poses of the country. I am, sir, in the happy position to day of being able to affirm-to confidently affirm-that the most sanguine expectations of the Government, and of our s behind us, the most sanguine expectations of our supporters in the country, have seen within two years fully realized. LAST YEAR'S ESTIMATES. I had, sir, at the last session to state that, owing to circumstances over which we had to a great extent no control, we were compelled come down to the House and ask over and above the estimates of the year previous 200,000 for the relief of the Indians in the North-West. We came to the House and asked, and it was cheerfully granted, for \$100,000 for the relief of our suffering counrymen in Ireland. We also asked for sums to meet engagements not anticipated the year previous. We were, therefore, compelled to admit that upon the basis of calculation made n 1879 and 1880, there would be a deficiency of \$500,000 between receipts and expenditure year. Sir, I am happy to say that upon the calculations that were made, so far from the deficiency being half a million, it was reduced to \$243,228. (Cheers.) But I think I hear some hon. gentleman opposite say the public accounts show that the difference between receipts and expenditure was something like \$1,500,000. Well, sir, that is quite true ; but let me call the attention of the House to the fact that in 1879 and 1880 I submitted for their consideration a tariff, the revenue-producing power of which I stated we estimated at \$2,600,000 per annum more than the then existing tariff; or in other words, that the revenue during the next year would, under the new tariff, be \$2,600,000 more than under the old tariff, and deducting ums paid as drawbacks, there would be a net increased revenue upon goods consumed dur-ing the fiscal year of 1879 and '80' of '\$2,500, 000. Well, sir, I said at that time that in that estimate there would be \$700,000 Customs that would be in the year previous, but, to (Hear, hear.) I also stated that from the excise dues collected the previous year there would be \$600,000 borrowed from the next would be 500,000 borrowed from the next year, and that from the enormous withdrawals from bond, the imposts and exciseable goods within the first three months, of January, February, and March; would exceed in Customs by a million and three or four hundred thousand dollars, and excise by \$1,100,000, the figures for the corresponding three months of the year previous. My calculations were based upon the producing power of the tariff: because it will be quite apparent to the House that, no matter when the propositions or changes are made, whether it be in 1874 or 1879, there always will be anticipations of imports and withdrawals from bond of a large imports and withdrawals from bond of a large amount of goods that must take necessarily from the following year revenue that pro-perly belongs to that year. If my calcula-tions had been based on the revenue simply to be received the following year, it would be quite apparent to the House that we would have had to increase the revenue in order to make the actual receipted that wear \$1 200 000 make the actual receipts of that year \$1,300,000 more than was necessary for subsequent years, because that, sir, would have been antienated in the year previous. My hon. friend opposite, sir, when Minister of Finance, it is perfectly well known to members of this. se, discussed this subject in the contro versy that was had in 1874 and in 1875, renewed in 1879, and continued in 1880, with reference to the proposals of expenditure and income made by myself in 1873, and its effect on the revenues and expenditures of that year. It is well known, sir, that the actual receipts of that year were in excess of the expenditure between \$800,000 and \$900,000. I am sure no member on this side of the House ever claimed that the sum collected in that year should be placed to our credit on the basis of the estimates we had previously made. The hon. member opposite, my predecessor, 1 think, estimated that he received in that year as borrowed, to use his terms, from the folas borrowed, to use his terms, from the fol-lowing year, something like \$1,500,000. At all events there was very little discussion as to the amount. There was some discussion as to the amount that properly belonged to that year. Certainly it was never claimed by the present Minister of Railways, or by the hon. member for Niagara, who took up this subject, and it was never claimed by my-salf her tween as hefters that we had a wight to self last year as before, that we had a right to have that \$1,500,000 taken into account rehave that \$1,500,000 taken into a crount re-orived the year following. We now claim that the \$1,300,000 received on goods consumed in 1879 and 1880 could be fairly taken into account as establishing the producing power of the new tariff. Well, sir, on that basis, as I say, the estimated basis for that year was \$24,450,000 ; total cash receipts, \$23,807,406 ; borrowed from the year 1878-9, \$1,300,000. The producing power of the revenue received upon the goods consumed during the year then would be \$24,607,406, as against the estimated revenue of \$24,450,-000. The estimated zependiture of 1879-80 was \$24,978,000, and the actual expenditure was \$24,500,634, showing an increase of re-ceipts over the estimated expenditure, and a decrease in the expenditure under the esti-mate, making instead of a deficiency, as we nate, making instead of a deficiency, as we estimated last year, of half a million, one of \$243,228. As I stated before, if it had not been for the grant necessary—and it was an extraordinary grant—to the Indians of \$200,000, and if it had not been for the grant of \$100,000 for the relief of our fellow-countrymen in Ireland, there would have been a balance to our credit, rather than a defait and this fact shows that the actimates deficit, and this fact shows that the estimates were as accurate as they could possibly be, I think, under the circumstances. THE CURRENT YEAR. Now then, sir, with reference to the pre-sent year. It will be remembered that the estimate of receipts made in March last for the current year was \$25,517,000. The matoms revenue was estimated at \$15,200,-mill nossibly recollect oms revenue was estimated at Hon, members will possibly statement which I made at the t

