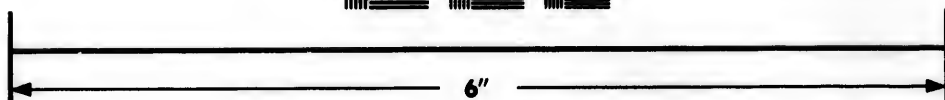
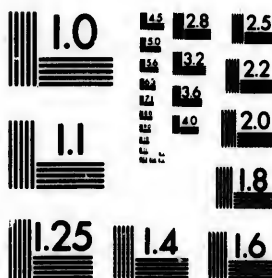


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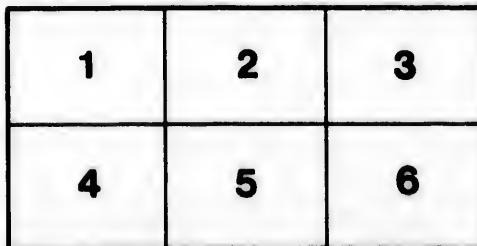
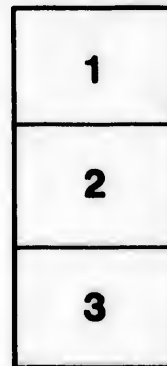
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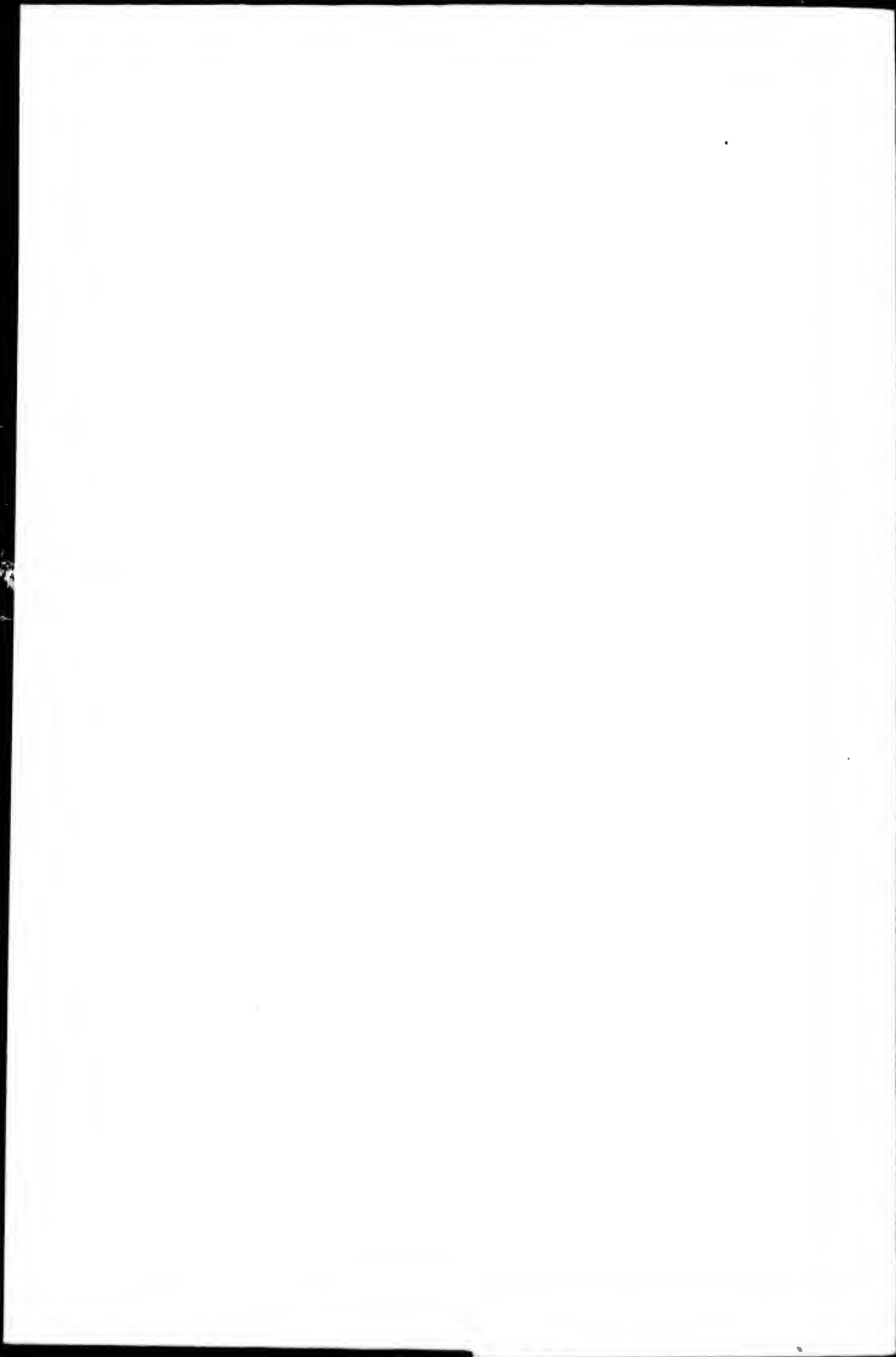
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CONDITION OF CANADA,
INDUSTRIAL, FINANCIAL AND COMMERICAL.

SPEECH OF
JOHN CHARLTON, M. P.

ON THE
BUDGET

IN ANSWER TO THE
ANNUAL STATEMENT

BY
SIR LEONARD TILLEY.

DELIVERED IN THE HOUSE OF COMMONS, AT OTTAWA,
THURSDAY, MARCH 30th, 1888.

OTTAWA:

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CONDITION OF CANADA, INDUSTRIAL, POLITICAL AND FINANCIAL.

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JOHN CHARLTON, M. P.,
ON THE
BUDGET

IN ANSWER TO THE
ANNUAL STATEMENT BY SIR LEONARD TILLEY,
Delivered in the House of Commons, at Ottawa, on Tuesday, March 10th, 1885.

Mr. CHARLTON. I am sure, Sir, that we have all listened with pleasure to the speech of my hon. friend the member for Pictou. A few of the points he has made I shall perhaps notice in the course of my remarks to-night.

