

It is a matter of surprise and regret, that the Committee should have permitted themselves to make such a charge as is contained above. No policy has been avowed or acted upon, "especially discriminating against all forms of our industry," nor has the Minister of Finance ever held or expressed a sentiment adverse to reciprocity with the United States. The Customs Laws of Canada apply equally and *without discrimination* to goods imported from Great Britain, the United States, and every foreign country. It can scarcely be seriously meant as a cause of complaint that American goods are not admitted on more favourable terms than those of Great Britain, which forms the great market for our produce, with whom we are connected by ties of allegiance and affection, and by whom Canada is protected from all foreign foes. The utmost that the United States can ask, would seem to be admission on equal terms with our own fellow subjects, and this they have. But probably the real essence of the complaint is to be found in the hope expressed by the Minister of Finance, that duties required for revenue, might incidentally encourage the production of certain articles in Canada now imported. These words referred to above were—

"The fiscal policy of Canada has invariably been governed by consideration of the amount of Revenue required. It is no doubt true that a large and influential party exists, who advocate a Protective policy, but this policy has not been adopted by either the Government or Legislature, although the necessity of increased taxation for the purposes of Revenue has to a certain extent compelled action in partial unison with their views, and has caused more attention to be given to the proper adjustment of the duties, so as neither unduly to stimulate nor depress the few branches of manufacture which exist in Canada. The policy of the present Government in readjusting the Tariff has been, in the first place to obtain sufficient Revenue for the public wants; and secondly, to do so, in such a manner as would most fairly distribute the additional burthens upon the different classes of the community; and it will undoubtedly be a subject of gratification to the Government if they find that the duties, absolutely required to meet their engagements, should incidentally benefit and encourage the production in the country of many of those articles which we now import. The Government have no expectation that the moderate duties imposed by Canada can produce any considerable development of manufacturing industry; the utmost that is likely to arise, is the establishment of works requiring comparatively unskilled labor, or of those competing with American makers, for the production of goods which can be equally well made in Canada, and which a duty of 20 per cent will no doubt stimulate. That these results should flow from the necessity of increased taxation, is no subject of regret to the Canadian Government, nor can it be alleged as any departure on their part from the recognized sound principles of trade, as it will shortly be shewn that the Government were compelled to obtain increased Revenue, and it is believed that no other course could be relied on for this result than that adopted."

These words are those complained of as indicating a policy "especially discriminating against all forms of our industry," and the undersigned cannot avoid expressing his surprise that the Committee should take umbrage at the expression of a hope that duties absolutely necessary for