the basis on which I made that calculation. I estimated that there would be during last year received in cash for Customs \$14,000.-000, which, with \$700,000 added, made \$14,700,000, and for Excise \$5,213,000. I estimated that the Customs revenue would be increased by 5 per cent, or at least that there would be an increase of 5 per cent. in the imports, which would give an additional \$800,000 of revenue from this source, making in all \$15,300,000. Taking all the reveue to-gether, then, our income was estimated at THIRD SESSION OF THE FOURTH PARLIAMENT. Sir LECNARD TILLEY, who was received in all \$25,300,000. Taking all the revene to-gether, then, our income was estimated at \$25,517,000. I am now, sir, in a position to state, after an experience of seven months and a half, with reference to the income of the current year, that I think our income will be at least \$27,586,000 against the estimate of \$25,517,000 for last year. (Loud cheers.) It is quite clear now, sir, from the informa-tion which we have, that the Customs receipts for the present year will amount to seventeen with applause, in moving the House into Committee of Supply, said :-In moving that yon, sir, leave the chair, I desire to make a stateyon, sr, leave the thouse, and in doing so, I cannot do better than follow the course to some ex-tent I pursued when this duty devolved upon me last session, and indeed I may say the previous session. I then, sir, contrasted the previous session. I then, sir, contrasted the position I occupied with the position in which I was placed as Finance Minister after sub-mitting my statement in 1873. I called the tion which we have, that the Customs receipts for the present year will amount to seventeen millions compared with last year's estimate of \$15,300,000; that the revenue from ex-cise will be \$5,600,000 compared with the last year's estimate of \$5,213,000; that the revenue from the post-office will be about what we estimated it at last year, \$1,210,-000; that the revenue from public works will be \$2,286,000, as we estimated last year; that the bill stamps will yield \$190,000; that the interest from investments will be \$96,000, and that the revenue from all other sources will be \$70,000. The estimated expenditure made attention of the House at that time to the fact that in 1873 I could point to a full treasury, to a prosperous condition of the country, and to a peaceful state of things for the future. In 1879 matters had materially changed. I had to point out to the House the fact that for three or four years there had been a deficit, that the trade of the country was very mich depressed. of the country was very much depressed, that our manufacturing and other industries were very nearly crushed out, and that it and that the revenue from all other sources will be \$70,000. The estimated expenditure made in March last, including the supplementary estimates, amounted to \$25,305,788. The supplementary estimates which were sub-mitted to the House a few days since amount-ed to \$457,608. This includes, I am sorry to say, for we were compelled to ask Parliament for another similar vote, a grant of \$200,000 to meet the demande made this year for ame an important and serious duty for he Government then to inquire what steps purpose of remedying the existing evil. At that time the Government submitted proposi-tions to the House which they considered were calculated to remedy this difficulty, and for another similar vote, a grant of \$200,000 to meet the demands made this year for Indians, being the same amount which was required for this purpose for the year pre-vious. But, sir, the sum total amounted to \$25,773,394, less the votes which will not be expended, and which will be dropped at the close of the fiscal year. Although a small proportion of it may be carried over for ex-penditure part wear. were calculated to remedy this difficulty, and last session I was in the happy position of being able to say that to a very great extent the result of the measures that had been sub-mitted and carried through Parliament had been to restore confidence—(hear, hear)—to restored the revenue, and to give an im-petus to our manfacturing and/other indus-tries. Though we were not, from circum-stances over which we had no control at that time in a nosition to state that the receipts penditure next year-I estimate this amount at \$200,000-I think I may safely say that stances over which we had no control at that time, in a position to state that the receipts of the year would equal the expenditare, still we expressed the hope and the firm con-viction that when Parliament next met we the expenditure for this year will not exceed \$25,573,394. A SURPLUS PROMISED. would be in a position to assure the Honse and the country that as far as the financial operations of the tariff were concerned, it If our estimates are correct in this respect Mr. Speaker, the surplus for the current year will be \$2,011,000, or two millions in round numbers. (Great cheering.) I know that there are hon. members in the House who, uld be found to be ample for all the purnot looking perhaps into this matter, may have supposed from the statements which

he basis on which I made that calculati

THE BUDGET.

taken, or could be taken, for

were made from month to month, and from seeing the increase in the revenue as compared with the corresponding months of the pre-vious year, that the revenue would have been larger, but when I call their attention to the fact that during the first six months of the fiscal year previous \$1,300,000 was lost to that year, it having been borrowed from the year previous, and that, therefore, in making a comparison you have to add to the six months previous \$1,300,000, they will see at once that the apparent difference between the receipts for the first six months of the year would be materially affected. But I think it was considered satisfactory to the House and to the country that under existing circumstances we have every prospect of having at least two millions as the surplus for the current year. (Cheers.) So, I think that beyond doubt the revenue-producing power of the present tariff, and, as I will show by and-bye, also the power of the tariff to stimu late the industries of the country-(cheers)is clearly established. (Applause.)

FOR NEXT YEAR.

than I have stated just now our reasons' for asking Parliament for them. I now, sir, come to the estimates for the next fiscal year. It is estimated the receiptivill be as follows :--Customs, \$17,000,000 THE TARIFF. Now, sir, I have before me the income and excise, \$5,600,000 ; post-office, \$1,300,000 bill stamps, \$190,000 ; public works, in expenditure of 1879-80, the expected income and expenditure for 1880-81, and the estimat cluding railways, \$2,360,000; public works, in-cluding railways, \$2,360,000, and interest on investments, \$650,000, making, with the revenue accruing from all other sources, \$27,-800,000. (Cheers.) The estimates of ex-penditure submitted to the House amount to be 190,000 the source the ed expenditure and income for 1881-82. Hon. gentleman may ask if, with the esti mated surplus for the present year of \$2,000, 000, and the estimated surplus next year \$1,500,000, we propose in the resolutions we 26 189 896. I do not know at the present are about to lay on the table any great re-duction in the tariff. My answer, Mr. \$26,189,896. I do not know at the present moment what the supplementary estimates will be, but they vary in different years. I trust that they will not be large, be-cause we were exceedingly anxious to obtain all that was possible to sub-mit as the main estimate for the year, but I will add \$200,000, for I find that two or Speaker, is that the propositions that we are new about to submit for the consideration of the House with reference to the amend-ment of the tariff are mainly for the purpose of placing a number of articles that are now subject to a 20 per cent. duty, and are considered; and are indeed to certain manufacthree items were omitted, probably during the necking off by the clerk. But stating thi