The interest taken in the financial statement made annually by the Finance Minister of this Dominion is for obvious reasons increasing year by year. The importance of his statement as it relates to the interests and prosperity of the country is increasing year by year. That hon. Minister, Sir, on the present occasion, has met Parliament under circumstances perhaps less favorable and less comfortable to himself than on some previous occasions. He meets Parliament with the fact confronting him that the debt of this country is assuming alarming proportions—that it is increasing with great rapidity. He meets Parliament with the fact staring him in the face that the expenses of the country are also increasing. He tells us that the estimates for the coming year will probably reach \$32,000,000, an increase of almost \$20,000,000 since these Provinces were confederated in 1867.

He knows that the taxation is extremely heavy, and that, owing to the depression that exists, although the rate of taxation has not been reduced, the revenue derived from taxation is considerably less than formerly. He also is unable to deny that following the stimulation which has been applied has come over-production and plethora, and that our manufactures to-day are in a stagnant position. He knows that the prospects of the great North-West, to which this country must look for expansion and growth, have been blighted by the policy this Government has adopted; he knows that the tide of immigration which set in in a stream towards that country has, if it has not been turned, been reduced until the stream has become a mere dribble; and he knows that this result is due in a large measure to the operation of his fiscal policy. He knows his Government has been guilty of the incredible folly of saying to the people of the North-West that they shall not use their own money to create avenues of traffic for the transportation of their products to market; he knows that, although he met us unctious with plausi-

bility, the case he presents to Parliament is one the reverse of pleasing to himself and the party which backs him, and in fact the conclusion at which he arrives, the one comfort he has for himself, is that matters might have been worse. He draws a comparison between the taxation of this country and the taxation of the old effete monarchies of Europe, in which great standing armies are maintained and the tax-paying capabilities of their populations strained to the utmost, in order that they may maintain an armed neutrality and congratulates himself because the taxation in Canada has not reached the sum it has in those countries. He points to the Australian colonies and their total revenue, and would lead us to suppose that their revenue is derived wholly from taxation, whereas he knows that 65 per cent. of it is derived from other sources and only 35 per cent. from taxation. His statements are all calculated to mislead the country and to give us a false sense of security, a false sense of good government and of proper management on the part of those who have in charge the financial affairs of this country.

Tone Not Congratulatory.

It is noticeable that the hon. gentleman does not assume the congratulatory tone which on former occasions he was wont to assume. His tone is deprecatory and apologetic, contrasting strongly with his utterances in some of his former Budget Speeches. I will call the hon. gentleman's attention to one or two brief extracts from speeches made by him on former occasions. In his Budget Speech of 1880, he used the following language :

"I believe, Sir, there is a good time coming. I believe that the policy of this Government has inaugurated a good time, with reference to the encouragement of the industries of this country, giving a home market to our farmers for their produce, giving business for everybody, and filling up the vast territory in the North-West in preparation for the millions that will populate it in the future."

Where is the home market? We will enquire into that more fully in a few

moments. Where is the market our farmers were to have for all the produce they could raise? Is the North-West filling up with millions? What is the condition of the North-West? Evidently the rosy picture drawn by the hon. gentleman in his Budget Speech in 1880 was not a prophetic picture; evidently his prognostications have not been realised. In his Budget Speech in 1881 he said :

"It is said the greatest enemy of truth is prejudice, and its greatest friend time. *Time is solving this question with reference to the Tariff.* The main discussion on the Tariff will be this Session. The result of another year's experience will be such that our friends opposite will be then veering their course for a moderate protective policy, in order that they may meet the desires of the country."

Well, the hon. gentleman spoke truly when he said that the greatest enemy of truth was prejudice, and its greatest friend time; he also spoke truly in saying that time would solve this question. Time is solving it, time has already nearly solved it, and the fallaciousness of the hon. gentleman's views becomes more evident as time lapses. In his Budget Speech, in 1882, the hon. gentleman said :

"I may be permitted to say, Sir, that at no time in the history of Canada has a Government met Parliament with the financial condition of the country in the position it is to-day. At no period in the history of Canada has its credit stood so high as it stands to-day. At no period in the history of Canada, possibly, was the country, generally speaking, as prosperous or more prosperous than it is to-day, and I propose, Sir, in the statement that I am about to submit to the House to establish that that prosperity is, in a great measure, dependent upon the policy of the Government, adopted by Parliament."

Bad Financial Position.

He might truly say to-day that at no time in the history of Canada has the Government met Parliament when the financial condition of the country was in the position in which it is now. He might say to-day with perfect truth that at no time in the history of this country has the Government met Parliament with

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\$25,000,000 obligations shortly to fall due unsettled and unprovided for; he might well say that at no time in our history has the Government met Parliament with \$18,000,000 of floating debts; he might truly say that at no time in our history has the Government met Parliament when the Government is obliged to confess that it has been compelled to resort to the expedient called, in commercial language, "shinning," on the street, in order to meet its current obligations; or borrowing at all points where it can make a temporary loan, on the promise that the loan will be refunded as soon as the credit of the Government will permit it to make a permanent loan.

Pledges that were not kept.

If we go on to consider the pledges made with reference to this National Policy, we will find that scarcely one of them has been kept. With reference to the pledges made with regard to the employment of labor, I find in the Budget Speech of 1882, made by the hon. gentleman, the following language:

"I would ask hon. gentleman, when they are referring to this matter, what would have been our position in the Dominion of Canada if we had not adopted a policy that has enabled us to give employment to our industrial classes? They would have had to go abroad for the purpose of seeking employment. It is stated that 23,000 persons have passed over to the United States from Sarnia, but we all know that a large portion of them belong to the United States. But admitting, for argument sake, all that has been said by my hon. friend opposite, we would have had an emigration much larger than we have had had it not been for the adoption of this policy.

