

compelled to pay \$3, that so far as British goods are concerned, and so far as Canadian consumers are concerned, there is a vast and substantial reduction, a reduction of one-third of the entire taxation heretofore levied on British goods. (Hear, hear.)

But what perhaps has to some extent escaped the observation of those who are not in the habit of dealing with these subjects very exhaustively is this—the moment that you put such a law on the statute book you compel these foreign nationalities who are dealing in your market to bring down their prices to the level of the English manufacturer—(cheers)—and in that way without adding one farthing to the burdens of the people of Canada, you succeed in obtaining a large amount of revenue, chiefly from the American manufacturer, who, as you know, is our chief competitor, the chief competitor with the English manufacturer in our market.

The Americans Suffer.

Now, sir, for my part, I do not want to do or say anything that may bring us into collision with our friends in the United States, but at the same time, as they chose to impose extremely severe restrictions on our trade I have marked with some degree of satisfaction that the result of the preferential tariff has been this, that it has shifted the burden of taxation to a very large extent from Canadian shoulders to the shoulders of the American manufacturers. (Cheers) Now, sir, it is perfectly true, and I am not in the slightest degree disposed to deny it, that under ordinary conditions, when trade is not violently interfered with or disturbed, the consumer is the man who pays the taxes, but, sir, when any nation, as in the case of the United States, chooses by artificial and violent means to disturb the ordinary laws of production, then in a case like this, it may become our duty to meet them in a certain fashion, not by raising the taxes against them, that we were careful not to do, but by reducing the taxation in favor of those countries who deal with us on more equitable terms, and in so doing you produce this result, that the American manufacturer, in order to retain our market, is compelled to sell down very nearly to cost price, and even below it, or else his English competitor will take the market out of his teeth. And that is precisely what has been happening. I do not think that our trade with the United States has been greatly reduced, but I do know that the profits of the American manufacturer have been very greatly reduced and that the money which would heretofore have gone into his pocket had the tariff been left in its old position, now flows into the revenue of Canada, while the Canadian consumer obtains the advantage of getting his goods from the American manufacturer at the same price that the English manufacturer will supply them, and therefore you get a double, if not a treble benefit, because I am bound to say the same rule applies to the Canadian manufacturer; he, likewise, must meet the English manufacturer, and, although he has far less to fear from him than he has from the American, the Canadian consumer gains a benefit on three hands. (Cheers.) More than that, the practical result of all this is that whereas we had a protective tariff, we