railway we have a handsome surplus, I need not tell hon. gentlemen around and behind me that we shall be only too glad to be in a position to relieve the people of taxation, whether to the extent of half a million or a million dollars. (Applause.) But at present we feel that it would be unwise and undesirable to do that. at the disposal of the Government \$50,000 for the purpose of securing the establishment of that line between Quebec and France. (Cheers.) I know it may be said that under the present tariff in force in France the amount of business that may be transacted between the two countries will not be so ex-tensive as it would be if more favourable trade relations existed between us. But the very fact that the French Government grants \$100,000 to this line will be a declaration on its part that it is prenared to extend EFFECT OF THE NATIONAL POLICY. EFFECT OF THE NATIONAL POLICY. I think, from the facts I have submitted with reference to the state of the revenue up to the present time-facts shown by the paper laid upon the table an hour since—that there can be no question as to the revenue power of the present tariff and its ability to pay all the requirements of the country. (Cheers.) That being established, then comes a very serious question whether, as it is proved to be a revenue producing tariff, it is also a pro-tective tariff. Our friends opposite, as is well known, in this House discussed for some six weeks the tariff submitted in 1879. They took many and serious objections to many of its part that it is prepared to its trade relations to Canada, exter its trade relations to Canada, and Canada therefore will not be in a position to resist for a moment an applica and tion for a grant also. We have, therefore asked \$50,000 for the purpose. Then, sin there has been a growing difficulty in the Maritime Provinces with reference to the Then, sir weeks the tariff submitted in 1879. They took many and serious objections to many of its provisions. They met us with a statement, and a natural one too, that the tariff must prove a failure in one or the other respect, either as a producing tariff or as giving pro-tection to the manufacturers of the country. I desire to ask the attention of the House for a few moments to consider from the evidence we have all had from our every-day observa-tion as was must necessarily from day to day communication between those provinces Great Britain. At one time we had stea Great Britain. At one time we had steamers calling once a month at the port of St. John, and they were well patronized, but, sir, at the present day a new state of things has arisen. The people of the Maritime Pro-vinces for the past year or two have been turning their attention to the export of cattle and agricultural products and of fruit to Great Britain. From the fact that there-was no line of steamers from the Maritime Provinces except from Halifax, and the steamers from that port were not exactly the kind to do the business we required them to do, we were compelled to come to the city of Quebec largely and take the steamers there. This added greatly to the expense of the transport, and resulted greatly to the loss of the people of the Maritime Provinces, who were shipping. Under these circumstances, and considering the importance of the matter, the Government decided to ask Parliament to place at its disposal for a fortnightly steamer we have all had from our every-day observa-tion, as we must necessarily from day to day and week to week be brought into contact with the manufacturing industries of the country without producing a figure or any-thing beyond the observations of every hon. member in this House, whether this tariff has not given a great impetus and stimulus to the manufacturing industries of the country. This tariff has now been in operation since March, 1879, and I have given its operation March, 1879, and I have given its operation careful personal consideration. (Applause.) I have done more—I have endeavoured to obtain reliable information from every part of the Dominion as to its working and as to the effect it is producing upon certain indus-tries, as to the new industries which are created, and the old ones that are revived, and as to the general impetus it has given to the manufacturing industries of the Domin-ion. (Cheers.) I do not hesitate to say that those incuries have resulted in the most place at its disposal for a fortnightly steamer running alternately from Halifax and St. John, serving Prince Edward Island also, the sum of \$25,000. I feel, sir, that this increase of \$75,000—it is an increase of \$75,000, but there has been a reduction a some other expenses which makes the those inquiries have resulted in the most favourable returns and in the strongest posactual increase 56,140—will be sustained by the House and by the country. (Applause, on railways and canals, the increase is \$76, sible evidence of success. (Renewed cheers.) I know that there are hon. gentlemen in this House who will say that I and my friends 268. This is for repairs, which in many case extensive during the are too sanguine upon this subject. I have desired to bring a few facts to present for their consideration. I would ask them how approaching year, and enlargements. There may be a question whether a portion of this sum should not be added to capital, but it it is possible that the trade returns and other evidence presented to us could show such largely increased importation of raw material if our was considered best under all the circum stances to ask Parliament for that sum to b sharged against income. The estimated post-office expenditure is increased by \$91,500. As will be seen by last year's estimates, we Increased importation of raw material if our manufacturers had not largely benefitted. Let me, sir, in the first place, call the atten-tion of the House to what is in my judgment one of the strongest evidences possible of the increase in our manufacturing industries in this Dominion. We know there are certain industries that do not require fuel to carry asked for an increase theu, but I am happy to be able to say that while in 1879-80 there was considerable increase in the expenditure or the postal service, there was also an increase ndustries that do not require fuel to carry them on, as steam power is not used. But in in the revenue, although not a corresponding increase to the expenditure. During the a large portion of them steam power is re-quired. I wish, therefore, to compare the conpresent year there is an increased income expected from that source, and you will observe that the estimate of income men tioned by me a few minutes ago was \$1,300,

sumption of coal in 1878-9, and the same in 1879-80. In 1878-9 we imported of coal 889,740 tons, and of Nova Scotia coal we con-sumed 554,603. I ascertain this by taking the whole number of tons of Nova Scotia coal consumed, and deduct from it the number of tons exported, the balance being the amount consumed in the Dominion. This makes a total of 1,444,343 tons altogether consumed in Canada in 1878-9. This importation of coal was one of the elements that I did not calculate upon. I was not sanguine enough when I made my statement in 1878-9. I sup-posed that the consumption of Nova Scotia coal would so increase that there would be coal would so increase that there would be less importation and consequently less revenue upen this article. But if I find that in 1879.80 we imported 973,778 tons—(cheers)— of Nova Scotia coal, we consumed 811,719 tons—(renewed cheers)—making the in-creased consumption of coal in that year over the one preceding 341,154 tons, the increase in Nova Scotia coal being 257,116. That bears very strongly and clearly to my mind upon the very subject we are discussing. As to the effect of this tariff upon the manu-facturing interests of this Dominion, I desire to give a little further information, because I consider this pretty strong evidence. I may say with reference to the cotton manu-factures that they have very largely inyear \$4,404,000, making a difference of \$746,000 in the value and \$77,000 in the revenue for the year. I want to explain where facturers that they have very largely in-creased. We have several new factories amount has gone. There were 48 tons of sugar from the West Indies, on which started, and many of theold ones havebeen en-larged. The returns submitted to me show that we are employing to-day in the cotton factorics 1,8 0 hands more than we were freight had to be paid. Now you will recollect that the duties collected in 1878when the tariff was changed. (Cheers.) The best evidence we have outside the evidence best evidence we have outside the evidence now before me<sup>1</sup> is that, as I learn, the pro-ducts of the cotton mills have been increased about one and three-quarter millions a year, and it is said that the interprise has not been ruinous to those engaged in it. (Laughter.) I know there was some fear expressed that so rapidly was this industry being developed that by-and-bye cottons would be so cheap that the men who had capital invested in the factories would be ruined. Well, my outside inquiry leads me to the facts I have stated, that the products of the factories have inthat the products of the factories have in creased a million and three-quarters a year, creased a million and three-quarters a year, and we are now employing 1,850 hands more than last year, and that is evidence of prosperity that cannot well be gainsaid. Gentlemen may say, "But your returns are not right. You have been in communication with parties interested in this enterprise, and they have given you large figures." Or if you visited the factories yourself, as I heard it said in the case of some places I went to, "the men were taken from the lower floor to the upper floor to make an exhibition." (Laughter.) However, I am pretty confident that there was no ground for that statement that there was no ground for that statement. It might be said, however, that my calcula-tions were wrong. But take the trade returns, and what do we find? We find that in the last eighteen months the imports of new cottons-this is raw materal, and we have none in the country, and the amount imported gives a fair gauge of the extent of manufac-ture—increased \$871,478. Now, sir, the in-creased value of this material, when manufactured, is admitted to be from \$1,450,000 to \$1,525,000. That is, that this raw material, with the labour of manufacture added, is in value \$2,396,564, representing the in-