When was this statement made? It was made in 1882, and the very year preceding the greatest exodus had taken place from Canada that had ever taken place at any period of its history. In that year 137,000 had left Canada for the United States, while in the last year of the Administration of Mr. Mackenzie the exodus had not reached a number exceeding 30,000, or the exodus had been more than four-fold as great in the year preceding that in which this statement

was made by the hon. gentleman as the exodus in the last year of the Mackenzie Administration; yet the hon. gentleman congratulates himself upon the fact that this policy checks the flow of emigration. He congratulates himself that but for the adoption of the National Policy the emigration would have been much greater. In Heaven's name, if it had been much greater, how much greater would it have been? It would have led to the depopulation of the country. Sir Charles Tupper, in 1878, referring to the employment of labor, said:

"The policy the Government has pursued has had the effect of depopulating the country. It has sent away the most skilled and intelligent labor, the finest sons of Canada to a foreign country, to obtain employment their own country denies them."

And in the speech made in the Amphitheatre in Toronto in July, 1878, the First Minister used the following language:—

"If you desire this country to prosper, if you desire this country to rise out of the slough of despond into which it has sunk, if you desire to see manufactures arise, if you desire to see labor employed, if you desire to see the emigration of your young men stopped, if you desire to bring those who have emigrated back to this country, if you desire to see the value of your land arise, if you desire prosperity, you will support the National Policy and say: We must have Canada for the Canadians."

Well Sir, we adopted the National Policy. Did our young men cease to leave Canada? Did those who had left Canada return? Has the value arisen?

Some hon. MEMBERS. Yes.

Mr. CHARLTON. No, Sir, a greater number of young men have left the country since; comparatively few of those who had left have returned, and the value of farming land in Ontario and other parts of the Dominion is less to-day than it was in 1878 for land of like improvement and condition. Everyone of these prophecies has proved false; not one of them has been verified by the result.

Promises to the Farmers.

Then we had some promises made with regard to agriculture. It was necessary, of course, when this policy

was proposed, to carry it by the aid of the votes of the farmers. Unless the farmers could be persuaded to believe that there was something in this policy to their advantage, their votes could not be had ; and, unless their votes were had, the policy could not be carried. One of the schemes resorted to by our hon. friends opposite in the campaign of 1878 was to endeavor to induce the farmer to believe that the Government could afford protection to him, that the agricultural interests of this country would be benefitted by imposing burdens on the farmer, because it was held and announced that duties could be imposed which would benefit the farmer ; he was to share in the benefits to be derived from this general scheme of taxation, and so he was made to believe that he had a share in the good results to be derived from this National Policy. I shall read one or two extracts in reference to the benefit promised to the farmer. In a speech of Sir Charles Tupper, made in the Budget debate in 1882, he says :

"It has been shown that the prices of farmers' products have been better than ever before, and the hon. gentleman opposite (the ex-Finance Minister) impaled himself on the horns of this dilemma the other night. He said you cannot improve the price of wheat because that is regulated in Mark Lane ; and yet the hon. gentleman denounced the tax on breadstuffs, including wheat, as an odious tax. I want him to establish the assertion that it is an odious tax, and that under the National Policy there is no improvement in the price of the products of the farm. Let me ask him this question : he says we have increased the farmer's burdens, and he has gone before the farmer with tears in his eyes to condemn our policy with this result : that the farmers have simply laughed at him. They have laughed at him because they knew what he had said here before, and would say here again, if in power, as he said the other night, that the laborer's burdens had been increased by the price of living—that everything he used he had to pay more for it. How can you increase the cost of everything consumed by the laborer, mainly consisting of farm products without benefitting the farmer ? It is just such questions we had put to him. We told him we would benefit all classes of industries in the country.

We told him we would improve the condition of the farmer by a better home market. But the hon. gentleman could not understand. But now when the farmer laughs at him on account of his theories, he will know that the people held that his former statements were baseless ; that the farmer to-day gets more for every product, that is more for every product of the soil, than he could have got if the policy of the late Government, of making Canadians hewers of wood and drawers of water for any other country, had been carried out as he would still have carried it out."

What About Prices Now.

Well, are the farmers getting more to-day in consequence of this policy ? Has this policy raised the price of farm produce ? Do the farmers laugh at my hon. friend to-day ? Do they realise to-day that the price in grain in Mark Lane has nothing to do with the price in Canada ; that the home market has established the price and is quite independent of the markets of the world ? I think not. I think the laugh is on the other side of the cheek. I think they laugh at the promises which were then made ; they realise how absurd and fallacious were the promises that a duty on grain could afford them any protection when we had a surplus of the article to export to other markets.

Mr. McNEILL. What is the price of oats to-day in Toronto ?

Mr. CHARLTON. I will tell you in a short time. We will get to that in due order. Here is another quotation from the Budget Speech of 1880 :

"If you go to the farmer, you will find that he recognizes the improvement in prices——"

Does he recognise that to-day ?
 "that he recognizes the improvement in prices for the articles he has for export, or for home consumption in the home market. You may go to our shipping interests, and you will find, that during the last five or six months everyone has a more hopeful feeling than they had before. Take the lumber interests of the Ottawa valley and other parts of the Dominion, and mark the change. You will find every man who is engaged in that business in the city of Ottawa, in the west, or down east, doing double work, making sales ahead, and with

a different, a more buoyant spirit, than he had twelve months ago."

What is the state of the shipping interest to-day? Is there a more hopeful feeling for the future? What is the state of the lumber interest? Are the lumbermen of Ottawa and of the west and of the east working double time and making sales far ahead? There is a vast accumulation of lumber in the yards at Ottawa, and none of it is sold yet; gloom and despondency prevail in the lumber markets, the shipping interest is low, not a single promise made by the hon. gentleman in regard to any industry in the country has been realized. Then we had some promises made by the leader of the Government himself. Sir John Macdonald, in 1878, is reported in *Hansard* as saying:

"We say the present tariff is inartistic, unscientific, deficient in some parts; that it helps to depress and crush our manufacturing interests, to allow an undue and improper interference with our agricultural products in our own markets; and that there ought to be a readjustment in a scientific sense. I believe the tariff could be so readjusted that unless the future necessities of this country required additional revenue and an increase of duties for revenue purposes, we can give more protection to our agricultural interests, we can give an encouragement to our manufacturers, not only to enable them to maintain this present position, but to relieve them from the existing depression and give them an opportunity for development, and, at the same time, the whole amount of pressure and volume of taxation would not on the whole, be increased to the people. That is the doctrine we have always held."

