

and therefore this large increase which we call a surplus is nothing more than the increased amount which has been taken from the laborers of Canada. It would have been possible, during the time of depression in 1875-6-7-8 to have made the people of this country contribute a larger sum to the revenue, but we should have driven them into open rebellion if we had adopted such a policy. The only justification that the Government of that day had was that we kept the taxes down, and enabled the people to live as cheaply as possible. We were expending considerable sums of money on capital account, but this helped to benefit the people, because it was undertaken with foreign capital, which we employed in building the Welland Canal and the St Lawrence Canal, as well as expenditure upon the Intercolonial, all of which was of material service to the people. It is idle for anybody to say now that putting the tariff up in 1876-7 would have brought a change of times earlier than it otherwise would have come. That change was due to causes that were entirely outside of Canada, and wholly uncontrolled by any administration, whether Reform or Conservative. Therefore I am one of those who question the wisdom or propriety of a surplus which has been obtained by taxing the people. I do not wish to be a bird of ill-omen, but one cannot lose sight of the fact that a change is coming over the trade of this country. We know very well that the wheat crop of this country is shorter than usual, but in former years when there was a shortage in the quantity of wheat there was an increase of price, and the farmer got the benefit in one way or other; but to-day he has a reduced quantity and also reduced value for that quantity—and what is that owing to? To the fact that there are other competitors in the world than those on this continent—Canada and the United States. The people of Western Europe, India, South America and Australia are now sharing the field with us, and it is a very grave question to see the trade of this country in cereals not keeping up to the past. If that is so, the most important export will necessarily go down, but I believe other exports of the farm will go up. I believe our capacity for feeding cattle is a very large one; our great adaptability as a dairy country is most impor-

tant, and no doubt our dairy produce and our cattle trade will and must increase year by year. I very much doubt, however, whether the sale of cereals will go on and increase at the rate that it did up to the year preceding the present one. Then again it must be remembered that one great source of prosperity during the years I have quoted—1881-2—and of which hon. gentlemen got the benefit, was due to the fact that our lumber had largely increased in value, that during the time of depression the people had ceased to build houses, and railways had ceased to be constructed,—so that lumber had gone out of demand. With the improved times the lumber market went up and became enormously inflated, a great portion of our wealth being due entirely to the increased value and large additional quantity of lumber which we were enabled to sell abroad. Do hon. gentlemen suppose, from the outlook in the United States, that this is to continue? Do they suppose that we are likely to sell in the next three years the same quantity that we have in the past? I doubt it very much, and I will tell you why I doubt it. One of the great sources of the distribution of money through the United States has been the enormous railway mileage that has been constructed. In 1882 no less than 12,000 miles were constructed,—I have forgotten the figures for 1881, but they were very large, but in 1883 the mileage fell off to 6,000 miles. What does that mean? An hon. Senator shakes his head, but I think I can shew very good authority for it. I can shew that the Northern Pacific, and other long lines of railway in the United States are practically finished, and that railway construction in that country cannot go on in the ordinary course of events with the same expansion as during the past three years. As a consequence we will feel the effect of it in our exports of lumber and of cereals, which will decrease, and we have nothing to substitute to the same extent, in point of value, for those two articles. Will hon. gentlemen pretend to say that it will not affect this country very seriously, and will they say that the people of this country can go on paying the high taxes they are now paying? I think not. I do not think it requires a very prophetic vision to say that they will make short work of any