ad and invested in the industry. result corresponds as nearly as possible with the essimates from eighteen mills in the Province of Ontario, twenty in the province of Quebec, and some in the Maritime This lear.) in the Maritime provinces, showing an in-crease in the products in all of about \$2,-000,000. We now some to solve the solution of the soluti 000,000. We now come to another raw ma-terial, which forms an illustration of the in-crease which has taken place under the tariff in the value of the articles manufactured in In the value of the articles manufactured in the country. I refer to the articles of hides. The increased value of the imports for eighteen months was \$807,297, and in the value of the manufacture of \$1,614,000, leav-ing for labour, bark, which is practically labour and capital, a sum of \$806,703. The result of my encuring so far as I have been able to obtain information from the leading industries, was all in this direction, and showed in effect what I have stated. The and snowed in effect what 1 have stated. The increased value of iron entered for consumption during eighteen months was \$303,189. Now, sir, this is only an approximate estimate. It is moreover a low estimate, and when we take into consideration the quantity which enters into the manufacture of stoves, sewing machines, & a, the value of which is \$10,000,-000 ms and the difference between the sub-000, we find the difference between the value of the raw material and the manufactured article to be nearly \$700,000, all of which goes to pay for labour and capital invested.

A SO-CALLED FAVOURED INDUSTRY.

Now, sir, we come to a question which has perhaps received more attention than any other arising out of the present tariff—an in-dustry which is spoken of by our friends opposite as one of the pet industries of the Dominion of Canada. The tariff largely increases the consumption of the article pro-duced by this industry, and so, it is alleged, reduces materially the revenue to be derived from it. I refer to the article of sugar. Sir, I wish to make some statements to the House on the subject of this so-called favoured industry, in the course of which, I think, I shall be able to show that it above all others is deserving of our support, not only as affect-ing the industry itself, but as affecting the general interests of the Dominion of Canada. I have seen it stated since the trade returns were laid on the table of the House that it is quite clear from the statements contained therein that this is a losing industry for the country, because it is shown that in 1878-79 the value of the sugarimports was \$5,650,000, and the duty derived from it \$2,554,000, while the value of the imports of 1879-80 was \$3,094,000, and the duty collected \$2,036,000. The question is asked, how can you explain the decrease of the imports and the decrease of the revenue, unless the money goes into the pockets of the refiners? I will endeavour to explain, and I will leave it to hon. gentlemen opposite to show if I am wrong. If there is any fallacy in my statement, I would like to have it exposed. We find that the value of the imports of 1878-9 and the duties collected were increased from the very cause I referred to, that is to say, from the large im portation and a withdrawal of an enormous quantity of sugar, which took place during the period immediately before the new tariff came into operation. We find on looking over the imports of January, February, and March, 1878, that we imported a little less than \$1,000,000 worth of sugar, while in 1878-9, during the same period, we imported a million dollars' worth more, and the result was that we paid \$225,000 that is the half o \$450,000 collected upon the importations of 1878-9, which belonged to the next year; and we paid half a million dollars for sugar that was consumed in the next year. If, therefore, you will take half of the extra million dollars during these three nonths and add it to the value of the imports of the following year, we have \$2,251,692 as against \$2,929,582 of the previous year. Then, so far as the revenue of the year is concerned, if you carry forward this particular item, you find that it makes a net amount of \$77,390. Now sir, the difference of the value the article as shown in this statement would be \$746,390. It may be said that this mount is in the pockets of the refiner. will endeavour to show where it has gone. want the House to understand that the diffe ence is this, that the value of the imports in one year would be \$5,150,000, and the next,

of the Dominian pay more for their than they did under the old tariff. copie of the Dominion Paper manufactories are also increas ber, and producing more than ever coloured papers inclusive. We sir, is greatly exaggerated. (Hear, I hold in my hand what I believe to and colo nufactory en a large scale Aontreal. The organ and now one paint ma hear.) I fold in my failt with reference to pranulated sugar during the past year. I have here the prices of every month during 1880, in the United States and in Montreal. The prices in the United States averaged \$6.52. Add the old duty, because I am makhed in Montreal. piano industry is largely increasing every-where, and the increased demand at home, which is something marvellous, is one indication, at all events, that times are more pros-perous, for such articles are purchased \$6.52. Add the old duty, because I am mak-ing the statement under the estimate of the old duty, 25 per cent., \$1.63, one cent per Ib. \$1, and all other expenses of every kind 35 cents; that brings the price of granulated sugar to \$0.50, as against an average price during the past twelve months of \$9.75, or an increase cost of 25 cents per hundred as between the present price and what it would have cost to import it under the tariff of 1878. Now, I am also informed on what I consider reliable authority. that the vellow only when people can afford it. Then we have lock and brass works of various kinds and we for the first time are manufacturing wire. There is in addition a corset factory in one city that employs five hundred or six hundred hands, and a ready-made clothing establishment employing nine hundred. Soap and other manufactories are increasing all the time-all multiplying the number men and increasing their wages. From a careful estimate it is now established that in consider reliable authority, that the vellow refined sugar is put on the market to-day by the refiners and sold at from 14 to 19 cents per hundred lbs. less than it could be imported from the the last year the increase of raw material in value by the application of machinery, capi-tal, and labour throughout the Dominion wes \$6,000,000, and the number of persons to 19 cents per numerical from the United States for under the tariff of 1878. (Cheers.) I may go further and say that grocery sugar, which costs between 13 and 14 cents per hundred less, now pays  $\frac{9}{2}$  cent per lb. and 30 per cent. duty only, when under the tariff of 1878 it paid one cent a pound and  $\frac{9}{25}$  nor cent. duty.