Well, we have had, since this unscientific tariff passed away, a scientific tariff introduced, I suppose, and our hon. friends opposite will earn the cognomen of the tariff-tinker in another Session, I believe. There has not been a Session since this tariff was adopted when the Finance Minister has not come to this House with numerous and important changes. It is an inchoate, incomplete arrangement, constantly requiring tinkering, constantly requiring change, and failing at all times since it was adopted, as it fails to-day, to meet the wishes or satisfy the expectations of the country.

Taxation Increased.

And, with regard to the promises made by the right hon. gentleman, that the burden of taxation should not be increased but that there should be merely a readjustment of duties, a readjustment of burdens in such a way as to afford all the benefits a truly scientific tariff was capable of affording to the country—have these promises been kept? Has there been no increase in the taxation? In 1873 the taxation from Customs was in round numbers twelve and three-quarter millions, or \$15.60 per family of five. The taxation from Customs in 1883 was twenty-three millions, a taxation of \$25.70 per family; and in 1884 it was twenty millions, or \$24.24 per family, in place of \$15.60, under the administration of affairs by the ex-Finance Minister—a very large increase indeed.

Mr. HESSON. Are you adding deficits?

Mr. CHARLTON. We will refer to deficits in good time. I am afraid that, in two or three years to come, we shall allude to very alarming deficits. Well, we have had the benefit of a tariff which was not to raise the taxation of the country, which was to be readjusted without increasing the burdens, a tariff which, however increased the burden of taxation under Customs from \$15.60, in 1878, to \$25.70, in 1883. We have had a tariff which was to afford the farmers of this country protection, and the very utmost claim the hon. gentleman has ever made with regard to the benefit the farmers derived from that tariff was made two Sessions ago, that possibly the farmers were receiving 3 cents per bushel more for wheat than they would if there had been no duties. That is the very utmost advantage that they ever claimed from the operations of the grain duties.

Effect of Grain Duties Upon Prices.

Now, Sir, I have had occasion to compare American and Canadian quotations repeatedly, in addressing audiences in various parts of this country; I have made those comparisons every year, and

at every period of the year, and I have never found one instance where the relative quotations in the two countries would lead to the supposition that the imposition of duties upon grain had conferred one iota of advantage upon the farmers of Canada, and I defy any man in this House of Commons to point to any day in the history of Canada since this tariff was passed, in 1879, when the grain duties have conferred any advantage upon the producer of grain in this country. What is the condition of things to-day? If the hon. gentleman will take the market quotations he will find to-day that No. 1 spring wheat, worth 82 cents in Toronto, is worth 91 cents in Buffalo, which is the corresponding market, about the same distance from the sea; and yet in Buffalo No. 1 wheat is worth 9 cents more than in Toronto. It does not require a duty of 15 cents to prevent the importation of 91-cent wheat from Buffalo selling at 82 cents in Toronto. To-day No. 2 spring wheat is worth 80 cents in Toronto and 88 cents in Buffalo, and 74½ cents in Chicago. Will the 8 cents difference between the two points pay for transportation. Is there danger of slaughtering the Toronto markets where wheat is worth 82 cents with wheat bought in Chicago at 74½ cents? To-day oats are worth 37 cents in Toronto and now the hon. member for Muskoka (Mr. McNeill) will have his question answered) for 34 pounds; while right across the lake, at either Oswego or Buffalo, 32 pounds of oats are worth 36 cents or oats are worth 1 cent and a fraction per bushel more in Oswego than in Toronto. It requires no duty upon oats to keep 32 pounds of oats worth 36 cents in Buffalo, from being sold at 37 cents for 34 pounds in Toronto. To-day barley is worth 68 cents in Toronto and 84 cents right across the lake at Oswego, and that great difference has always existed in the price of barley at the two points. What is the use of a duty upon barley if the price in the American market is 14 or 15 cents higher than it is here? To-day rye is worth 59 cents in Toronto and

65 in Oswego in bond, without the duties paid. To-day peas are worth 61 cents in Toronto and 75 in Oswego. To-day creamery butter is worth 24 to 85 cents in New York city and 18 to 21 cents in Montreal, and so through the whole list. As to agricultural productions, it will be found, upon comparison, that never yet since 1879 has the imposition of grain duties conferred upon the farmers of this country any advantage whatever.

The Home Market.

Now, Sir, a few words with regard to the home market. I find that in 1879 the hon. Finance Minister, in his Budget Speech, used the following language:

"Or whether we will inaugurate a policy that will, by its provisions, say to the industries of the country: We will give you sufficient protection; we will give you a market for what you can produce."

That was the promise of a home market. Now I would like to call attention to the manner in which that promise has been fulfilled. I would like to point out to the hon. gentleman the great diminution that has taken place in the exports of the food products of this country, and how very nearly we have come to affording the farmers of the country a home market under the operations of the National Policy:

Total exports, exclusive of bullion and estimated short returns—	
1874 to 1878.....	\$342,884,504
Average per annum.....	\$68,576,900
1879 to 1883.....	385,435,565
Average per annum.....	77,087,113
Each period 5 years.	
Total excess, second period over first period.....	42,551,062
Average annual excess over first period.....	8,510,212

That is the total exports, and as we come to the food exports we will find that a greater balance exists in favor of Canada. If we take the exports of animals and their produce, and of the agricultural products, the produce of Canada, we find the following figures:

1874 to 1878.....	\$159,824,099
Average per annum.....	\$31,964,819
1879 to 1883.....	\$210,852,852
Average per annum.....	42,190,570
Total excess, second period over first period.....	51,028,753
Average annual excess.....	10,205,750

We find, if we examine the exports of 1874, that they amounted to \$77,000,000

and that sum exceeds the annual average of 1874 to 1878 by \$8,500,000. Now, Sir, if we want to arrive at an exact condition of things, it requires a careful computation as to the nature of the exports, because our returns before the inauguration of the National Policy, with regard to the exports of grain, were kept in a loose manner. Grain was imported in immense quantities, all entered for consumption; it might be consumed or it might pass through the country, and the only way to arrive at the net export was to take the total exportation from the country and deduct from that the total importation into the country, and then you had the actual export. I have taken pains to compile a table upon that basis, to arrive at the actual net export over a period extending from 1874 to 1884. I find that the net exports of the cereals, of malt, hay, grain, green fruit, potatoes, and exports of animals and their product, and the products of Canada, were as follows, and that statement also includes the exports of fisheries:—

