

April 30, 1872

**Hon. Sir FRANCIS HINCKS:** I referred specially to persons who advocated a zollverein, and never imagined Hon. Sir A.T. Galt was one of them.

**Hon. Sir A.T. GALT** remarked that that was not the place for propounding merely speculative opinions. He did not often intrude his views upon the House, and did not desire to do so on that occasion.

**Hon. Mr. McDUGALL (Lanark North)** was sorry to hear the observations of the hon. gentleman opposite in announcing the policy to which the Government committed. He understood the hon. gentleman to say that it was utterly impossible for the United States to make arrangements with us for the introduction of commodities from that country on any better terms than from Great Britain. He thought then there should be some arrangement between this country and the United States for the interchange of certain articles of manufacture, such as stoves, agricultural and other machinery adopted to this country. We should be emancipated from such an arrangement as the present, and negotiations should be entered into with the Mother Country with a view to obtaining freedom in our commercial arrangements.

**Mr. JOLY** quoted from the Washington Treaty correspondence to show that the Government had not used every measure and exertion possible to obtain a renewal of the Reciprocity Treaty.

---

### AFTER RECESS

**Hon. Mr. BLAKE** referred to the remarks made by the Minister of Finance (Hon. Sir Francis Hincks) on the subject of the Washington Treaty, regretted that the First Minister who had taken part in the negotiations had not seen fit to explain the events connected with the making of the Treaty, but should have left it to the Minister of Finance to make a sort of apology for the concession made on behalf of Canada.

In looking at the financial aspect of the Treaty, he would preface his remarks by saying that he agreed with the hon. member for Lambton (Hon. Mr. Mackenzie) that it ought not to be a question of money at all and he fully agreed with the Ministers of the Crown when they told the Imperial Government that the principle of a money payment was repugnant to the people of Canada. But if it was to be treated as such—if we were to be told that a sufficient price had been paid, then it became material that the figures of the hon. gentleman should be correct.

He then entered into an examination of the figures to show that there would be no such difference between the annual charge payable under the guarantee, and that which would be paid if there were no guarantee. In any case it must be remembered, whether we borrowed under a guarantee or not, the country was pledged to repay the loan and interest, and it must be paid.

We had to consider also, that in carrying out the financial terms of the Treaty it would be necessary for Parliament to take steps to reimburse the Province of New Brunswick in the sum lost by reason of the repeal of the export duty on lumber. When that was done, it would be found to trench largely upon the profits from the guarantee. He had been told that a reasonable compensation for this loss would be \$100,000. However that might be, there could be no doubt that the people of New Brunswick would have to be dealt with fairly, and it would involve a very considerable annual charge. He maintained therefore that the real diminution would fall far short of the amount claimed by the hon. gentleman opposite, so that the rose-colored picture which the hon. gentleman had drawn this afternoon upon view of which we were called upon to sell our feelings and sacrifice our fisheries, was far from a truthful one. (*Hear, hear.*)

**Mr. CARTWRIGHT** deprecated the mixing up of matters connected with the Treaty in this discussion, the more so as the financial statement made this afternoon was one which all members ought to regard with great gratification. We were all aware that fears had been entertained, when the Confederation scheme was under discussion, that the financial arrangements were likely to be a source of danger to the young nationality, and he, for one, was glad to find that those apprehensions had been more or less frustrated by the extraordinary expansion which had lately attended the commerce and resources of the country. He considered that this was not due to the Government alone, although he was willing to admit that they were entitled to some credit, but that all who supported the scheme of Confederation would also claim such credit. He thought that the Finance Minister (Hon. Sir Francis Hincks), had understood the extent of the liability which he was about to impose on this country for the future.

The engagements likely to be assumed he stated at \$3,000,000. This represented about \$60,000,000 of capital, but considering the gigantic works that were about to be undertaken, he considered that in naming three millions as the amount likely to be added to the interest on our debt, the hon. gentleman had by no means estimated the probable result. He would again remind the House that the present remarkable expansion could not be expected to continue, as periods of great prosperity were almost inevitably followed by periods of depression, and he had condemned the financial arrangements of the Finance Minister, not because they would cause mischief at the moment, but that they did not make provision for the future disasters which might overtake us. He contended the large increase in the Customs and Excise during the last three years, amounting to \$6,000,000, was not likely to be maintained; it was more likely to be diminished. He considered that it must be attributed in a great measure to the state of things existing in the adjacent Republic.

A very considerable portion of our revenue from woollens, silks, satins, etc., was in consequence of the great demand for those articles by Americans in the frontier towns, and he argued that there were peculiar reasons connected with that fact calculated to cause the revenue to increase more rapidly than it would under ordinary