Sir LEONARD TILLEY-I speak of that

you were to concentrate them, a city of 40, 000 inhabitants and another of 20,000 more, class of sugar'of which I had a sample a year ago-a very fair grocery sugar. That sugar because we do not import the half of what they consume, which gives increased employ-ment to our own people? We are thus practically building up in a year a city of 60,000 inhabitants with the capital expended last year in this way of \$5,000,000 or \$6,000,000. We are mported to-day at a quarter of a cent per lb. ss than it was in 1878, with five per cent. ad valorem less duty, and the packages con-taining it being free of duty when brought directly from the West Indies. Therefore that class of sugar is nearly a quarter of a establishing new manufactories of various kinds apart from other expenditure to the cent. per lb. less to the consumer to-day than t was in 1878. It is quite true that the ad advantage of our people, and all these are the results of the National Policy in the last eighteen months. I would ask the House valorem duty on raw sugars used by the re-finers was increased from 25 to 30 per cent. in the tariff of 1879, but there should be no comwhether under the circumstances, the most sanguine supporter of this policy expected it would have accomplished so much in that plaint if the refiners have to pay that. It does not amount to that, because the practical effect is there is no duty on the packages as there was in 1878, so that it does not cost a THE AGRICULTURAL INTERESTS great deal more than under the tariff of that year. Therefore, looking at it from this standpoint, if the refined sugar under this The leader of the Opposition stated that I intimated my intention of visiting the agri-cultural districts. He must have seen that I statement costs an average of 25 cents a hunvisited some of them last year, but not so many of them as of the manufactories. lred more, and if yellow sugar of average quality is sold to-day 70 cents per hundred Unfortunately for my plans in this respect three members of the Government were abess than under the old tariff, and can be had a quarter of a cent less per pound, then the people who consume sugar in Canada cannot be paying a very large sum over and above what they paid before. (Cheers.) But we have in addition to that an industry created which represented \$750 000 last very which sent in England a portion of last summer Some of us had to keep watchward, and were unable to go away as much as we desired. But what did we find ? Some few facts are patent upon the face of your inquiry every where you go. I know it is a vexed question which represented \$750,000 last year, which is increasing and growing, and will increase and hon. members on both sides of the House argue it from different standpoints, but it is and grow, amounting during the current year probably to \$1,000,000, and what is more, the vessels that brought that sugar into the port ar that the effect of the tariff has been to increase the price of flour, wheat, and other of Montreal-because it was confined cereals, and from the most careful inquiry that can be made, I have arrived at this esti-Montreal during the last year-and brought the coal there necessary to refine amounted to 62,000 tons. (Cheers.) W mate, that flour is increased to the consumer on what is consumed in Canada effect had that upon the general industries of the country ? It had this effect, that while but 10 cents per barrel. That is the calcula-tion I make. There must be some speculait gave a large increase of revenue to the port of Montreal it gave a largely intion about it, but that is the closest es I can obtain. The increase in prices last fall creased business to that district of counand in last June and July in Canada was un try. (Hear, hear.) But it did more. The fact that these 62,000 tons of shipping were at that port led to the shipment from it questionably caused by the tariff. There are periods of the year after the lowest when we have an abundance, when in spring a large portion has been manufactured, and owing to the increased demands of the mills, the prices of a larger quantity of grain, and of foreign products from the United States ; because there was the tomage and freight at a re-duced rate. The competition of those 62,000 When there is a surplus, and when a market must be sought elsewhere for the tons did diminish very materially freights at wheat, prices may not be materially affected Montreal last summer and in August and September, and every 10 cents saved on a but at the same time there are periods in the year when the growers obtain a barrel of flour was so much more of the prothey did last spring. With respect to rye, find from investigation that there has been in ducts of Canada left in the producers' po ets. (Hear, hear.) And every half cent repart of the Dominion and along the banks of duction in the freight of a bushel of wheat went into the farmers' pockets, as did also the St. Lawrence a new inquiry for that article, and that the distillers of Ontario and every 10 cents saved in the carriage of a box of cheese. (Applause.) And so with all Quebec, instead of using corn, are asking for and buying rye, giving growers an increased price as the result of the duty on corn. The duty on corn has increased the production of similar reductions in freights, of bacon, pork, and other products. If by the oper-ation of this tariff we attracted last year to that port 62,000 tons of dity on corn has increased are production of corn in Ontario, especially in the western portion of the province, whatever may be said with respect to other por-tions of the Dominion. With regard to oats; it is estimated that the result of shipping that otherwise would not have been seen within it, I believe that indirectly the whole Dominion, and especially the West, experienced from it a great and decided, adoats, it is estimated that the result of the tariff has been to increase the price of vantage. (Hear, hear.) But during the pre-sent year this advantage will be extended to the lower provinces, and with our sugar reoats in the Maritime Provinces, and part of Canada three cents per bushel to the tion in Ha what will be the result? There will be a large increase of trade between those proes and the Dominion generally, and the West Indies. When our vessels going to the West Indies have a return cargo of sugar and other articles, they will be able to carry away from our ports fish and other products at lower rates, which will give us the benefit of greater employment for our own vessels be-sides. If, then, we should pay twenty-five cents per cwt, more on our sugar, the agricul-turists of the West and lumber and fish merchants of the Lower provinces will have an advantage and equivalent, or even greater, in that increased trade with the West Indies, reduction of freights and larger though it had to be sold at low exports from the lower provinces and province of Quebec. (Applause.) INCREASE OF MANUFACTURES. The next point to which I shall call atten-tion is the increase of our manufactures, throughout the country. We see new furni-ture factories and new establishments for the manufacture of locomotives and rolling stock, one of which I had the pleasure of visiting. This shows the increase of enterprise in the country. With reference to one new industry-the manufacture of beet root sugar-my colleague beside me (Mr. Mousseau) has just contague beside me (Mr. Monseau) has just handed ma a cablegram from Paris, which he has received to-day. I see my hon triend opposite (Sir Richard Cartwright) smiling, as much as to say, these telegrams are very con-venient. No doubt they are very convenient sometimes, but pretence is not necessary in this protein for it is an extablished fort. The matter, for it is an established fact. The beet-root sugar factories, which have been exempt from payment of duty for ten years, have now only two years to run ; and the intention is to extend the period eight years from July next. The machinery for the factory cheers). referred to in the telegram has been pur-chased in Paris. I come now to the furniture factories, in regard to which I find a considerable increase, though not so large as in some of our other industries. With regard to locomotives and rolling stock, the amount required by one railroad company and largely by the Government has been or-dered, and is being manufactured in the Do-minion. Look, for instance, at the Grand