1874 to 1878, 5 years.....	\$17,953,000
Annual average.....	29,591,600
1879 to 1884, 6 years.....	268,143,000
Annual average.....	44,690,500
Average annual excess second period over first.....	\$15,036,900

Now, Sir, the National Policy was to create a home market, was to absorb the whole of the productions of the soil of Canada, but under the operations of the National Policy we have approached the realization of that promise by receding from it, and by increasing the average annual export of food from this country to an extent of \$15,000,000. What is the promise of the hon. gentleman with regard to home market? It is a fallacy, Sir. The exportation of the food products of this country has constantly increased under this tariff. It is greater to day than it was then, but that increase is due to good harvests, and due to a foreign demand, and these have been the causes of the prosperity which has been falsely attributed to the operation of the National Policy itself.

The N. P. was to give Reciprocity.

Well, there were great promises made.

There were promises made by the father of the hon. gentleman (Mr. Tupper) who spoke last, with regard to the potency of this policy as regards the securing of a reciprocity treaty with the United States.

The National Policy was to procure reciprocity for us, and I will read what the hon. gentleman said with reference to that point in 1877:

“Whether you look at it, Sir, in relation to revenue; whether you look at it as a means of getting a reciprocity treaty; whether you look at it as a means of giving a just, fair and legitimate protection to the great manufacturing industries of, and to the great agricultural interests of this country; look at it from what point you may, a policy the very reverse of that which is pursued by this country is demanded by the interests of Canada.”

Yes, it was to give a reciprocity treaty. In 1879 the same gentleman use the following language:—

“I believe within two years of the adoption of the National Policy—not a policy of hostility to the United States, but one of following the system they had adopted to foster their industries—they will give us a free market for coal in the United States.”

Yes, it was to give us free coal. And again, on same page, he says:

“When they wipe out the duties altogether we will admit their products free. At no distant day we shall enjoy all the advantage we possessed under the Reciprocity Treaty.”

This was to be the effect that the National Policy was to produce. It was to give us reciprocity, free trade in coal free admission for the natural products of Canada. What is the present status of this question? Are we any nearer reciprocity under the operation of this policy than we were before? In fact, did the Government that promised that this policy would procure reciprocity for us show any desire to secure reciprocity from the United States? Would they lift their hands to secure it? Have they not refused to make any overtures, refused to make any effort to secure

Reciprocal Trade with the United States?

Has not the hon. member for Cardwell

(Mr. White) told us that we do not require reciprocal trade; that unless we can obtain a reciprocity treaty confined to the natural products of the soil, Canada does not require such a treaty, and does not and would not accept it. We know that it is hopeless to expect to obtain a reciprocity treaty like the last one. We know that if we procure from the American Government free admission of the products of the soil, forest and mine, we have to give them something in the shape of reciprocity. We must, if we obtain reciprocal trade with the United States, admit some articles they want to sell, if they admit what we want to sell to them. This party, who promise that the result of the National Policy was to be reciprocal trade with the United States, would not accept reciprocity on fair, equitable and just terms—such terms as we might obtain. They have pronounced against it, and the people of Canada—the farmer, the lumberman, the fisherman—may understand that this Government stands distinctly pledged, not only to refuse to make any overtures to the American Government, but pledged to reject any such reciprocity treaty as is obtainable and is a fair treaty. So much for the status of the reciprocity question at the present time. We have latterly had a change of Administration at Washington. Since the 4th of this month, for the first time during over a quarter of a century, a Democratic President is in office. There is a large majority of Democrats in the House of Representatives. That party will very shortly control the United States Senate. That party has gone into power upon the issue that the absurd trade restriction of the United States should be modified. They are a party pledged to a revision of the tariff and a reduction of the duties. They are a party who would naturally entertain favorably a proposition made by this country with respect to reciprocal trade. Already the Republic of Mexico has negotiated a reciprocity treaty with that country. The Sandwich Islands have done so likewise; and a reciprocity treaty with the Spanish West Indian Islands, is under consideration.

The time is propitious. We have every reason to believe that if we approached the American Government with respect to this matter, and sought to obtain a modification of those absurd commercial restrictions that exists between the two countries, the American Government would listen to those proposals favorably. Are the Government prepared to make those propositions, are they prepared to attempt to give to the country the realization of that boon which they pledged the country would be secured as a consequence of the adoption of the National Policy in 1878?

The Exodus was to Stop.

And then we had some pledges with reference to the exodus. I have referred to the question before. I find in a speech made by the leader of the Government at Toronto, on 30th July, 1878, the hon. gentlemen used the following language:

"Is not our population leaving this country? (Cries of yes.) Are not our young men actually going to the United States? (Cries of yes.) Oh, yes; it is said, make this a cheap country to live in. Gentlemen, this will be a cheap country to live in when property becomes valueless—when you can buy land next to nothing—when a man finds himself poorer every year, in consequence of the shrinkage in the value of his property."

I might ask to-night, is not our population leaving the country? Can any man truthfully fail to answer, yes? I might ask, are not our young men actually going to the United States? Who could answer, no? I might remind the people of the country that they are growing poorer every year through the shrinkage of the values of the various properties. Farms can be bought in any part of Ontario cheaper than they could be purchased six years ago.

Some hon. MEMBERS. No.

Mr. CHARLTON. I say the constant tendency has been towards a decline in prices. I speak of what I know. I affirm what I know to be true. An hon. gentleman who is conversant with these matters says there has been a decline of

at least 25 per cent., and I believe that estimate to be correct. In fact, you can scarcely place a value on farms, because they are almost unsaleable. In July, 1878, the same hon. gentleman used the following language :—

“Was it not a crying shame that though this country had a fertile soil, a healthy climate, a strong and well educated people and good laws, 500,000 of our own people should have crossed our borders in a few years and taken up their abode in the United States, because they could not find employment here for their skill, energy and enterprise, in consequence of the false policy of our rulers.”

