

at their general meeting last month decided that they would ask for an alteration in their Act to enable them to reduce their capital from \$1,000,000 to \$500,000. Does that look as if business was in a very prosperous state, and money in great demand? I think not, Sir. Then he stated that the merchants of Halifax were doing a much larger business than formerly. Well now I do not believe that the senior member for Halifax would make that statement. I know something about Halifax, I know something about Nova Scotia, and I do not hesitate to say from the best information I can obtain that business of all kinds has not been so depressed as it is at present for many years, many old business men say 40 years. I have known when times were considered hard, when business in some particular branches of industry was in a depressed condition. It has often happened that when the ship-building business was dull the fishing business was good; when the fishing business was bad the lumber business was good; and when the lumber business was bad the mining business was good, and so on. But I have never seen the time when the depression was so general as it is at the present time. I speak thus confidently because I know what I am speaking about. I have always had a very great objection to leading the House to suppose that we are very much worse off in Nova Scotia than other portions of the Dominion; but when hon. gentlemen state publicly in this House that business is in a flourishing state, that men are doing a larger business than they have been heretofore, I feel bound to state that that is not the case. The best evidence we have that business is not in a thriving state in Halifax is the fact that real estate of all kinds is not worth, upon an average, more than 60 per cent. of what it was fifteen years ago. Wharf property, which is the best index of the state of trade, is not worth more than half as much as formerly. I know that within the last two or three years wharf properties, that sold seven or eight years ago for from \$30,000 to \$40,000—\$20,000 paid down, leaving a balance of about \$15,000 on the property—have within the last two or three years been taken back by the mortgagee for the face of the mortgage, say \$14,000 or \$15,000. I know that in several other instances wharf property has depreciated to the same extent. I do not believe any business man in Halifax will say that business is in a satisfactory condition if I except the junior member for Halifax. Then the business men of Halifax depend largely upon the West India trade; but the policy of the Government with reference to sugar has, I may say, almost ruined the West India trade, on which Halifax so largely depends. The duty on sugar is so arranged that it is an advantage to import it from Germany, from China, and from Brazil, and this beet root sugar is used now by the manufacturers, instead of the lighter grades of sugar that have less saccharine matter than the lower grades, and the consequence has been that sugars from the West Indies have not been used for refining purposes, and manufacturers have imported nearly all the sugar they have used during the last few years from the ports I have named.

Mr. BOWELL. That is not on account of its strength.

Mr. VAIL. It is because the Government have so regulated the duty that a large proportion of the duty is paid on the *ad valorem* cost. The consequence is that manufacturers buy low grade sugar, and they can import such sugar at a much lower rate and manufacture it to more advantage than they can the higher grade sugars I have mentioned, or rather the brighter sugars, which were formerly imported from the West Indies. The Government have not only done this; they have done something worse. They granted last year \$50,000 as a subsidy for a steamship line to run between Germany and Halifax to bring this very sugar, at 14 shillings a ton freight to Halifax, which sugar is killing out the West India trade, and they thus

added to the trouble caused by their outrageous policy in regard to the sugar duties. If there is anything for which the Government is responsible it is for the prostration and almost complete ruin of the West India trade.

Mr. BOWELL. Does the hon. gentleman not know that the *ad valorem* duty on sugar is higher now than when he was in office.

Mr. VAIL. On certain grades it is.

Mr. BOWELL. On all grades.

Mr. VAIL. I do not think so. If the change was not in the interest of refiners, I should like to know how the refiners at Montreal are able to manufacture now, when they said they could not manufacture—I believed they could—under the old tariff.

Mr. BOWELL. I suppose the hon. gentleman knows that the duty is now higher on refined sugar?

Mr. VAIL. We can discuss that matter at some other time, when I shall be able to point out a further dereliction of duty on the part of the Government in regard to the sugar duties. Before closing my remarks I would ask the Minister of Marine and Fisheries if he thinks the National Policy, or the protective policy, has assisted the ship-building interests in Nova Scotia.

Mr. McLELAN. Yes.

Mr. VAIL. How then does it happen that the ship building business has fallen off this last year. I would like to ask the hon. gentleman if the National Policy has helped the carrying trade.

Mr. McLELAN. The carrying trade has increased in the Dominion.

Mr. VAIL. It has been very dull this last year; very little money has been made out of it for several years, and the feeling of ship owners is that the time is not far distant when there will be not so much in the carrying trade by sailing ships as heretofore. I hope it may be otherwise. Does the hon. gentleman suppose for a moment that the National Policy has helped the fishermen. It has helped them in this way: It has taxed their food and the canvas for the sails of their vessels, and their cordage. It has injuriously affected their business, and that business in the Province of Nova Scotia has been not so good as in former years. There has been a fair catch, but the prices are much lower than formerly. Then I should like to know if the National Policy has helped the lumberman. There is nothing the lumberman uses that has not been increased in price by that policy. That industry was in a state of depression last year, as every lumberman knows, and is still. Another business of considerable importance is that connected with gypsum. I am quite sure the hon. Minister will not say that the National Policy has helped that business. I know it is said that it helps the coal miners to some extent. If it does, it is to a very limited extent, for everything they use has been made more expensive by the protective policy. I should like to know from the Government, which professes to be very sincere in regard to the coal policy, how much Nova Scotia coal they have purchased, or the Minister of Public Works has purchased, for the purpose of heating the public buildings at Ottawa during the last three or four years. If I am correctly informed, every ton of coal used is American coal. It appears to me, if those hon. gentlemen were sincere and desirous of fostering and protecting our coal trade, they would naturally obtain Nova Scotia coal and set the consumers of Ontario a good example. They have not done so, and I think they are not entitled to credit for encouraging that industry. Another important industry is the exportation of wood, an industry which cannot have been assisted in any way by the National Policy. Of course, in the western