

He took the census of 1891, and said that capital invested in manufacturing interests in Canada amounted to \$354,000,000, that the wages paid out amounted to \$100,000,000, and that the productions of that labour were \$476,000,000, and he allowed as a fair return on the investments, 10 per cent. His contention is that the manufacturers are making \$85,000,000 profit every year. I do not see how that can be. I should be glad to know that they are successful, but I do not think that in 1891 or at any time prior to that year, or subsequent to it, the manufacturers have been making any such profits. The hon. gentleman forgot, in making up his calculations, to include other expenditures which are incidental to every industry. He forgot to mention interest, insurance, agencies, deterioration of plant and, most important of all, the profit and loss account.

Hon. Mr. BOULTON—The gross fire insurance paid in the year was \$5,000,000, while the taxes to which I have referred amount to \$90,000,000. Even charging all the insurance to the manufacturing industries, it would leave an enormous margin still.

Hon. Mr. KAULBACH—The hon. gentleman has made up his figures as I have described, and he allowed 10 per cent as sufficient remuneration to those employed in those industries. I repeat I do not see where the profit is; I do not believe that the manufacturers in Canada have been so successful, and, as I stated, he must have left something out of the calculation. Everybody knows that the profit and loss account is large, that not all of the products of the factory are convertible into cash, and that there are many bad debts to be taken into account. Any one who has a technical knowledge of the subject can take up these figures and show that there is nothing in my hon. friend's contention, and if there has been a profit, it has not been large. The hon. gentleman made a special reference to the Massey Manufacturing Company. Now, I do not pretend to know much about agricultural implements, but I do know that we can get them as good and as cheap in Canada as in any other country in the world. There is a member of this House from the North-west Territories who can speak from personal knowledge of the subject, and he can

tell the House that instead of the country being injured by the protection of the agricultural implement manufacturers, the country is generally benefited in having such an industry, and that no part of the Dominion benefits more by it than the North-west Territories. In Nova Scotia, I know we can get agricultural implements, made in this country, which are as cheap as any that are sold in the United States. After hearing the calculations of the hon. gentleman from Shell River, I would not consider him a safe man for the position of Finance Minister of Canada. His statements are not logical, nor do they show a practical knowledge of the subject which he has been discussing before the House. He thinks that the public service can be carried on without a revenue tariff.

Hon. Mr. BOULTON—The ground I took is that if the country can bear a protective taxation of \$90,000,000, in addition to the \$20,000,000 of taxation for revenue purposes, if you remove the \$90,000,000 taxation from the shoulders of the people they will be in a better position to contribute whatever revenue is necessary.

Hon. Mr. KAULBACH—Then my deduction from what the hon. gentleman says is correct—that he considers a revenue tariff unnecessary.

Hon. Mr. BOULTON—You may put the tax on incomes.

Hon. Mr. KAULBACH—That is what I hoped to draw from my hon. friend. My hon. friend's free trade policy would put the burden on the labouring mass and on the farmers, would tax everything tangible, houses, lands and property, and would allow foreign manufactures and farm products to come in and make Canada a slaughter market without contributing anything to our revenue. The hon. gentleman would tax the land owner dead and alive—tax him eternally. That is his policy, and I am very glad to have drawn him out to make the admission. Free trade in Canada would mean throwing down our wall of protection and allowing everybody to come in and make this a slaughter market without paying anything whatever in the way of taxes, while our people would have to bear all the burden, and yet we have our