

el by foreign productions, that if protection was put on it would so stimulate manufactures that it would absolutely reduce the articles absolutely below the value of these slaughtered articles. So that arguing from the same standpoint we have the farmer ruined by higher prices, and then the declaration that by this system the slaughtered articles would be half the price they are now. I think the true theory is that the home market is of the greatest importance to the agriculturist. If a farm is taken in the vicinity of a town it is worth double the price of what it would be if further off; because the transportation of the produce would not cost so much. It is very important, therefore, to farmers that manufactures should be built up; but how this is to be done is another question, and a more difficult one. It is important not only that living should be cheap, but that the Government should impose the duties to the best possible advantage. Take for instance the main industry of my own province—shipbuilding. You find the very materials that go to make ships—which necessarily are free-trade, they going to compete with outsiders—are taxed. The yellow metal put upon the bottom of ships is taxed, although this was done in no other country, and the metal could not be produced in this country. This tariff required revision. Many articles were entered at prices which they were never produced for. A specific instead of an *ad valorem* duty ought to be imposed. A great many of my constituents engaged in manufactures complain bitterly that articles that enter manufactures were charged an absolutely higher duty than upon the manufactured articles. This was protection with a vengeance. I was pleased to see the Finance Minister enter into the question of economy. I looked at the estimates with a great deal of curiosity. I find in the first year that the Government have spent upon the administration of Government and for services that do not enter into the construction of works fairly chargeable to capital, \$115,000 more than their predecessors. This year I looked carefully to see whether they reduced the salaries, but they did not.

Of course public works cannot be stopped now, if they can be done without being destructive to the credit of the country.

The hon. gentleman at that time resorted to, what we on this side of the House, considered an extraordinary step; he raised the tariff in order to benefit the country; and I was rather surprised to see that in the course of one year he has taken a directly opposite course. If I understood him aright, he said, "There is going to be a deficit this year of something like two millions, and yet he is going to trust to chance and the future to make it good." He has, however, proved the truth of what he affirmed twelve months ago—that it was destructive to our credit to have a deficit, and such loss of credit was to lose an enormous sum of money; and Canada is not only going to suffer from the loss of her manufactures and the distress of her people, but also in the money market; and if my hon. friend's policy is carried out, the credit of the country will be destroyed. I am delighted to find the Government disposed to be economical; but I fail to see how they have done it, save in stopping important projected public works. We had in the estimates from year to year, a sum for the construction of the Bay Verte Canal.

An Hon. Member--Don't name it.

Mr. PALMER--I will name it. This sum is not now in the estimates, and I think that this is a great mistake, for it is folly to say that this Canal must not sometime or other be built by the Dominion. A contract was given out, I believe, for the St. Peter's Canal; and in my own city there is the work of extending the railway around Ballast Wharf, in which connection the Government must have spent at least \$100,000; these works are stopped; and not only so, but the portions partly completed are going to destruction. I doubt very much whether this is real economy. as the works could be finished much cheaper during these hard times than under other circumstances; and if incidentally some employment to citizens of St. Johns, it would certainly do no harm.