

that some political change was necessary. He (Hon. Mr. Mackenzie) agreed with the hon. Minister that there was no necessity for the speeches delivered by those gentlemen; that in their prosperous circumstances of the country it was extremely to be regretted that a member of the Government and another distinguished member of the House, should have given utterance to views which would lead people abroad to the conclusion that Canadians were dissatisfied with their political relations and looked for an inevitable change as the only means of pleasing them in a satisfactory position.

Naturally, he thought very much like the hon. member for Bothwell (Mr. Mills) that any political change at present could only mean one thing, annexation to the United States. He reasoned not merely from a sentimental feeling of loyalty, but from high national considerations; and while he and others might have a theory that the republican form of government was the highest ideal of government, still we were practically republican in all our ideas and in our whole system of government. We enjoyed all its advantages, without suffering any of its disadvantages. (*Cheers.*) His earnest desire was that that condition should continue. If in course of years it might become evident that a change in the direction of independence would be desirable, no doubt it could be achieved without the effusion of one drop of blood, or the disturbance of any of our commercial relations. He agreed with the hon. gentleman opposite, also as to the extreme folly of public men in this country continuing to advance a system of commercial duties which would practically be a declaration of independence, but almost of offensive commercial warfare against England.

A Zollverein, moreover, would involve an immediate commercial relation with the United States that would practically be equivalent to a political connection and to a declaration to the people of the United Kingdom that we were determined to shut them out of our markets unless they travelled through the United States.

The Canadian Board of Trade delegates to the St. Louis convention took the right ground on that subject. Their speeches had the ring of the true national Canadian feeling, which he hoped made itself felt upon those who thought there was a class of Canadian public men desirous of reaching that end in some way or other. He would not discuss other points of the Treaty at present, or till the Premier introduced his measure. Upon a subject of such immense and material interests to the whole country a present discussion would be premature; and, had it not been for the remarks of the Finance Minister, he would not have touched upon the subject.

He did not agree with the hon. gentleman's course with regard to the surplus. With one this year of nearly four millions, and one anticipated for next year of three millions and a half, and a prospective surplus of a million and a half for this year following, he did not propose to effect any reduction of duties of articles where some relief might naturally be looked for.

He regretted this, because the hon. gentleman could not say there was any immediate expenditure of a serious kind to be apprehended

in connection with the works mentioned, that would call on him to provide so largely for interest on the coming debt. It would be time enough when that debt was to be created, that we should provide for the necessary interest. At present the surplus should be dealt with as one involving a necessary reduction of taxation to a greater or less extent. He admitted it would not be desirable, in view of financial obligations of a serious nature, to effect reductions that would obliterate entirely the surplus accruing this year and to accrue during coming year; but it was wrong to continue a system of taxation producing more than the country needed for its immediate wants.

With these remarks and awaiting the production of the figures for comments on the financial statement generally, he desired not to add anything further at present.

**Hon. Sir A.T. GALT** whilst regretting the introduction of extraneous matter into the Finance Minister's speech, joined in his congratulations upon the prosperous condition of the country. Having regard to large projected expenditure upon public works, he agreed it was well not to attempt at present any important fiscal changes. He could regard the present condition of the revenue as likely to continue permanently, although the projected outlay on works of a productive character might assist the revenue materially for some time to come. Still, the warnings of the past should make them cautious as to the future. He deprecated the partial introduction of the Treaty into this discussion. It was not fair to expect the House to press an opinion as to a proportion of that arrangement only.

He regretted the settlement of the Fenian claims was mixed up with the agreement come to as to the action of Canada with respect to the Treaty, as many persons whatever their feeling generally on that subject, would feel much mortified if their consent was attributed to money considerations. He did not see what the Minister's allusions to the opinions held by certain parties as to possible political changes in Canada's relation to the mother country had to do with the financial statement. He did not think those who entertained such views could be expected to regard recent events with much favour, and thought we should have been quite as well protected at Washington with a commissioner really responsible to us as we had been by those under the authority of the Imperial Government. He was not prepared to say our condition of dependence should always continue; but, so long as it lasted, he would do his duty as a loyal subject.

It might have been well if his (Hon. Sir A.T. Galt's) resolutions last year had been passed; but, if important sacrifices on our part were required, let them be made. He demurred, however, to being called a "protectionist."

**Hon. Sir FRANCIS HINCKS:** I assure you, my hon. friend, that he was not in my mind when I made that allusion.

**Hon. Mr. HOLTON:** The Finance Minister was referring to the Secretary for the Provinces, Hon. Mr. Howe. (*Laughter.*)