, the annual exposition, or even the annual reaffirmation of the financial policy of the Government, is a matter of considerable interest to all classes of Canada; and, on the present occasion, when, as the Minister correctly told us, there is an extraordinary feeling of unrest and disquiet pervading the masses of the community, there is no doubt that it is an occasion of more than usual interest. I am not quite sure that I can congratulate the hon. gentleman on having entirely risen to the level of the occasion; but to those who will take the trouble to read between the lines of his speech, the speech was undoubtedly significant enough. To us who have been in the habit of listening to that hon. gentleman and his compeers for a great many years, there was a rather remarkable absence of what I must call the braggadocio with respect to the National Policy, which has heretofore characterized utterances from that side of the House. There was also an almost complete absence of those taunts which used to be flung across the floor to gentlemen on this side, bidding them bow to the will of the people, and assuring them that the National Policy was so rooted in the innermost instincts of the people of Canada that our puny efforts to

disturb it were in vain. Sir, a change has come over the spirit of the dream of my hon. friend. He has had a vision. Possibly he may have dreamed that he heard the president of the young Conservatives of Toronto declaring that they were being annexed in job lots. Possibly he may have heard a gentleman who was whilom designated as the brains of the party, blaspheming the holy tariff, and speaking evil words even against the sacred gerrymander itself. Possibly the hon. gentleman is aware that the farmers' institutes, from one end of the country to another, are kicking against the wise and merciful provisions of his tariff. Possibly he is also aware that there is hardly a subsidized newspaper, or, perhaps, I should say, an insufficiently subsidized newspaper, that is not helping to swell the chorus. Under these circumstances, I can well understand that our political Vicar of Bray might be a good deal puzzled as to what was the duty of a conscientious public man. Of course, the hon. gentleman knows that it is his duty to obey the powers that be, but, on the present occasion, the hon. gentleman is not quite sure who are the powers that be.

Mr. FOSTER. We know who are not.

Sir RICHARD CARTWRIGHT. I do not think the hon. gentleman does. Well, Sir, under these circumstances, I hope the hon. gentleman won't take it amiss if I suggest that if he has not looked to Washington exactly, he has certainly looked to that high-souled American statesman immortalized by Lowell, whose policy, very like the hon. gentleman's, was summed up in these beautiful lines:

There may be men of greater talents,
Who can't sit stidder on the fence.

Although, looking at the hon. gentleman's performances, I may remind him that while a fence may be a steady seat, a tight-rope performance of the rather acrobatic character we have seen to-night, is not apt to be so. Sir, there is a sort of resemblance, if I may say so, between the hon. gentleman and his policy. If I may make the remark without offence, I believe the hon. gentleman commenced his career as a professional philanthropist. Now, I understand that the business of a professional philanthropist is to make everybody else better, as it was the business of the National Policy to make everybody richer. Sir, I wonder if the hon. gentleman ever heard his late lamented leader give his opinion of what a professional philanthropist is? If he has not, I must gratify his curiosity on the present occasion. It is known to some hon. gentlemen in this House that in my green and salad days, ever so many years ago, I was in the habit myself, sometimes, of sitting at the feet of that estimable Gamaliel, and I am bound to say that I have been the recipient of not a little useful, and a great deal of very entertaining, knowledge from that hon. gentleman. Now, Sir, I recollect one