

Then the hon. gentleman referred to a statement made by my hon. friend from South Brant (Mr. Paterson) in regard to sugar, and he undertook to make the House believe—I do not think they did believe it—that sugar was cheaper now in Canada than it could be purchased in the United States and laid down here under the Cartwright tariff. It does not require many figures to show exactly what the cost of sugar would be from the United States. In the one case, the cost of the sugar being \$6.13, to deduct the drawback of \$2.79 would leave \$3.34, the duty on which would be \$1.83½ under the Cartwright tariff. Under the present National Policy, the duty would be \$3.14 consequently the difference between the price at which sugar could be purchased now and its price under the Mackenzie tariff would be just \$1.30, which the consumer would get the benefit of. My hon. friend from Brant was quite right when he made the statement, and I am sure my hon. friend from Halifax did not understand the question when he undertook to show that his statement was not correct. Then, again, he referred to the banks in Nova Scotia, and he made a greater mistake there, I think. He said the increase in the capital paid up from 1869 to 1884 was 154 per cent. That may be right. I have not taken the trouble to go over that from 1869 to 1879, because I did not think it was necessary. What he desired to show was that the Maritime Provinces, or that Nova Scotia at all events, was prospering under this protective policy because the amount of paid up capital in the banks had largely increased since 1878, and because the bank deposits had increased. I have examined the paid up capital of the banks of Nova Scotia since that time, and I find by the bank statement that, in 1879, it was \$4,295,872, and the amount of paid up capital at the present time is \$4,098,207, which makes a difference of \$197,665 less than it was in 1879. Now, that would show, according to the hon. gentleman's own argument, that the Province of Nova Scotia cannot be prospering very much if he takes this as indicating that the people have really more money now than they had at that time. But I do not think that shows it at all. I think it is the very reverse of that. Money, I think, is just like any other commodity; it is regulated by the supply and demand; and, when business is good and money is in demand, as everybody knows, money is dear, and it finds ready use in business transactions; but, when business is dull and there is nothing doing, of course people want to do the best they can with their money, and so they put it in the banks at 3½ or 4 per cent., preferring to keep it there while business is considered unsound. I think it is the best evidence we can have that business is dull and in a depressed state, and that there is no demand for money by business men, when capitalists put it in the banks. That is one reason why the amount in the Savings Bank has been increased. A great deal has been said about that, and I have said before in this House that the amount of money in the Savings Banks in Nova Scotia in no manner shows that the poorer classes of people are prospering. The bulk of the money in those banks in Nova Scotia is deposited by men of means, in order to get 4 per cent., and I know of many cases where two and three names of a family have been used in order that they might get \$9,000 or \$10,000 or even \$12,000 into the Savings Bank and get 4 per cent., though the law prevents them from depositing more than \$3,000 in their own name. That is the reason why the amount in the Savings Banks in Nova Scotia has increased so much of late years.

Mr. HESSON. They are not all poor down there then?

Mr. VAIL. I think that Nova Scotia has, perhaps, according to her population, as many wealthy men as any other Province of the Dominion; I have not the slightest doubt about that. But the wealthy men are the men who made their money before the protective policy was con-

Mr. VAIL.

ceived, and these are the men who have been taking their capital out of business and depositing it in the banks, and are satisfied to get 3 and 4 per cent. rather than to run the risk of losing it in business. Why in the city of Halifax to-day, in the sugar and cotton industries, the stockholders are losing \$40,000 annually for interest on their capital invested in the sugar and cotton industries. And that is the way the people of Halifax are benefitted by putting their money into industries that have been encouraged and fostered by the present Government. Then, again, the member for Halifax (Mr. Stairs) said the present Government had done all they could to get reciprocity. Well, if all the Government could do was to pass an Order in Council, they were not able to do much. Now it seems to me that it is childish, it is ridiculous, for the Government to say that they have done all they could do in order to get reciprocity; they have passed an Order in Council informing the United States that when they are ready to allow certain Canadian products to go free into that country, we shall be ready to do the same thing in regard to certain of their products, but we don't as yet know whether they have transmitted this to the United States Government. Well, Sir, how long is this to last? Is it to be hands off on both sides, and that neither party will make the first move? Would it be derogatory to the character of this Government to inform the Government of the United States that we are willing to consider this question on its merits, that reciprocity would in the opinion of the Government be an advantage to both countries, and in that way show our willingness to enter upon negotiations. Do hon. gentlemen suppose that the Government of a country of 50,000,000 people are coming here to beg the Government of the Dominion to give them reciprocity? I do not want the Government of the Dominion to go down on their knees to the Government of the United States; all I want them to do is to notify the Government of the United States that they are ready to consider this question. It is an important question, and our Government should inform the Government of the United States, with as little delay as possible, that they are ready to consider it. That is the least they could do; they have not done that, and the country will hold them responsible until they go that far, or until they get an answer from the United States that they are opposed to reciprocity. The people of the Maritime Provinces are very much interested in this question. Every hon. member in this House from Nova Scotia knows that the United States is the natural market for the products of the Maritime Provinces, and if we are shut out from that market it will certainly be detrimental to the interests of the business community of Nova Scotia. In the history of that Province there never was a period of ten years when it enjoyed more prosperity than it did under the reciprocity treaty with the United States, and I believe it was equally advantageous to the people of that country. It had the effect of giving free interchange of commodities and the effect was good in many ways. When the people traded with each other a good feeling prevailed which was an advantage to both countries. In referring to banks the other night, the hon. member for Halifax neglected to state two or three things in connection with the banks which, I think, would go further to show that business is not in such a prosperous state in the city of Halifax as he would have us believe. For the first time in a good many years the principal bank in Halifax has had to take \$130,000 from their reserve fund in order to pay their dividends and losses. Another bank has been obliged to reduce its dividend, during the last six months, from 3 to 2 per cent., paying 5 per cent. for the year instead of 6 or 7 per cent. it has formerly paid. Does that look as if business was in a very prosperous state? I noticed the other day in one of the Montreal papers that the Union Bank, which had a subscribed capital of \$1,000,000 and only \$500,000 paid up,