

States the power to make a tariff for us. The duty upon every article would have to be consented to by the commissioners appointed by Canada before it became law, and, if it were not consented to, the negotiation would fall to the ground. So, even under a possible treaty of commercial union, it cannot be assumed that Canada would allow any other country to make her tariff.

Then the hon. gentleman says it has never been shown where the revenue would come from if we adopted unrestricted reciprocity. One thing is certain, that a salutary degree of economy would be imperatively necessary, and it is certain that that would be a benefit to this country whenever it was adopted. It might be as well to devote a few moments to the consideration of the statement that the revenue cannot be provided if we were to adopt unrestricted reciprocity with the United States. Our expenditure is upon a ridiculously extravagant scale for a country of our population. The United States in 1840, when it had a population of 17,000,000, had an expenditure of \$24,000,000. In 1850, when it had a population of 23,000,000, its expenditure was \$41,000,000. Our expenditure, with about 5,000,000 inhabitants in 1890, less than a quarter of theirs in 1850, was \$36,000,000. If we adopt unrestricted reciprocity, the first thing we have to face is the loss of revenue on goods imported from the United States. Taking the returns of last year, the duties on American imports amounted to \$8,220,000. Can that deficiency be made up by provisions made in other directions, by the exercise of proper economy and by a diminution of our expenditure? To meet that loss of revenue, we have last year a surplus of \$3,885,000. In other words, we extracted from the pockets of the tax-payers of Canada that amount more than we required to pay our expenses, so we have that amount to apply to the loss of \$8,220,000. Then, if we scan the controllable expenditure we find that, under the Administration of my hon. friend the member for East York (Mr. Mackenzie), the controllable expenditure was actually reduced by over \$1,700,000 during his Administration. That can be done again, and more than that can be done if we have as honest and economical a man as the hon. member for East York controlling our affairs. In 1874, the cost of Civil Government was \$883,000; in 1878, it was \$60,000 less, or \$823,000; last year, it was \$1,308,000. If we adopted the plan of making our civil service employes do a day's work for a day's pay in the same way as the farmer and the artisan and the merchant have to do, that expense could be reduced by \$300,000. Then there is an expenditure for the supervision of fisheries. In 1875, it was \$108,000; in 1878, \$82,000; and in 1890, \$328,000. For the militia, there was an expenditure in 1873-74 of \$1,122,000; in 1878, \$618,000; and in 1890-91, \$1,287,000. Now, when we have reciprocity with the United States we shall have friendly relations; we shall have no need of a standing army to keep them in order; we can cut down our militia expenses largely, to the extent of at least \$500,000. In respect to public works a very large reduction was made during the Mackenzie Administration—from \$1,800,000 to \$998,000; we can reduce that amount, which last year was \$1,972,000, by the sum of \$750,000. We can readjust the sugar duties, without having sugar cost the consumer any more, by adjusting the duties so that the money would go into the pockets of the Government instead of the

Mr. CHARLTON.

laws of the refiners, and we can save a million and a quarter more on that article: we can save \$150,000 in the cost of the excise. The Intercolonial Railway was run last year at a loss of \$553,000, and the Prince Edward Island Railway was run at a loss of \$105,000—we can make those roads pay their running expenses surely. Of the \$2,358,000 capital expenditure on the Intercolonial Railway last year, we can fairly assume over half a million of that is chargeable to working expenses; we should save that amount, and we can, it is believed, save, by the economical management of these roads, \$250,000 more. These items sum up \$8,543,000, to meet the loss of revenue from the taking off of American duties to the amount of \$8,222,000. Now, there might be—there probably would be—temporary derangements in case of a great fiscal change, such as unrestricted reciprocity would involve. We might have a temporary deficiency of revenue; we might be under the necessity of meeting a deficit for one or two years. We have known what that was before. Since 1884 we have had deficits to the amount of \$8,840,000. We must remember that this policy is to confer great benefits upon the people of this country, is to give them free access to the American markets for all their natural products, is to permit them to import free from the United States, goods which now pay \$8,200,000 of a duty. I say that this great advantage would be secured cheaply, if it was secured at the cost, for a year or two, of slight deficits. But, Sir, a great and rapid increase of prosperity would give greatly increased tax-paying resources to the people of this country, and any deficiencies that might occur would be only temporary, and the policy that increased the wealth, increased the population, increased the resources of Canada vastly more rapidly than they have been increased heretofore, would be a policy that would adjust the revenue difficulty very speedily indeed.

Then, Sir, the Minister of Finance tells us that unrestricted reciprocity, plus continental free trade, leads to annexation. Well, Sir, why does it do so? I see the hon. gentleman has enlarged upon that point a little. Has not the hon. gentleman conceded more in making that assertion than he would wish to acknowledge? Could a policy lead to annexation with the United States that did not make the people of this country desire still more intimate relations with them? If a policy did not result in great benefits to Canada, if it did not increase our population, our wealth and our resources, how would it lead to annexation with the United States? When my hon. friend, the Minister of Finance, asserts that unrestricted reciprocity will lead to annexation, he concedes the principle that unrestricted reciprocity will confer great benefits upon Canada, so great as to enamour Canadians of American institutions, so that they would desire to enjoy more of them. Now, I do not know but what my hon. friend may have been looking over the annexation question. He may, perhaps, have had his mind impressed with some of the arguments used by annexationists; he may have looked into the future and imagined that the benefits that Canada would derive from the breaking down of the barriers between the two countries, from the cessation of all danger of collision, or tariff war, from the necessity of maintaining armies and armaments no longer existing because the continent was under one flag—he might have