

and, in addition, we will restore—have to redeem—\$7,340,000. I should not say have to redeem, we will redeem—we are not bound to redeem—\$5,900,000 of it bearing 5 per cent. interest, but we have given notice to the holders of those \$5,000,000 of 5 per cent. securities that we will redeem them in September next—and \$2,340,000 of 6 per cent. debentures fall due in England; making altogether \$16,340,000, that we will have to provide for outside of the sums to be paid to the Syndicate, and for which we have now on deposit on interest in the bank \$5,000,000. We have an estimated surplus for the next year of \$3,000,000; an estimated savings bank deposit of \$4,000,000; we have an estimate of \$1,000,000 increase in circulation of Dominion notes, leaving but \$3,500,000 to be raised either by the exchange of 4 per cent., bonds for the fives to that amount, or the issuing, in Canada, of a loan at 4 per cent. for the \$3,500,000. We were able to provide for \$3,150,000 last year, \$12,000,000 this year, and \$16,000,000 for next year without floating a loan outside of the Dominion of Canada, or any loan indeed, except the amount received from the earnings of the people of Canada. It is a striking fact, to which I wish just here to call the attention of the House, that the amount that is now being paid into the savings banks of the Dominion of Canada every month is nearly \$400,000 over and above the sums withdrawn, and has been so for the last three years. It is an important fact that I am able to state here, that in the three years and four months ending on the 1st February, there were deposited in the savings banks and in the Post Office savings banks of Canada, notwithstanding that the Government did not want all this money, and had indeed made regulations by which the amount to be received in the savings banks should be reduced from \$10,000 to \$3,000, that no interest should be paid for the month in which the money was deposited or withdrawn, so as really to discourage deposits—that notwithstanding that, the amount of deposits in the three years and four months in these institutions has increased over and above the sums withdrawn \$10,000,000 and upwards, and in the banks of the country they have increased during the same period \$26,000,000 and upwards, making an increase in deposits of the earnings of the people of this country in the banks of the Dominion and the savings banks in that time of \$36,000,000 and upwards. And this, while we are investing in manufactories and other industries of the country large sums of money, while we are sending our money to Manitoba and the North-West and investing it there, while the people of Canada have invested in the last three months \$3,000,000 in the bonds of the Canadian Pacific Railway, still, notwithstanding this increased demand, we find that deposits have increased in that period to over \$36,000,000. No better evidence could be given of the prosperity of the country than this, and I say, and I hope to prove it before I get through, that this is largely due, as I stated at the outset, to the policy, the National Policy, which was adopted in 1874. Now, Sir, I know that, in dealing with figures, the subject is a rather dry one, and I have not, perhaps, made myself as clear as I would desire; but having stated briefly the expenditure for the last year, and income, the expenditure and estimated income for the current year, and the probable income and expenditure for the next year—I desire to say a few words with reference to the predictions that were made on the opposite side of the House when this policy was introduced. I think, if my memory serves me, that all of them have failed, and utterly failed. Now, Sir, I proceed to submit testimony in justification of my statement. I know it is a strong statement. It is going a great length to say that they have all failed. They certainly have failed to a very great extent, and I may say, and I repeat, that practically they have all failed. What were the statements that were made when this policy was introduced? One of them was,

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that it was calculated to interfere with the trade between the Dominion of Canada and Great Britain, that the policy was one that was in the interests of the United States rather than that of Great Britain, and therefore the feeling in the parent land would be one of great dissatisfaction with the Dominion of Canada, and the result would be damaging to our credit. Sir, time solves many questions, and it has solved this. I have in my hand a comparative statement—I have selected the year 1877, because the imports for consumption are nearer, in that year, to that of 1881, than that of any other year I could find under the old Tariff—from which I find that the gross imports for consumption in 1876-77 were \$96,300,483. Deduct from that the United States breadstuffs exported, to the value of \$4,562,000, included in the imports for consumption, that leaves a balance of \$91,737,740. The imports from Great Britain in that year were \$39,572,239, or 43 per cent. of the whole imports; from the United States, \$46,746,736, or 51 per cent.; and from other countries, \$5,418,765, or 6 per cent. In 1881, the imports from Great Britain were, \$43,583,808, or 48½ per cent. of the whole, against 43 per cent. in 1876-77; from the United States, \$36,704,112, or 40 per cent., against 51 per cent. in 1876-77; and from other countries, \$11,323,684, or 11½ per cent.; making a total of \$91,611,604, against \$91,737,740, in 1876-77. These figures show an increase of imports from Great Britain of \$4,011,569, a decrease of imports from the United States of \$10,042,624, and an increase of imports from other countries of \$5,904,916. Now, Sir, that establishes most clearly and agrees with the evidence submitted at the last Session of Parliament, that there has been a very large relative increase in the imports from Great Britain during the two years over those from the United States. It was stated by the Government in 1879 that such would be the case, because the manufactories that the Government expected to establish in Canada by means of the Tariff, were those the products of which we had previously largely imported from the United States. It was not with any ill-feeling toward our neighbors that this Tariff was established; but we were naturally gratified when we found that the policy we had introduced, to give additional employment to our own people, would interfere less with the industries and interests of Great Britain than with those of the United States. Such has been the result, and we thus have the answer to the fear that was expressed, that the Tariff in its operation would affect our trade with Great Britain more than that with the United States. Sir, there was another statement made; it was, that under the operation of a Tariff that imposed a duty upon breadstuffs, the forwarding trade between the United States and Europe *via* the St. Lawrence would be diminished. Well, I was able last Session to bring most conclusive evidence to show that it had not produced that effect.

Mr. MACKENZIE. What about last season?

Sir LEONARD TILLEY. I am going to give you the figures for three years, and I will also speak of last season.

Mr. MACKENZIE. Give us last season.

Sir LEONARD TILLEY. I quote from the Trade and Navigation Returns for the last five years, and I will show that it was not the Tariff that caused the reduction last season. In 1876-77, converting flour into bushels of grain, the amount of foreign grain exported from Canada was 6,565,154 bushels; in 1877-78, the exports were 8,521,599 bushels; in 1878-79, they were 8,777,380 bushels; in 1879-80, 11,808,049 bushels; and in 1880-81, 12,143,720 bushels, or for the three years, from 1876 to 1879, an average of 7,954,711 bushels, before the difficulties said to be raised by the Tariff could have existed, while in the two years after the duty was imposed upon breadstuffs the average was 11,975,000 bushels. Now, my hon. friend (Mr. Mackenzie)