importation of those from would increase. In reply We have I will simply read a tabulate ment which I have in my hand, exactly what has been the course between Canada and England, th States, and other countries respective 1874-5 In 1874-5, the importation 1874-5 In 1874-5, the importati Great Britain were \$60,000,000, United States, \$50,000,000, fro countries \$8,000,000, or 50 per ce Great Britain, 42 per cent. from the States, and 7 per cent. from other In 1875-6, the figures were Great \$40,000,000 or 43 per cent.; Unit \$46,000,000, or 48 per cent.; Unit \$46,000,000, or 48 per cent.; Unit \$46,000,000, or 48 per cent.; Unit \$46,000,000, ot 48 per cent.; Joint \$51,000,000, other countries. Great Britain \$39,000,000, Unit \$51,000,000, other countries \$5,00 41 per cent. from Great Britain, 53 from the United States, and 5 per cent. of workfrom the United States, and 5 per o other countries. In 1877-8 from Gra \$37,000,000, United States \$46,000, countries \$5,000,000, or a percentage Great Britain, 53 for the United S 5 for other countries. In 1878-9. t from Great Britain was \$30,000,000 United States \$43,000,000-for bulk of the imports that were bro the country in February, 1879, cam United States, such as grey cotto sugars, and a number of other art that year we imported from other \$5,000,000, and the percentage for was 38 per cent. for Great Brita cent. from the United States, and 6 from other countries. In 1879-8 from other countries. In 1879-8 ported from Great Britain \$34,000, the United States \$29,000,000, other countries \$7,000,000, or a per 48 from Great Britain, 40 from t States, and 11 from other countri other words for the first time size other words, for the first time since importations from England were of those from the United States, argument of these hon. gentle the tariff would create an unfriend between England and Canada an our credit. Let us see what is the upon that point. I have in my pamphlet published in England, s xports from Great Britain to other and I find that during the presen exports from Great Britain to Ca increased by £1,200,000 or \$5,000, English writer shows that our tra creased with that country instead of

a material falling off, as hon. gent dicted would happen under the tr of the Government. THE COUNTRY'S CRED

Then, sir, as to the effect upon of I was able to show last year th curities stood at 951 and 96 as com 90. or 91 and 92 in 1878, and to that with the accrued interest at 1 1041 and 105, or an increase of seve per cent. (Loud cheers.) The h man opposite, my predecessor a Minister, (Sir Richard Cartwri "That may be true, but you ha creased your securities in the sam the United States." Now, on t December last,  $4\frac{1}{2}$  United Stat funded so, stood at  $103\frac{1}{2}$ . In 18 States 41's stood at 1151 and securities in 1878 were worth from while at the present moment they at  $104\frac{1}{25}$  a fact which shows a equal to that of the United curities. (Applause.) But I allude to state of still more in In 1878, New South Wales securi higher in the money markets of En my other colonial securities in The were actually fun one cost They were actually five per cent. i of ours at that time. To-day ours in advance of theirs-(cheers)-a will show the relative credit of the tries, though I admit that the largely due to the abundance of m at any rate there is the fact that the Section Value to the sector of the sector of the Sector Value to the sector of the sector of the Sector Value to the sector of the sector of the sector of the Sector Value to the sector of the sector of the sector of the Sector Value to the sector of the sector of the sector of the sector of the Sector Value to the sector of the s South Wales by five per cent. duri two years. (Loud applause.)

THE RATE OF TAXATIC I come now to another point-na predicted increase of taxation upor sumer. It was stated in 1879 by gentleman opposite, and repyear, as well as during that the effect of this t to add to the taxation of the Canada a sum of \$7,000,000. 52,000,000 would

treasury. I would like to ask the terminan how that could possibly

the question not only to him but t themen on both sides of the Hous

our imports have been diminished 000, add this to the \$71,000,000 w

sents the amount entered for c last year, and we have \$77,000,

amount representing our importa had not manufactured a certain

goods at home. The average t

fifth, which upon the \$71,000,000 about \$14,000,000. The additional

the \$6,000,000 - which we will est

sents the reduction of imports-w

the goods had been imported inste-made in this country, \$1,200,000,

the \$5,000,000 which the hon. named. But when I point to the

implements, a large portion of the woollen goods, a large portion

manufactures, and many other as regard to which hon. gentlemen s

is not popular, because it has in price of the raw material, then

but a very small portion of the \$ paid by the people of this country of the change in the tariff. (Che as to the contention of my

sor (Sir Richard Cartwrig a tax of \$5,000,000 is imposed

people, and that \$2,000,000 goes pockets, I confess I cannot und

and I hope that the hon, gentler explain it that it may be unders

House and by the country. (Hear Mr. PLUMB-They tried to en

THE TARIFF AND THE PR

Sir LEONARD TILLEY-Ano

tion to the tariff was that it w

break up the Union by distrib

tion of the country unequally provinces. In the language of my

from Centre Huron (Sir Richard

the smaller provinces would

larger sum proportionately than t

larger sum proportionately than ti Ontario and Quebec. The hon. even went away down to vinces by the sea, and expressed hi for us there, and I am sure I tha

his sympathy. But let us see whi tion there is for it. It would, the l

man said, break up Confederati

ing unequal taxation. It would d admirable superstructure which proud of. It would destroy that union country as a whole rejoiced to know

accomplished, and which was in the of the whole country. But let

unequally this taxation during t under this tariff has been bearing

ferent provinces. I have prepa

that I desire to draw the atte House to, and which show that

has borne more heavily upon of of the provinces than upon — and there has been, things into consideration, r difference—it appears to have heavily upon Ontario and Quebec the smaller provinces. The increase

the smaller provinces. The increa of duty on goods entered for consul

several provinces under the new follows :---Ontario and Quebec 3.7

Nova Scotia 2.55 per cent., New 2.18 per cent., Manitoba 2.12 British Columbia 5.18 per cen Columbia seems to have had in

her share. (Hear, hear.) I v briefly one of the causes that l

Perhaps it may be remedied this some extent. Prince Edward Isla per cent. In those figures is ta

int the fact that in the provin

count the fact that in the provine last year a large portion of was received on sugar refined Maritime Province \$45,000 n was entered than in the vious. Instead of being imp the United States, it was in Montreal, and taking that inte

West Toronto last summer.