We have as fertile a soil to-day as we had then; we have a good climate; we have a strong and well educated people; we have fairly good laws, although perhaps not so good as they were then; and yet emigration has not been checked. If there were 500,000 native Canadians in the United States, then there are 1,000,000 in the States now. The policy of the hon. gentleman has been totally inoperative, so far as checking this exodus is concerned. I find that Sir Charles Tupper, in a speech delivered in this House, in 1878, used the following language :—

“Sir, the people are willing to be frugal and to work hard, but they ask for a policy from the administration which does not compel them to expatriate themselves in order to get an opportunity of working hard. The hon. gentleman's policy is to send them to Boston, New York and Baltimore, the places which he has made the commercial capitals of Canada.”

If that was the policy then, the policy since only varies in this, that it sends them not to Boston, Baltimore and New York, but to Michigan, Minnesota, Dakota and the Western States. With respect to this exodus, with respect to the question as to whether the promises made in regard to the National Policy have been in any degree fulfilled, with respect to the question as to whether the exodus of Canadians from the Dominion to the United States has been checked or lessened in any degree through the operation of the National Policy, as compared with the period of the Mackenzie Administration, I wish to quote some

figures. They will be denied. Every statement made by the hon. gentleman (Sir John A. Macdonald), in Toronto, was based upon American statistics, and the statements made in this House, lamenting the exodus of Canadians, were statements made on American statistics, statistics which I have in my hand, which are denied to-day, and they were statistics which at that time were accepted as correct; and strictures on the conduct and policy of the Government were based on the accuracy of those statistics. Now, Sir, what are the returns of the American Bureau of Statistics with regard to the emigration from Canada? My hon. friend from Cardwell (Mr. White) laughs in a sneering manner. I think that I shall have occasion shortly to refer to the manner in which that hon. gentleman quoted school statistics. According to the American Bureau the emigration from Canada to the United States for the period from 1874 to 1878 was 127,000. This, Sir, is the exodus which was lamented by hon. gentlemen opposite; it is the exodus which was to be corrected, which was to be stopped by the operation of the National Policy. Let us see how effective that policy has been in stopping it. The emigration from Canada to the United States, from 1879 to 1884, six calendar years inclusive, has been 490,000 against 127,000 in the five preceding years. Now, I shall take occasion to show in a few moments that in all probability these statistics are reasonably accurate. That shows that under the operation of the National Policy 314,000 more Canadians emigrated to the United States in those six years than emigrated to the United States under the Government of Mr. Mackenzie in the five preceding years. They show that the emigration to the United States from this country was two and a-half times greater per annum under the operation of the National Policy than it was before. I ask is it possible that so stupendous a blunder was made in reference to those statistics, as to show that this emigration is no greater than under the operation of the previous tariff?

'Test of Accuracy of Statistics.

Now, with regard to the accuracy of these statistics, if we test them by the American census returns—if we take the return of native Canadians in the United States in 1870, we find them to be 498,000; and assuming that to be correct, if we take the return of native Canadians in the United States in 1880, we find them to be 717,000. If we take these statistics year by year, and allow a death-rate of two in every thousand for the initial population, and one in every thousand for the emigrant population in every year, and work it out on that basis, as I have worked it out, we will find that the result is surprisingly near to the returns made by the Bureau of Statistics. I find, assuming it on that basis, and taking the population of the United States as shown by the census returns of 1870, and adding to that population year by year the emigration from this country, as reported in these returns, striking off two per thousand as the annual death rate for those in the United States, and one per thousand for those going in, we will find that in 1880 the population, as shown by the census returns of the United States, agrees with these statistics within some seven or eight thousand. That is what you will find, and I say it is impossible that any great mistake with reference to those statistics can have existed. Then if you take the school returns you will find that the school population has decreased. The other day my hon. friend at my right (Sir Richard Cartwright), quoted certain school returns, and the hon. member for Cardwell (Mr. White), quoted certain other school returns. Well, there are two kinds. There is one return made by the assessors, which is very inaccurate, and naturally this was the kind which my hon. friend from Cardwell (Mr. White) took. There is another return made from the school registers, which is strictly accurate, and that is the return which my hon. friend to my right (Sir Richard Cartwright) took, and naturally they arrived at different conclusions, one from the inaccurate bungling and false

returns, and the other from the strictly accurate and reliable returns. So much for the exodus question. I do not suppose my hon. friend from Cardwell (Mr. White) knew the character of the statistics he was quoting, for I am quite sure he would not have attempted to mislead the House, only that he did not know what he was doing.

Mr. IVES. Are these officers Ontario officers?

Mr. CHARLTON. Yes; the assessors.

Mr. IVES. They are from a foreigner.

Mr. CHARLTON. I stated that the assessors' returns were the ones used by the hon. gentleman opposite, and which were inaccurate, while the register of the school population, in which the attendance is given from day to day, was the one used by my hon. friend (Sir Richard Cartwright), and that they were accurate and reliable.

England's Balance of Trade.

A word now with reference to the balance of trade. I really hope that I may have the attention of the Finance Minister with reference to this matter. I want to discuss it for a moment, and I want to call his attention to it, as I am sure it will be of great interest to him and perhaps it may lead him to take a different view of the matter from what he has hitherto taken. I find that in the Budget Speech of 1879, the hon. gentleman is reported in *Hansard*, page 413, in the following language:—

"There are other difficulties; the volume of imports has not much diminished. Regarding the matter, as I do, I think it is to be regretted that the value of imports have not been materially reduced. I look upon the large imports ever since the Dominion was organized, showing a large balance of trade against it, as one of the causes of the trouble with which we have to contend."

On the next page he says:

"By the last returns I have which cover the year 1877, the balance of trade against her (England) is shown to be £140,000,000 or \$700,000,000 per year. The balance of trade against the United States in 1872 was \$116,000,000, in 1873 it was reduced to

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\$86,000,000, but the last calendar year shows that balance in favor of the United States had reached \$300,000,000 a year. I think then * * * that the prosperity of the one country at this moment is caused in a great measure by the large surplus in its favor and the depression in the other by the large deficiency. Under these circumstances it appears to me we should turn our attention to the best means of reducing our imports from all parts of the world."

