

life as well as the necessities, and the poor man has to pay for them. The hon. Minister of Customs and one or two others have attempted to meet that, by declaring that the necessities of life compared with the luxuries were after all not so disproportionate. The hon. gentleman wishes me to draw the line between the necessities of life and the luxuries. I decline to discuss that question. All I point out is that both luxuries and necessities are treated alike, and I leave hon. gentlemen opposite to explain to the people what are luxuries and what are not. I say this is one of the vices of the present tariff. The other is that since we have a cut of 33½ per cent we shall have between two and three million dollars less revenue, which the people of this country will have to put their hands into their pockets to make up. Under our system we cannot unload at one point without putting on at another. Just as in the case of corn, the farmers of this country have to put their hands in their pockets and make up for the loss of revenue on corn that is admitted free, so to the extent to which we give other countries concessions without obtaining compensating advantages, to that extent we tax our own people, because we must make the two sides of the ledger balance. But when that is said, what compensation have we now? The compensation which the Conservative party ask is a reasonable one. If we give to the people of England an advantage to the extent of \$2,000,000 or \$3,000,000, we must eventually tax our people to that extent, and we are quite willing to do that on receiving equivalent advantages in the British markets. The hon. Minister of Finance declared that we were now in the high tide of prosperity and that this was a time above all others, particularly favourable to the Liberal party, but that some day the pendulum was sure to swing the other way. Take the year 1895, when there was the lowest taxation per head by the way of customs tariff, and the lowest revenue we have had in Canada for years, and the lowest expenditure, what followed? Why, we had a deficit that year of something like \$4,000,000. Well, Mr. Speaker, what would be the case now if the pendulum were to swing the other way? It would follow that by reason of the preference we have given to England or to any other country, the \$3,000,000 thus taken from our revenue would have to be added to our ordinary deficit. There are just two ways of overcoming a deficit. There is one which the government cannot control, and that is the expansion of trade, in which case our revenue is increased by the fact that we are importing and consuming more goods, which is after all one of the means by which our taxation is increased. But, if, instead of expansion we have a diminution of trade, as we will have when the pendulum swings the other way, then we will have to make up for our reduced revenue by additional

taxation, and what we propose is that in the general tariff; but all the reductions Great Britain should, in return for the concessions we give her, give us an advantage in their markets which would compensate for the increased taxation, to meet any reduction of revenue caused by diminution of trade. We are not proposing to ask for any favours, but only that we should be given something in return for what we grant, and we ask this because, whatever we do concede must necessarily come out of the pockets of our people. But hon. gentlemen opposite say that England will never make us any concession, because any concession she would make to us would have to come out of the pockets of her own people by an increase of the costs of their breadstuffs. But how does that square with the argument of hon. gentlemen opposite who declare that American goods coming into this country must be lowered in price in order to compete with English goods which are coming in under the special preference we give to England. These hon. gentlemen declare that the Americans will have to take less. But would not the same argument apply to American goods exported to England, should England give us a preference? Would it not follow that the prices of these goods for the use of the English consumer would have to be lowered in order to meet the competition which our goods could offer under the more favourable tariff to us or under the higher rate imposed by England on their American imports as compared with ours. I contend that the English consumer would not, if such preference were given to us, pay a farthing more for the goods that he would bring in from the United States, because the Americans would have to lower their prices to meet our level. Otherwise the argument of hon. gentlemen has, as applied to American goods coming into this country, no foundation whatever. The hon. member for North Norfolk (Mr. Charlton), has told us that the danger to England to-day is that she is threatened with the commercial hostility of every other country in the world, and that she would intensify that hostility by imposing a tariff against them in our favour, and only the hostility, because they know they would have to compete with Canadian products that come in on better terms. But if their tariff were thus raised, these countries would still have to sell to Great Britain, and would have to take less in the English market for the goods they send there, and the English consumer would, therefore, not pay a cent more for them. Nothing could be further from the mark than to say that it is against the interests of England to give concessions to her colonies. But these hon. gentlemen are so solicitous lest the hostility of foreign countries should be increased, that they are willing that we should give a preference to England without getting anything in return. Then not only