

back and fastened to her ears. These gentleman have all been looking at the wonderful animal. They have lost their money and you do not hear so much grumbling as you would under other circumstances, for the reason that misery loves company. They were anxious to get rich too fast, and they overloaded, and they went down. I remember, and some others here will remember, the time when the steamer *Royal Star* was taking a circus from Eastport, to Boston. She had a menagerie on board, and in their company was the American giant; I remember him very well; he was a very large man. The steamer took fire, and a great many lives were lost, and a great deal of property. In the coffers of the circus was a good deal of gold and silver. This man, being a very strong man, and a good swimmer, thought he might get rich on the occasion, and make a grab. He filled his pockets with gold and silver. He had only a short distance to swim to the boat from the burning ship; he jumped over the side, and went to the bottom as quick as lightning. He was greedy, and wanted to get rich at once out of the spoils, and that was the result of his greed. He took his riches down with him; he had that satisfaction; but those who rested on the advice of the Government cannot even do that. I come now back to the tariff question. Direct taxation, is the most equitable, and decidedly the best system of raising a revenue that can be devised, if you could only make the people believe it; but I do not expect anybody for some time to come to venture on that mode of raising a revenue in Canada. Up to the time of the adoption of the National Policy we had what might be called a revenue tariff, although there was a great deal of protection in that tariff. Under it, for every dollar that went into the Treasury, the people I think paid half a dollar or perhaps 75 cents into the pockets of the manufacturers. That was a very large protection under that system. Now, my idea of the correct policy for raising a revenue is that prevailing in Great Britain. They put taxes on nothing that is produced in the country. To illustrate what I mean; the duties are here taken off tea and coffee, and the Government claim that they have done very much for the people in removing these duties. Well, if they wanted to help the people, it is not from tea and coffee that they would have taken the duty, but from flour and meal something that is produced in the country. If there was a tax to-day on tea and coffee every cent of that duty would go into the Treasury, and the country would get the benefit of it, because it is not produced in the country. Now, with regard to the taxation of the people under this policy, I am not thoroughly informed about it, but I have thought of the subject; and I believe that for every \$20,000,000 collected from the people under this National Policy, we have paid more than \$20,000,000 into the pockets of the manufacturers of this country. Now, that may astonish hon. gentleman; but I say, in order to raise \$20,000,000 for the Government of the country, you take \$40,000,000 and more out of the pockets of the people. I may be extravagant in my estimate; but I think I am under rather than over the mark. Here is the way I illustrate it, as I have done before. I go into into a merchant tailor's shop in Ottawa to buy a pair of tweed pants. I ask him to show me a piece of Scotch tweed worth about \$1.50 a yard. He shows it to me. I ask him to show me a piece of Canadian tweed about as good as that. He does so, and I ask him: What is the price of that? That is \$1.50 a yard, too. Now, you will understand that there is about three times as much Canadian tweed, taking all the grades, used in Canada now as there is of Scotch tweed. I take the Scotch tweed for my pants, and the duty I pay on that goes into the Treasury; the merchant paid it when it was imported, and I pay it back to him when I purchase the goods. But, suppose I took Canadian tweed of the same value, where does the extra price go? Because the duty raises the price of

the goods manufactured in the country as high as that of the imported article, or it is worth nothing; then the extra price I pay for the Canadian tweed goes to the manufacturer. The thing is plain, to my mind; there is no doubt about it; and as we use three times as much Canadian tweed as imported tweed, I say for every \$100 we pay into the Treasury on imported tweed we pay \$300 to our manufacturers. Well, you ask, why do they not get immensely rich at once. There are a good many reasons. They may not be able to make tweed to compete with Scotch tweed, therefore they have to tax the people to enable them to make it, or they may go into other investments. But the greatest loss, I think, is in trying to manufacture articles which they cannot manufacture successfully, and so they have to tax the people; and if there is anything that will cause depression it is that. Whenever you take so much from the people that they cannot buy the luxuries of life as freely as they could under other circumstances, if they had the money you take from them, that I believe, to a great extent, causes depression. I have here a table which I copied from some magazine, showing what amount of taxes goes into the Treasury, and what amount to the manufacturers on certain rates of duty. These tables are made from statistics gathered in the United States, and I believe the principle they are based upon to be correct. The proposition is, that the sum of \$100 is to be raised on imports, and of course the amount may vary under different circumstances.

Tariff of 100 per cent.	Manufactures Receives	Treasury Receives
100 gives.....	99-60 per cent	40 of 1 per cent.
95 "	99-20 "	80 "
90 "	98-40 "	1-60 "
85 "	97-20 "	2-80 "
80 "	95-60 "	4-40 "
75 "	93-60 "	6-40 "
70 "	91-20 "	8-80 "
65 "	88-40 "	11-60 "
60 "	85-20 "	14-80 "
55 "	81-60 "	18-40 "
50 "	77-60 "	22-40 "
45 "	73-20 "	26-80 "
40 "	68-40 "	31-60 "
35 "	63-20 "	36-80 "
30 "	57-60 "	42-40 "
25 "	51-60 "	48-40 "
20 "	45-20 "	54-80 "
15 "	38-40 "	61-60 "
10 "	31-20 "	68-80 "
5 "	23-60 "	76-40 "

If this estimate, however, is correct, and I have no doubt it is and if people understood the real nature of this tariff, or any other protective tariff, they would not tolerate it for a moment. But so many fallacies can be made to bolster up this protective theory that it is hard to make people understand it. The illustration used by the hon. member for South Brant (Mr. Paterson), with regard to sugar was a very good one. A gentleman offered to sell 40 lbs. of sugar to some one for \$1, if he would only go to the warehouse to get it. He takes his order for the sugar, the customer goes down to the warehouse and asks for the sugar. Oh, yes, he is told, you can have the sugar, 40 lbs. for \$1, but you must first pay \$1 duty. That gives him an idea of what the tax is. In my county we have perhaps one of the best cotton mills in the Dominion, a mill which turns out the best goods of the class manufactured of any mill in Canada. I will give the National Policy credit for having started that industry, and the report of the Government commissioner with regard to our industries shows that there are four or five hundred hands employed in that mill. I wish that mill success, as I wish every other enterprise success; it is not pleasing for me to see any body lose his investments; but that mill has been in operation for a year or two; I do not know particularly about its financial condition; I know that there were large bonuses given it and that a very large sum of money in stock was subscribed and paid up; and if I am creditably informed that stock, though not valueless, is very