Is that accurate, Mr. Speaker? Does the hon. gentleman still hold to these doctrines, that a balance of trade against a country is an indication of poverty, that a balance of trade in favor of a country is an indication of wealth, and that it should be the object of statesmen to reduce the imports—reduce the volume of trade. Does the hon. gentleman still hold by the language to which he gave utterance in 1879, with regard to the balance of trade against England, to which he refers amounting to £140,000,000. Let us look for a moment at the question of the trade balance against England. For the last thirty years, at least, an annual balance of trade has existed against England of an enormous amount; for the last twenty years it has averaged about five hundred millions of dollars a year. Now, if the theory of the hon. gentleman is correct, if a balance of trade against a country means that the country is being impoverished, then long ago England should have reached a state of bankruptcy, where she would have ceased to trade at all. I find that in the ten years, from 1873 to 1882, inclusive, the balance of trade against England was £1,074,854,000, sterling, or an average annual balance of £107,485,000 sterling, or over \$500,000,000 a year. But, Sir, when we come to analyze this question and examine into the condition of English trade, and see why it is that this large balance exists against that country, we will find that 11 per cent. should be added to the exports of England to cover the freight earned by her vessels in carrying her exports to foreign ports; that 11 per cent. should be deducted from the value of the imports to make up for the charges and earnings of the vessels which

bring the imports into the English markets. The earnings of her vessels out and in comprise 11 per cent. of the imports and 11 per cent. of the exports, and if we look at the matter in that light, in the ten years during which £3,857,917,000 sterling were brought into that country and £2,788,805,000 taken out—during those ten years England had to her credit £424,000,000 sterling as the earnings or freights on her imports, and £306,218,000 sterling as her earnings for freight on the exports, and that is to be deducted from the nominal balance against her. Then, England is receiving every year £56,000,000 sterling in interest from her investments in other countries, and that amounts to £560,000,000 in ten years. Add these three items together, and they amount to £1,290,588,000 to be deducted from the nominal balance of trade against England of £1,074,000,000. In addition to this England has her direct profits from trade. Her commercial houses have their agencies in Africa, South America, China and other countries. Their cargoes are shipped from England and sent to their factors and traded for the natural products of these countries; often the same cargo discharged and returned represents a difference of twofold in value. So that the whole theory of the hon. gentleman with regard to an adverse balance of trade impoverishing a country, is an utter, an absolute fallacy. If the hon. gentleman's theory regarding unfavorable trade balances is correct, then England would be exporting gold to pay the balances against her; and yet since 1861, England has had a balance of gold against her only in two years. From 1861 to 1878 her imports of gold exceeded her exports by £92,630,000. In 1861 and 1872, when the export of gold exceeded the imports, the balance of gold against her was only £2,066,000 and £728,000 respectively, a total of £2,794,000. The excess of imports over exports indicates the wealth of a country, but the excess of exports over imports indicates its indebtedness. Some of the richest countries in the world, Germany, Bel-

gium, Sweden, Holland, and Norway, have every year nominally large balances of trade against them. If we examine the case of the United States, we shall find that the favorable balance of trade there is nominal rather than real. It is probably made up in this way. The duties in that country are excessive, and a large amount of smuggling is engaged in, which, of course, reduces the favorable balances of trade to whatever extent it may be indulged in. Then there is said to be a systematic system of undervaluation by importers. Occasionally suits are brought by the Government for the recovery of hundreds of thousands, in some instances, millions of dollars of duty, in consequence of undervaluation and false invoices. If we take these two items, smuggling and undervaluation, I have no doubt they will very largely wipe out the balance of trade that exists in favor of the United States. We will find also that during the eight years that the balance of trade is said to have existed in favor of that country, in only two years has here been a balance of specie in favor of the country, while in six years a large amount of specie has been withdrawn to pay actual balances of trade against the country, although nominally the Custom houses showed a large balance of trade in its favor.

Tilley on Canadian balance of Trade.

I find, Sir, that the hon. gentleman also, in his Budget Speech of 1881, used the following language with regard to trade in this country:—

“Last year the excess of exports over imports was \$1,451,711—the first instance of the kind in the history of Canada. This is due to two causes. First, because we increased the value of raw material by manufactures by \$6,000,000, which diminished the value of the imports by the same sum. Then we increased the exports, due partly, I admit, to a bountiful harvest, for which we have great reason to be thankful.”

Well, the hon. gentleman felicitated himself at that time that we were to have a favorable balance of trade, but it does not seem that we have done so. I find

that from 1875 to 1879 the total balance of trade against Canada was \$105,111,079; and from 1880 to 1884, under the administration of hon. gentlemen opposite, the total balance of trade against the country was \$82,059,370, a difference in favor of the latter period of \$23,051,706. The year 1875 was an exceptional year; the balance of trade against Canada at that time was a very heavy one; and if we take the four last years of the Mackenzie Administration and the four last years of this Administration, we shall find, that in the former period the balance of trade was \$59,927,772, and in the latter period, \$83,481,079, or an excess in favor of the former period against the latter of \$23,553,307. Then, if we take the last two years of each Administration we shall find that in 1878 and 1879 the total balance of trade was \$24,231,298, and in 1888 and 1884, \$59,158,765, or an excess of \$24,927,473 in favor of the former against the latter period. So much, Sir, for the question of the balance of trade. I think I have shown to the satisfaction of the House that the hon. gentleman's views on this question are not in accordance with sound political economy. I think I have shown also that even if it were an advantage to Canada to lessen the adverse balance of trade, the hon. gentleman has not been successful in that respect, for it has been much heavier in the four last years under his Administration than in the four last years of the Mackenzie Administration.

Who pays the Duty on Coal.

Now, one word with regard to the coal duties. The hon. gentleman, in his speech the other night, used the following language:—

“I will not undertake to say that it may not be proved, to some extent, that in some cases the duties are paid by the party selling the coal. I am not going to take any doubtful ground. I will admit, for the sake of argument, that the people pay every cent of the duty.”

