

revenue tariff principle. I have here a quotation from the speech of Mr. Hendricks, the Vice-President elect, which he made after the election. He was asked what was the Democratic policy of taxation? He said it was expressed in four propositions:

"First, taxation shall not exceed the needs of the Government—that was borrowed from President Arthur. Secondly, taxation shall only be for public purposes and not for private gain and speculation."

The declared object of taxation in this country for years has been private gain and speculation, and has led to commercial speculation as wild as any "wild-cat" boom in the North-West or elsewhere.

"Third, in the adjustment of the taxation care shall be taken not to hurt or harm capital. Fourth, taxation shall be heaviest upon articles of luxury and lightest upon articles of necessity."

We do not apply that rule, we put articles of luxury on the free list and tax the articles of necessity. I may say these four articles express approximately, that is having regard to the different circumstances of the two countries, the doctrine of the Reform party in Canada on the subject of taxation; and the triumph of that platform in the United States is the omen of a similar triumph in Canada for a similar policy. But that is not all. That comes from a man who is a supporter of a revenue tariff. Let us hear the opinion of a member of the outgoing Administration, the Administration which was elected as a protective Government, to hold office as such. The nearest corresponding official in the United States to our Finance Minister is the Secretary of the Treasury. His Report which corresponds to our Budget Speech was made to Congress on the first of December last, and in that statement after pointing out that after the war stimulus was given to the growth of protected industries, he said:

"Stimulus was found in railway building and in extravagant expenditures induced by superabundant currency, and the time has now come when the manufacturing industry of the United States is in dire distress from plethora of manufactured goods. Some manufacturing companies have been forced into bankruptcy; others have closed their mills to escape it."

Just like the position in Canada:

"Few mills are running on full time, and as a consequence a very large number of operatives are either deprived of employment or are working for wages hardly sufficient to enable them to live comfortably or even decently."

This is the utterance of the protectionist Finance Minister of a protectionist Government:

"Nor are manufacturers and their employes the only sufferers by the present depression of our manufacturing industry."

He admits they are the principal ones. He goes on then to point out that the only hope is the development of foreign trade, that to develop foreign trade a readjustment of the tariff will be necessary, that a commission should be appointed to consider what that readjustment should consist of, and he says:

"In the commencement of its work the commission should, I think, regard the following points as being settled:—First, that the public revenues are not to be in excess of what may be required for the support of the Government and the gradual reduction of the public debt."

This protectionist Finance Minister has given up the whole theory of protection, and lays down as the first principle to guide the commission in the United States that the tariff should be for revenue only! That, I consider, to be a triumph for the theory of a revenue tariff greater than any achieved for many years, because this is the utterance of a man who was in office because he had been a protectionist.

Mr. HESSON. That is the theory; what is their action?

Mr. CASEY. Their actions has not been anything, because they have gone out of power, but the revenue tariff Government, whose platform I have just read to the House, is in power now and will undoubtedly readjust the tariff in that sense. He goes on to say:

Mr. CASEY.

"That the existing duties upon raw materials which are to be used in manufacture should be removed, and that the duties upon the articles used or consumed by those who are the least able to bear the burden of taxation should be reduced."

So much for his ideas on tariff. The theory of protection was abandoned even before the new Government came into office. He goes on to deal with the shipping interest, and I must read a few lines in regard to that which will be my last quotation from Mr. McCullough:

"In direct connection with the condition of our foreign trade is the condition of our merchant service. The causes of the decline of our shipping are so well understood that any remarks on this point are quite unnecessary."

I think they are. I recommend this view of the case to my hon. friend from Gloucester (Mr. Burns), who thought shipping was so greatly improved by the National Policy:

"The humiliating fact stares us in the face that, while the United States not many years ago led all nations in shipbuilding, and was second only to Great Britain in ocean tonnage, it has almost ceased to be recognised as a maritime power; that nearly all of our agricultural productions and manufactured goods which find a market in Europe or South America and the articles received in exchange for them are carried in foreign ships; that the many thousands of Americans who annually visit Europe on business or for pleasure go and come in European steamers; that large foreign steamship lines are in fact supported by the people of the United States. All this is not only humiliating to our national pride, but it stands in the way of the improvement of our foreign trade."

That is the declaration of the Finance Minister of the United States in regard to shipping, and the effects of a protective tariff for 25 years on that industry. He goes on to say that there is no hope for the shipping trade except in bonuses from the Government:

"The let-alone policy has been tried for many years, during which our ships have been swept from the ocean, and we pay every year many millions of dollars to foreign shipowners for freights and fares."

He says they must give them subsidies:

"The amount of necessary aid would be insignificant in comparison with what has been granted to manufacturers by protective duties, and nothing would be paid until the services were rendered."

He admits that protective taxes are a subsidy to manufacturers:

"It is admitted that all protective duties and subsidies are inconsistent with the teachings of political economy, but, true as these teachings may be in the abstract, they are disregarded by all nations when they stand in the way of national welfare."

He admits they are true, but says "you must follow a false course sometimes in the interests of the country." They have been following that course for many years, and they have not found it to pay, and even the outgoing protectionist Government of President Arthur was forced to give up its protectionist theories and adopt a revenue policy before it left office and the Democrats took its place.

In general, our review of the state of the country is not reassuring. We have found failure upon failure. We have found the leader of this Government led into repeated rivalries with the leader of a Provincial Government and led into new failures in consequence of each of those rivalries. We have found him worsted in every one of them and bringing failure upon himself and embarrassment upon the country by these repeated blunders. We have found that the policy, by the promise of which he induced us to return him to office, has become a failure like the rest. He and his associates, when they left office in 1873 and for years afterwards, were discredited politically, I might almost say they were discredited personally as politicians, by the events which led to their exclusion from office. By the promise of this policy, which was to make us happy and prosperous all round, they induced us to return them to power again in 1878, hoping they would make us rich by the National Policy, and that the punishment they had already received would prevent them from falling again into the evil political courses to which they were formerly addicted. But we have been sold in both directions. Notwithstanding the punishment they then received, we have the same