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## THE GOVERNMENT GAZETTE EXTRAORDINARY.

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tended over the colony of British Columbia not railway construction or a government bank had been established, should the bill agreed to on the part of the Canadian Government, it would then become our duty, upon entering the Dominion, to remodel our tariff with a view to protecting local industries, on the one hand, and to bring into competition and make room for others, on the other. Canada might, however, suffer little revenue in the first instance, but it would come back to her six hundred fold in the greatly enlarged prosperity certain to follow. In this way, also, we could have a more rapid development of the means of communication, if not an incentive for the early consummation of that great desideratum. The course which I propose will surely make more local people pecuniary interests here, while it will be more difficult to remove the same from the treasury, than when the revenues of the authorities at Ottawa. It is obvious that advantages of accomplishing more good than can possibly be attained in the way proposed still by the hon member for Victoria District, and that the same would be obtained, at the same time of clearing clear of constitutional difficulties.

Mr. De Severs—Sir, we have heard some very good and eloquent speeches. I intend to say a few words, and will begin with the Federal Tariff. When the Canadian Government proposed to adopt a tariff similar to that of the United States—that the Federal Government alone should have the right to impose duties, and that the provinces should be left out of the picture, such provinces should have the right to do whatever they liked. It was found that local governments were not favorable to direct taxation. At the Conference at Westminster it was first proposed to give the Canadian Government the power to levy and collect direct taxation, but in the Organics Act was passed that that power was dropped out. I have referred to harm us with the Organic Act, whatever we may do we shall harmonize with the Organic Act, and that is the only object of my speech. I think that at this time at this question I may come to the conclusion that there is no possibility for the local government to raise taxes, but if it was referred to the Privy Council they might say it could. I will therefore leave the matter to the Privy Council, and call for additional sum of money of the just in the Privy Council until it was unconstitutional to do so. But, I might be if the federal government imposed a tariff too high, it would not be able to get the amount required to pay off its debts. Suppose the Canadian Government had no export revenue as a source of revenue. If the government of New Brunswick was able to except this from the operations of the Dominion tariff why should we not be able to get the amount required to pay off its debts? I think that the Canadian Government will have to pay the Canadian tariff, and Canada will consent by proxy something that we enjoy.

Mr. De Severs—For how long do you propose to suspend the operation of the federal tariff?

Hon. Mr. Watson—I have said indefinitely—possibly for ten or twelve years—we may have the railway completed by that time and we may have a large enough population. That is a fact that is changeable—it is true, and falls. Suppose the Canadian Government have to raise six millions for a guarantee for the railway they might have to raise the tariff. I think the tariff will probably rise for that reason, but that is inside the limit. My suggestion is that this proposition is to be left to the local government for their local government and the Dominion. I include profits in my suggestion, which means stock, corns, and vegetables. If a provision is made that all profits are to go to the local government, and that all protection and the largest interest, that is the agricultural interest, will be satisfied. There are also engaged in trade who live in towns, and they are agriculturists, the manufacturing interest, and so on. This is Confederation. Take away this subject of friction and you have the whole thing easier. If they are now considered less will be opposition before Confederation, and more after. The members of the Canadian Parliament, instead of being in a position to obstruct, they will protect us interests. In respect to the hon member for New Westminster, his argument is an strong & they have a weak point, which is, [Hon. Mr. Watson] that the Canadian Government is not in a position to do the same thing that the Canadian Government did in the United States. I do not intend to follow the hon member. I ask hon members to consider this question so as to consider industries and manufacturers so that they may not be hampered in their work, and may not interfere in shipping and navigation in this colony.

Mr. McRae—Mr. Chairman, I only desire to drop a few hints, say that the English is wholly inappropriate to this colony, because it is a colony, and that the English is not appropriate under this organic act to amend the tariff of the Dominion. I think any approach to free trade; I believe in it; free as I like to have as free as a course as we can. Now, sir, with regard to what has been said about the Canadian Government not having sufficient agricultural protection. I am protecting the farmer by natural protection. Any attempt to shut out the surplus produce of another country will fail. The attempt to protect farmers by import substitution is a failure. I think that the system beyond harbor and pilot dues is a vicious system. Then, say others, free port is established, would you go back to direct taxation. I say, how can we ascertain what the people can pay by taxing products? I think that the people can pay a great deal more now without. We must control expenditure—and having done so I would abolish customs altogether as a source of revenue. I agree entirely with the position of the hon member for New Westminster in this respect, and different to him.