## THE WEEKLY MAIL, TOBONTO, THURSDAY, FEBRUARY 24, 1881.

ing a market. If we find that in additi

he \$300,000 required for interest on enditure on the construction of the Pa way we have a handsome surplus, I need

Lawrence, the city of Que

t would be an adv

will be somewhat

000, which is a sum considerably in excess of any amount we have yet received from that

source. However, these items I have named make altogether \$776,944, as against a total

increase, including the supplementary esti-mates, of \$\$84,000. When we come to these items, sir, and ask the House to vote them,

we will be in a position to state more fully

he French Gov

00 towards this undertaking. It was con-idered desirable to ask Parliament to place t the disposal of the Government \$50,000

turers, raw material, in the free list. estimate at \$200,000, the estimated exp resolutions also provide for the increa the duty on some manufactured articles where the Government feel that it is desir-able that additional protection or sup port should be given to those parare for next year will amount to \$26,389,896, eaving an estimated surplus of \$1,410,104. Now, sir, I beg to call the attention of the House to a few of the items that are in the present estimate. With an increased ex-penditure for the next year, the House will not be surprised, sir, considering that the port should be given to those par-ticular industries. There is also a reduction of duty on two or three articles that are considered to the manufacturer raw estimates contain expenditure under the head of capital of something like \$14,000,000 for the Pacific railway, for canals, and for other public works, that an increase in the interest of the debt will be necessary during next year; and, therefore, the sum of \$319,605.37 has been added to the interest on the debt and sinking fund for next year. The subsidies to provinces show an increased esti-mate of \$33,919.78. This has been used in mate of \$55,918.75. This has been used in order to make an even amount in the estimates. It becomes necessary, owing to the census which is to be taken this year, and under the Union Act, we are required to and under the Union Act, we are required to pay 80c. a head to all the provinces which have not a population of 400,000, and of the negotiations which are at present going on with Manitoba. It is probable there will be an increase given to that province, espe-cially if the boundaries are extended, and it is estimated in round numbers that \$32,000 will have to be added to the item of subsidies to province output to these two evens will have to be added to the item of subsidies to provinces owing to these two causes. The charges for management are increased by \$10,438.68. That arises from the fact that several thousands will have to be paid to the agents during the next year as one per cent. on the redemption of a much larger portion of the debt than it was necessary to redeem during the current year. The estimate for 'public works and buildings is increased by \$127,772.97. Hon. members recollect years well that during the last two years public works and buildings is increased by \$127,772.97. Hon. members recollect very well that during the last two years, while a surplus was not assured, and while on the contrary we had to admit at the last session that there would probably be a deficit of half a million, the Minister of Public Works and his colleagues had to resist many applications—applications in re-spect of works recognised as having great merit-because we did not wish to increase the expenditure beyond the income. Many of these claims which we had to reject when we felt we had not the means to provide for them, we feel we are bound to recognise now that we show a surplus of two millions in the treasury. In consideration of that, and look-ing to the improvement of our harbours, our navigation, and oar public buildings— Sir A. SMITH—Hear, hear. Bir LEONARD TILLEY—My hon. friend opposite says "hear, hear." I know he is hoping that his own locality will be con-sidered. I am glad to know that he approves of the improvement of these great public works. Under these circumstances, I say the House will not be surprised, the country will not be surprised, but on the contrary will be gratified, to know that the Govern-ment feels itself in a position to increase the expenditure on the public works in these great national objects to the extent of \$128,000. Then there is an increased expenditure of \$51,300 for the militia. During the past two <text><text><text><text><text><text>

material, in order to place them in a better position than they were before. There are solutions for the purpose of smoothing, if ] may use the term, the working of the Act, or of the tariff, as far as our Customs officers are. concerned, to remove the difficulties which have been found to exist in working out this tariff, and in fixing a specific rate of duty by all officials throughout the Dominion. We have found that varied rates have been fixed by different officials on the same article, and t became the duty of the Government to see if, by changing the wording or classifying the goods under a different head, they could not remove what I admit to have been an annoyance to importers. I know that last session we removed a great many of these, and I trust the resolutions now about to be submitted will remove many more, if not the whole of them. But these resolutions will not materially affect the tariff, except perhaps in reducing the amount to be received, but im-materially. The Government considered the question whether it was desirable in the present state of things to ask Parliament to take the duty off cotton goods, or reduce the duty on others, and so materially reduce our receipts. After giving that matter full consideration, we considered it undesirable in view of the fact that even at the present time the effect of this tariff, or National Policy as it is termed, has not been fully developed, and we do not know as these manufacturers increase and grow in the country whether they will give back through their employés an equivalent for what we impose on similar products. We do not know what will be the products. We do not know what will be the effect of the rapid extension, because it is very rapid indeed, of the manufacturing in-dustries of the country. (Applause.) We thought it desirable on this ground alone to make no proposition for a large reduction of the tariff during the present session. More than that, when the tariff was brought down in 1879, it was stated distinctly that the Gov-comment was exceedingly any ione if carried and indirect of the people of the araif on direct and indirect of the people the tariff of the people of the ground alone to make no proposition for a large reduction of the tariff during the present session. More in 1879, it was stated distinctly that the Gov-comment was exceeding the present is people.

