

of the duties on spirits and alcohol, and the principle which has been adopted is that the duty shall be arranged upon the proof strength, and that spirituous liquors which are imported with additions of strength above proof shall pay in proportion to the strength they have. The duties at the proof rate remain at about the same rates as at present. The only change of any moment is in the principle which has been adopted, that the duty shall be paid on the proof strength, and that strongly fortified spirits which are brought into the country shall not have the advantage of the payment of a less rate of duty over the spirits which are at or about proof. The explanations with reference to this I shall not trouble the House with now, but I shall be prepared to make them when we are in committee.

Sir RICHARD CARTWRIGHT. Has the hon. gentleman adopted the English system?

Mr. FOSTER. I think the system we have adopted is more nearly like the American than the English system. We have had deputations and representations from both sides of those engaged in the hat business. Strong pressure has been brought to bear in order to have the duty on the different kinds of hats and caps raised, both on the wool, the fur, the felt and the straw hats, and counter representations have been made from almost all the importers and dealers in foreign goods. After looking over the whole matter carefully, we have decided to recommend a change. There were a number of articles which went into the manufacture of hats, such as sweats and linings, and that kind of thing, which were allowed in free, and which it was found had taken a larger range than was intended, and were used for the manufacture of other articles, thus escaping the duty. For instance, silks supposed to be for the purpose of linings alone, were used to make neckties, and so these articles went into a larger consumption than it was intended to allow. It has been decided to recommend that these articles shall be taken from the free list, that these sweats and linings shall pay their legitimate duty, and especially because they are now, in great part, being made in this country. It is proposed as a compensation for that to increase the duty on straw hats and woollen hats by 5 per cent. Ladies' hats remain at the same rate of duty as at present, and fur-felt hats have \$1.50 per dozen additional, with a reduction of the *ad valorem* duty from 25 to 20 per cent. As hon. gentlemen are aware, for a year or two there has been considerable discussion with reference to the flour duties. The millers are in this position: that they have a protection of 50 cents per barrel on their flour, while wheat comes into this country at 15 cents per bushel. At the rate of $4\frac{1}{2}$ bushels of wheat to a barrel of flour, the duty paid on sufficient wheat to make a barrel of flour would be in the neighborhood of 71 or 72 cents. It has been felt that this disparity of duty between flour and wheat should be remedied, and it has been decided to give an advance of 25 cents per barrel upon flour, and thus equalise it with the wheat duty. For a country which produces a surplus of wheat, and has capacity to mill all the flour which is necessary for the consumption of this country, and to supply outside markets as well, it is not reasonable to believe that this will do more than keep the

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market for Canadians. It is not reasonable to suppose that it will materially raise the price of flour. The milling capacity is so large, and the competition is so keen, that the flour will go into the hands of the consumers at about the same price as it does now under like conditions. It is proposed to introduce added protection to another series of the great farming products of the country. It is felt that in a country like ours, with its large grazing areas, equal to any in the world, with its rapidly increasing dairy and cheese industries, with its unrivalled facilities for the production of meats of various kinds, the time has come when these great industries should be protected by an adequate duty from the competition which they are at present receiving largely from the country to the south of us. For instance, in the article of beef, we find that last year there was introduced from the United States 3,795,105 pounds of beef, at a value of \$160,624. We find that bacon and hams were introduced to the value of \$335,159, the large amount of 3,653,758 pounds; 174,944 pounds of mutton were imported, at a cost of \$13,555; 15,205,972 pounds of pork were imported at a value of \$992,423; prepared meats to the amount of 983,834 pounds, value \$90,305; and of tried lard there were imported 8,290,000 pounds, value \$636,078. To-day, beef is sent to the markets of Halifax and St. John, and all large and small towns west of that, and is sold to the dealers in meat, at just sufficient cut to enable them to dictate lower prices to the raisers and producers of cattle in our own country. It does not follow at all that the consumer gets his meat one single tenth part of a cent less, but the introduction of this imported meat makes it possible for the jobber and dealer to bring down the price to the native producers; and so the producer is met in this country with a competition which makes it difficult for him to pursue his industry with profit to himself. Now, there is no reason in the wide world, to my mind, why Canada should not only raise all the meat necessary for the consumption of her own people, but should become one of the largest exporters of these different kinds of meat to foreign countries. It is with a view of fostering these meat-producing industries with a fairly protective duty, that the Government have come to the conclusion to protect the farmers by raising the rates on these meats in this way: Mess pork, or heavy pork, which now bears a duty of one cent per pound, shall bear a duty in the future of one and a-half cents; all salted and fresh meats, which now bear a duty of 1 and 2 cents per pound, shall bear a duty of 3 cents per pound. Prepared meats which now bear a duty of 2 cents, shall be raised to 3 cents. Tried lard, which now bears a duty of 2 cents, shall be raised to 3 cents; and untried lard, which now bears a duty of $1\frac{1}{2}$ cents, shall be raised to 2 cents. Live cattle, hogs and sheep shall have the duty raised upon them proportionately from 20 to 30 per cent. This, in brief, is the schedule which is proposed in the resolutions which will be submitted to the House. Now, it is proposed as well to make some changes with regard to the corn duties. The people of the Maritime Provinces especially, use a large quantity of corn meal. It is used by the fisher folk, and by people of the rural parts of the Provinces, and is more largely consumed by the people of Nova Scotia,