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gling manufactures and industries, as well as to the agricultural products of the country." In his speech in support of this resolution, he laid down the doctrine—as he had in 1870 when supporting Dr. Tupper's "National Policy"—that we ought to adopt a retaliatory tariff towards the United States. If we had a surplus of products, he said, it could do us no harm to exclude the Americans from our market. He declared that Indian corn was used only for purposes of distillation, and that we might afford to put a small duty on it. At a later period, however he took the contradictory and somewhat inconsistent position that Indian corn ought to be so taxed as to encourage the growth of coarse grains by the farmers, and that the distillers ought to pay the agricultural population good prices for their peas, rye, and other coarse grains which might be used in distillation, implying that he favored a policy prohibiting the importation of corn. He also read an extract from a United States manufacturers' advertising sheet, called the *American Manufacturer*, to show that Free Trade had been a failure in England, and he predicted that at a very early day those who recently clamored for free trade and free bread in England would be agitating for a return to Protection to prevent them from being beaten in their own markets. In 1877 this resolution was further elaborated and brought out in a new form. Regret was expressed that the Government had increased the burden of taxation on the people, without any compensating advantage to Canadian industries; and further, that the House was of opinion that the deficiency in the revenue should be met by a diminution of expenditure, aided by such readjustment of the tariff as would benefit and foster the agricultural, mining and manufacturing industries of the Dominion. This resolution presents, apart from the question of Protection,

#### TWO NEW FEATURES

which may require a moment's consideration. The one is an expression of regret that the Government had increased the burden of taxation on the people, and the other that the deficiency in the revenue ought to be overcome by a diminution of expenditure. Permit me to digress for a brief space from the subject in hand to notice these two propositions. That very same session the Government intimated their inclination to suspend work on the Lachine Canal, in consequence of the stringency of the times, but the line was taken by the Opposition that this would be an improper thing to do, because a large number of people in Montreal

and elsewhere were without employment, and that to suspend work on any of the public undertakings would be throwing out of employment many more, and they also argued that the money paid out to them in the form of wages would return to the public Treasury in the form of customs duties. Of course, this was an exaggerated statement. I merely mention these facts to show you that at the very time this resolution was proposed by Sir John Macdonald, and supported by his followers, expressing regret that a reduction in the public expenditure had not been made, they were, with seeming earnestness, urging upon the Government to proceed with a work which, owing to the deficiency in the public revenue, they were disposed to suspend for a time, with a view to affecting that reduction which the Opposition "theoretically" favored. (Applause.) With regard to

#### THE ALLEGED INCREASE OF TAXATION,

it was quite true that we had imposed heavier duties upon malt, which would be paid by the consumers of beer, and we had also imposed an additional duty of one cent a pound upon tea, which would scarcely have a perceptible effect upon the price of the article, and which in no way affected the price of any other commodity in the country. Yet if we were to act in accordance with the policy anadowed forth by this resolution, although we might diminish the public expenditure, we would have to increase immensely the burden of taxation beyond what was done by the two items of increase referred to. It is important that people should know that the effect of the Opposition policy would be to take money out of the pockets of thousands in order that it might go into the pockets of a dozen. (Cheers.) At the same time, be it remembered, we reduced the tax upon coal oil from 15 to 6 cents per gallon, and if by this arrangement we put more money into the public treasury we certainly took less money out of the pockets of the people. But you may ask, can we put more money into the treasury of the nation without taking more out of the pockets of the people? Most assuredly; and it is one of the principle objections to the policy propounded by our opponents, that if adopted, the people will pay enormous taxes that will not reach the national treasury. I am not at this time going to further discuss the effect of the proposition Sir John Macdonald made. I will take an opportunity of doing so on another occasion when I think I can satisfy even those most prejudiced against us that the proposition implies not merely

AN IMMENSE INCREASE IN THE TAXES