Mr. McRae—Mr. Chairman, I rise to support the recommendation of the honorable member for Victoria District. I have listened carefully to the reply of the hon member for New Westminster, and I think that his remarks mistakes which the English generally make to attribute to their reading and studying Great English writers too much instead of considering the practicalities of the case. The English writers, in this respect, are different to new. Free trade may suit England and other countries, what it may act very differently in a new one. Even in old countries a large proportion of the people whose free trade is calculated to benefit are against it. But in new countries protection is absolutely necessary. It is said by some

immediately or soon that the farming interests in the upper colonies are to be greatly protected, that a great number of us can mount an assault to the contrary. Four years imported last year from California and sold in a boat price with which the upper country farmers could not compete. There ought to be some arrangement to meet up exactly with the interests of the Dominion. I think it both just and right to protect the farm above all other interests. I look upon the question as next to responsible government and that I regard as the most important. I think that the upper country farmers, and all others, into indifference beside the two conditions.

The Hon. Comptroller or Czar as—Notwithstanding that the Canadian legislature has undertaken to levy a tariff to frame a tariff, we will see whether the law stands. The Canadian Government do not do it for their own interests that a special tariff would be framed for this part of the Dominion. There is no law against it. It would be better if differential duty is imposed to be applied to the upper country. The protection of the upper country from two different countries are charged differently. If the Canadian tariff was applied here taxation would be lessened. We must have a special tariff. The upper country is taxed yesterday, and today the lower country is taxed. The upper country has lost our country's revenue, and I believe the difference to be at least \$20,000 for the quarter. For all that, I think the tariff should be changed. As you said, it is required to mention yesterday, that the upper country is taxed on a higher rate than the lower, and would be a great burthen on the colony, it would amount to a prohibition. Last year 1700 head of cattle were imported into this colony, are we prepared for that? There are the Canadians who import cattle, and there are the Americans who import cattle. It is not observable. With a tariff made especially to protect the farmers, over 40,000 pounds of butter were last year imported. If the Canadian tariff were to fit us a position where a place to do so, we would make a great profit. I think the farmers would have sold all they had. I think that a variety of protection would satisfy the principal protection to Farmers of the upper country, but the lower country would be taxed. The upper country would be taxed on a certain tariff and then receive, and in its turn, they will not hold the tariff even if the duty upon butter. I think that there will be a brief of reciprocity between the United States and Canada, and that is the best. I think that the American tariff will be great, (near, hear). I think the opening of the United States market to our lumber would more than subvert the lower country protection of produce. I don't care for coal, but I care for timber. I think that the upper country would want the power of setting the tariff to our convenience, and more in this case no man ever said that consideration must come first. There is a man here who thinks that a general committee would be the best answer. I think that the upper country wants the power of setting the tariff to our convenience, and more in this case no man ever said that consideration must come first. His excellency is to inform her Majesty's government that the people don't want it.

Hon. Attorney General—We have always said so.

Mr. McRae—The Comptroller—I have stated fifty times already,

Mr. De Severs—I am glad it is so understood. The honorable gen. goes to the very careful to make the terms suit for the upper country. I think that the upper country does not say that the people have seriously told that consideration will be the best answer of the colony. (Not, not from Mr. Watson's statement). Indeed we have been made to repeat on the subject of the tariff. I think that the upper country does not say that it is necessary for us to go in under the Organic act. We do not intend to do so. To the honorable member of Victoria I would say, that most stress is laid on a fact that under the Organic act we have to go in under the Canadian tariff, and that is a fact that the people say. I may therefore not follow. Canada don't care who will buy us, they are all ours in free, which is the best answer. The upper country has a great deal of grain and our goods may be very high. If the Government may lose, let the people want them. To you understand by my statement, (Henry and here). People may have to pay as much as the Americans, but it is not good now.

Hon. Comptroller or Customs—American goods would come in less the duty now paid. Don't you see?

Mr. McRae—The difference of transport would prevent Canada from competing with the Americans.

Mr. De Severs—I say the tariff will be almost the same on these American goods then as now. I great there will be a loss on agriculture products, however, gentlemen, and the upper country agriculture products. But the upper country men, it costs money to buy a cow. There is the diff. price between raising agricultural products and cattle. If butter could be grown from the ground it would be a great saving. I think we will have to import butter, they have not money to buy a cow. So on up production and they will have money by an acre to purchase cattle. Experience of the agriculturists in this colony has taught us that the upper country men are not so wrong as the stock, whilst those who have gone in to work for the Americans have made money. I know most of the farmers on Vancouver Island, and I find that those who began with nothing are doing well. The upper country men, I think, are not so bad. The Americans said that turned out the upper country men, they don't require a tariff. I went into that question yesterday. I think they will want it.

Hon. De Cassall and Mr. B. Green—Prices are getting too high now.

Mr. De Helme—It is exceedingly easy and pleasant for us who want to eat say prices are too high, but let any one go to work on a farm and he will have a surprise of the difference. You don't have to pay as much to live in the upper country, would be a great benefit, and that we might give up the farming interests of this colony for it. Now, sir, this Council and last year, almost immediately, that agricultural interest must be protected, and that should be done. I think that it will not require anything different under Confederation. The honorable member for Victoria District almost led me the way in saying that irritation would arise which would lead to a desire for annexation if the agricultural interests were not protected.