

they were before, when, in five years, they could only lay by, including interest, \$2,300,000 in five years? I think it is needless for me to say any more to establish that the country is better off now than it was then; that men are earning better wages than they were then receiving, and that they are employed wherever they require employment. Their surplus earnings are shown by the returns of the banks, and their purchasing power by the quantities of goods they have used in this country, both imported and manufactured; this should be a sufficient answer to the fears expressed by the hon. gentlemen at that time. Now, Sir, that was one fear they expressed; what were some of the others? Why? That trade with Great Britain, under this policy, would diminish, and trade with the United States would increase; and we were charged with being disloyal, because we introduced a policy which would inevitably produce that effect. That was stated here distinctly on the floor of this House, and given as one reason why this policy should be rejected. What are the facts? They are simply these: that last year the imports from Great Britain were \$13,000,000 more than they were in 1878, while the imports from the United States were between \$300,000 and \$400,000 less than they were during the same period. Now, Sir, there is another important feature connected with this matter. I think my hon. friend from Lambton undertook to represent, after the first year's operation of our policy, that the duties on English goods had increased in a greater ratio than the duties imported from the United States. I have the imports of last year before me, and what do I find? I find that the duties on goods imported from Great Britain have increased  $2\frac{1}{2}$  per cent. as compared with the year 1878, while the duties on goods imported from the United States have increased  $4\frac{1}{2}$  per cent., and it must be borne in mind that of the goods imported by us from the United States, a very considerable portion now consists of raw cotton—and that there has been a very large increase in that article—200 per cent. or something of that kind—and that we in 1878 imported a large portion of our sugar from the United States, which likewise tended to increase the rate duty. Now, the nature of and limited value of these importations from the United States clearly shows that, so far as the present Tariff is concerned, it is indirectly in the interests of the British manufacturers, as compared with the manufacturing industry of the United States; and, therefore, the fears of my hon. friends, upon this subject, may also be dispelled. Confident as we were that this policy would, to a large extent, establish an equilibrium between our imports and exports, fear was expressed that our expectations would not be realized. And the hon. leader of the Opposition, in the remarks that he made on the Address in reply to the Speech from the Throne, drew attention to the absence of any reference to this subject in that Speech. Well, let me say for his information—he may, however, in looking over the papers, have ascertained it already—let me say to him, and to this House, that the present Tariff has had, very largely, the effect we anticipated. From the year 1867 to 1871-72, being the first four years of the Union, the difference between the exports and imports averaged \$12,250,000 per year; during the second four years, it averaged \$36,000,000 per year; in the third four years, it averaged \$15,000,000 per year, and during the last four years, that is from 1878 to 1882, the average was \$8,333,333. It will, therefore, be seen that our policy has had very considerable effect in establishing an equilibrium between income and expenditure. Now, Sir, there has been some anxiety manifested in the country, and I think it was also manifested by the hon. leader of the Opposition, with reference to the effect that must necessarily be produced if our exports are not equal to our imports. I think I gathered from him that he had grave doubts as to the early future of our country if that state of

things continued. If I am correct in my recollection of the views he expressed upon that occasion, he differs from some of the hon. gentlemen who sit near him, because I have heard them state in this House that the greater the difference between imports and exports, the greater evidence was there of the increased wealth of the country. From the discussion that has taken place upon this subject, it will not be expected that the Government should entertain that view. The opinion has been expressed through the press that, owing to our increased imports, a commercial crisis is not far off. I have thought it my duty, occupying the position I do, to enquire into this matter, and to see whether during the last four years there has been any evidence of the approach of such a crisis, arising from this cause—that is in the demand for exchange or in the facilities or means of paying for these imports. Now, Sir, we had to provide during the last four years, not only \$33,000,000, but we had to provide for exchange to the amount of \$32,000,000, interest on debt and sinking fund—these items amount to an average of about \$8,000,000 a year—and, of course, it is quite proper for us to consider whether or not we are in a position, and have been in a position, for the last four years, without creating embarrassment with reference to exchange in making payments on the other side of the Atlantic. Are we in a position, and have we been in a position to meet this amount without any difficulty whatever? I am satisfied, Mr. Speaker, that we have been able to do it without embarrassment or difficulty. You add the \$32,000,000 transmitted during the four years to the \$33,000,000, the difference between the imports and exports, and you have \$65,000,000. How has that been met? There are certain data of a reliable character that we have, and from it I am satisfied that this amount has been met without any difficulty whatever. In the first place, the Government of Canada have floated loans to the extent of \$8,000,000 in excess of payments that at the time had to be made on the other side of the Atlantic. That \$8,000,000, of course, was available for exchange, or was brought into the country in gold; then, in addition to that, we had \$4,500,000 paid as the Fishery Award: that is \$12,500,000. We had, belonging to the Dominion of Canada, about \$30,000,000 worth of shipping engaged in foreign trade. It is but a low estimate to suppose that \$30,000,000 yielded 10 per cent. to the owners. Every man who is interested in shipping will say that that is a ruinous return, considering the depreciation in the value of the vessel; but taking that as the basis, it shows a return in the shape of exchange payments made for freight earned abroad, of \$3,000,000 a year. In four years that amounts to \$12,000,000. Then, during the four years, we exported in lumber, grain, and other products of Canada, \$350,000,000 worth. There has been expended in the disbursements, 5 per cent. on the value of the cargo, that amounts to \$17,500,000. Then, Sir, there has been about \$1,500,000 received on insurance—on vessels which have been lost during that period. Then we have sales of Provincial Government bonds, and capital stock of the Canadian Pacific Railway, that was paid by persons residing outside of the Dominion of Canada, making altogether about \$15,000,000. It was stated, either by the mover or the seconder of the Address in reply to the Speech, that the money brought into the country by immigrants during the last year amounted to \$10,000,000; but I take a low estimate, and I will fix that item at \$10,000,000 for the four years. Having provided for the payment of interest and sinking fund, and the exchange necessary to pay for the difference between imports and exports—we have, on these items alone, \$3,000,000 or \$4,000,000 in excess of the sum necessary. Under these circumstances, I think our fears as to the future may also be quieted, provided we can keep, as we hope to keep, by this policy, the ratio between imports