79 were upon refined sugar manufactured to a large extent in the United States and imduty upon the labour of the refiner of the sugar upon which freight was paid, and upon other charges and expenditures in the same connection, which swelled the value under that operation \$746,000. Where did it go to? Freight on 38,000 tons of sugar, at \$6.50 per ton, that came to Canada that we received no portion of; that was, of course, paid by the refiners in the United States, where it was taken to for the purpose of being refined, and where they paid it. That \$247,000 was paid last year to the vessels that brought that sugar mainly to the ports of Montreal and Halifax. There were 24,000 tons of coal used in refining sugar in Canada last year. That, at \$4 per ton, delivered at the re-fineries, amounts to \$96,000. We manufac-tured in Canada last year 300,000 empty barrels, which formerly were manufac-tured in the United States, at 36 cents per barrel, amounting to \$96,000. The wages of 400 hands employed in refining that sugar \$160,000, wharfage that went into the revenue of the commissioners at the port of Montreal, and cartage mainly paid to the people of Montreal \$27,000, animal charcoal and other expenditures for refining material, depreciation of stock, &c., \$40,000, interest on investments in the two establishments then in existence \$49,000, insurance on the buildings \$12,000,  $1\frac{1}{2}$  per cent, premium on the sugar that was im-ported \$67,500. You will find that these added to the cost of 4,404,000 pounds of the raw material make a total of \$794,500 as against the \$746,890 stated here. (Cheers.) t will be difficult until the trade and naviga tion returns for this year are before Parlia-ment to compare the figures of last year with those of preceding years, but for the six months of last year for which we have re-turns, what do we find? We find under the turns, what do we find? We find under the existing tariff that the quantity imported during the first half of this year was 2,915,-000 lbs. against 2,061,344 lbs. for the last half of the preceding year, and that the duties collected for the first half of this year amounted to \$1,398,000 against \$1,101,000, showing an increase of \$297,000 during the first half of this year, and if we have but two-thirds of this during the balance of the year we shall have more revenue out of sugar this year than in any previous year minon. Look, for instance, at the Grand Trunk Railway Company alone. You need only enter their workshops at Montreal to see what a wonderful impetus has been given to that particular industry, and at every city you will find similar evidence of the beneficial operation of the National Policy. You will see moreover one factory for locomotives at Cohours, another at London and more in Cobourg, another at London, and more in other localities. But under the old tariff they were imported from the United States. In the production of agricultural imple-ments, waggons, etc., the last year or two witnessed a large increase. The makers complain that they make no more profits than before, but we find the quantity largely increased. The returns from Manitoba show a great increase in the purchase of Canadian manufactures and products since 1872-an in-crease that is marvellous. In that year their value reached \$390,000, and last year \$3,600, 000 worth of the manufactures and products of Canada were imported into Manitoba and the North-West, a large portion being agri-cultural implements, and a new market has been opened for our wares in that country, from which those of the Americans have been obst out. In the language of a gentleman T from which those of the Americans have been shut out. In the language of a gentleman I met at Kingston in April last, and who for-merly lived in Canada but now resides at St. Faul, Minn., our tariff has killed his business with the North-West. The boot and shoe industry has increased 25 per cent., both as to the amount produced and the num-ber of the amploid. We find them both as to the amount produced and the num-ber of the employés. We find them, moreover, working full time, while before they worked but one-third time. The manufacture of earthenware is constantly increasing. That of hardware, including stoves, shovels, and hoes, has received a new impetus. Among the new factories established are two for silks—one at Hamilton and the other at Montreal. They weave magnificent silks, and are preparing to make bands and ribbons.

consumer, and if it is any comfort to hon. gentlemen opposite, to the lumber merchant. What did I further find? That no part of the tariff is more acceptable to the agricul-tural population than the increased duty im-posed on fruit. Under this system persons who desired to obtain fruit in the early sea-son when Canadian fruit was not fit to use could afford to pay the increased duty. In the season when we had a surplus, and we had a large surplus last year, it is beneficial. had a large surplus last year, it is beneficial. It is admitted that if it had not been for the duty imposed, last year's fruit crop could scarcely have been sold, and that figures, yet though it had to be sold at low ingures, yet the financial result would have been infinitely worse had there been no protection. With respect to bacon and ham, there is now a pro-tection to the farmer of 26 per cent. I may here say that some of my hon, friends be-hind me have been urging on the Government to increase the duty on salt pork. That article anters heredy into consumption by the article enters largely into consumption by the lumbering interests, and that is an interest which we cannot legislate especially in favour of, but against which we desire to legislate as lightly as possible. We have not, however, seen our way clear to ask to increase the duty on salt pork at present, but I may say that in looking over the duties we find that about 19 or 20 per cent. is the duty on pork and other meats. Then see the effect of 42,000 consumers of vegetables, poultry, eggs, fresh butter, and cheese and everything that comes into the home market in the neighbourhoo of the manufacturing centres, they receive for all those which may be considered perish able articles and cannot be exported to Great Britain, increased prices as the result of the increased number of people employed in manufactures and their prosperity. (Loud OPPOSITION ARGUMENTS REFUTED. In 1879 and last year, especially in 1879, very grave objections were brought against our tariff by hon. gentlemen opposite in a very plausible manners. It some of those objections had been borne out by experience the fact would have had some effect on the Government, but I am happy to say that after looking at seven or eight of them evidence has proved that the fears entertained by hon, gentlemen opposite were without foundation, and that we stand here to-day with our policy vindicated in the face of the country. One of the objections put forward was that the tariff would reduce the foreign ex-ports viaj Montreal and Quebec, and the St. Lawrence if we imposed Customs duties on raw material, or upon wheat or flour and preducts of foreign countries passing over railproducts of foreign countries passing over rail-ways and through our canais to Europe. It that could have been established, there would that could have been established, there would have been some ground for considering how the fact should influence our conduct in the matter. But what are the facts? I glean from the official records that during the sum-mer of 1878, the open season from May to No-

benefit, as

in this

vember, there were exported foreign products of the value of \$6,143,771, in 1879, \$9,437,727. Last summer, \$11, 148,509. Hon. gentlemen opposite called attention to the necessity of dealing with this matter, but the Minister of Customs made arrangements by which the products of the Western States would pass through without let or hindrance under regulations adopted by the department, and no inconvenience whatever was felt. Now let me say here that in addition to these Now let me say here that in addition to these I think the increased export was due to a large extent to the increased tonnage that was there. I recollect being in St. Catharines in the autumn of 1879, and the owners of vessels in the canal have told me that the trouble was with regard to the necessity for increased tonnage at the port of Montreal, and they had either to have that increased accommodation there or pay the piper where they were. And I say that any policy which will increase the tonnage at Montreal will re-lieve this difficulty and give a larger trade to our railways and canals our railways and canals.

TRADE WITH GREAT BRITAIN. Another objection was that the imports of English manufactures would decrease while