Well, I suppose he will admit that for the sake of argument, because the argument is so overpowering that he cannot

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deny it. But he used different language with reference to this matter once. I recollect that in 1882, I heard the hon. gentleman make the following statement:—

"On the subject of coal I know there has been a good deal said, but my enquiries have led me to the conclusion that while we receive a very considerable sum from coal imported from the United States, and consumed in Ontario, one-half of that sum is paid by the coal producers in the United States. That is my conviction, and we have evidence of it."

Now, I would like to call the attention of the hon. member for Pictou (Mr Tupper) to what Sir Charles Tupper said on the same matter; and I recollect, as distinctly as if it had been yesterday, the look of admiration that was on the face of the Finance Minister when he looked up and listened to this statement, very much as one boy would look at another who could climb a tree higher than he could, Sir Charles said:

"I defy any man who will approach this subject in a fair and candid spirit to arrive at any other conclusion than that the coal tax is not paid by the people of Ontario, though paid in Ontario. I venture to state, and have sufficient grounds for the statement, that the imposition of the coal duty has not cost the people of Canada one farthing either in Ontario or out of it. * * * It is on this point I slightly differ from my hon. friend the Minister of Finance, who seems to think that perhaps half of the duty might be paid in the United States and half in Ontario."

Well, Sir, it is said to-day, on the admission of the Finance Minister, that it is a doubtful question, and he admits, for the sake of argument, because the argument is so strong that he cannot deny it, that the duty is paid by the consumer in Canada.

Tilley's Way of Estimating Taxation.

Now I come to the question of taxation, as dealt with by the hon. gentleman, and he has certainly a very ingenious way of dealing with questions of this kind. He is able to manipulate figures with an ability which may fairly be said to stand unrivalled in its particular line and way. He sets out with the purpose of

making a comparison between the two periods of taxation—the period of five years under the Administration of Mr. Mackenzie, and the period of five years under his own Administration. In taking the first period, he adds the deficit to the taxation. Well, Sir, the people did not pay the deficit; the people paid in taxation the amount derived from Customs and Excise. He then comes to the second period, and in as much as he had taken from the people \$20,000,000 more than he could spend in ordinary expenditure, he coolly deducts that amount from the taxation. He says: True, you paid that money, but we did not spend it in ordinary expenditure; we got rid of it in some other way; therefore, I will score it off as if not paid by you and will not consider it a tax at all. By adding on the one hand the deficit, and subtracting on the other the unnecessary taxation which he levied, he gets his figures into a shape that enables him to draw the comparison he desires to draw. I propose to adopt a different method. I propose to adopt the honest way of dealing with the question; I propose to take the actual taxation in the one period and the actual taxation in the other, and on that proper and just basis to draw a comparison between the two. It is true there was a deficit under the Administration of my hon. friend (Mr. Mackenzie), amounting to some four and three-quarter million dollars, but it is also true that he paid into the sinking fund out of the revenue of the country a sum of money amounting to \$4,190,000; and if you deduct the sinking fund from the revenue you have an allowance for the deficit which places the Government in nearly the position in which it would have been had no deficit existed.

Comparisons of Actual Taxation.

The actual sum derived from Customs, Excise and Bill Stamps, from 1st of July, 1874, to the 1st of July, 1879, was \$93,295,770, and if you take the mean population for that period, upon the basis taken by my hon. friend opposite—and

his basis is too high—the taxation for that period amounts to an annual average *per capita* of \$4.64 under the Administration of my hon. friend (Mr. Mackenzie). Now we will take the taxation while the hon. gentlemen opposite have been at the head of affairs. The taxation from 1st July, 1879, to 1st July, 1884, derived from Customs and Excise, amounted to \$124,723,658, or upon the mean population, estimating the population upon the basis assumed by my hon. friend, which is too high, it gave an average annual taxation *per capita* of \$5.71, being \$1.07 higher per head, under the hon. gentleman's Administration than under the Administration of Mr. Mackenzie. I challenge the hon. gentleman to controvert these figures—\$4.64 *per capita* under Mr. Mackenzie, \$5.71 under the hon. gentleman; or a taxation of 28 per cent. higher under his management than under that of the late Finance Minister (Sir Richard Cartwright), and an increase of 23 per cent. in taxation against an increase of population of only 9 per cent.

Customs Duties the True Measure of Taxation.

If we are to estimate to the burdens resting upon the people from taxation, it is proper that we should estimate them only in reference to Customs duties, because the Excise duty is a voluntary tax. A man may pay the Excise duty or refrain from paying it as he chooses. He may drink or smoke and pay the duty, or he may, like an honest Christian gentleman, refrain from both these habits and not pay it; but the Customs duty is a tax no man can escape; it is a tax upon the necessities of life. Every man must contribute to the Customs; no man need contribute to the Excise. Consequently, the Customs duties are the true and proper measure of the taxation imposed upon the people. We will, therefore, make an examination of the question, on the basis of the Customs duties collected under the two Administrations. I find that from 1st July, 1874, to 1st July, 1879, the total sum collected from Customs duties was \$66,405,321, or an average annual tax *per capita* of \$3.82,

taking the basis of population assumed to be correct by my hon. friend opposite. From 1st July, 1879, to 1st July, 1884 also a period of five years, the Customs duties amounted to \$97,092,477, or an annual average taxation *per capita* of \$4.52 under my hon. friend opposite, against \$3.32 under the late Finance Minister (Sir Richard Cartwright). This shows an increase of taxation derived from Customs duties of \$1.20 under the Administration of the present Government as compared with the revenue from Customs taken from the people of Canada by my hon. friend, Mr. Mackenzie, or an increase of 36 per cent. against an increase of population of 9 per cent—a taxation increase nearly four-fold greater than that in population and in the ability of the people of Canada to pay taxes. Hon. gentleman opposite may say, "hear, hear," but these figures are incontrovertible. They present to you an exact statement of the case; they show precisely the relative burdens imposed by the two Governments; they are open to criticism, and criticism is challenged. We will take the last two years under each Administration for comparison, the years 1878 and 1879 and the years 1883 and 1884. In 1878-79, the Customs duties amounted to \$25,683,488, an average per head of \$3.09 on an estimated mean population of 4,150,000 people as made by the hon. gentleman opposite. In 1883-84 the Customs taxation amounted to \$43,038,472, an annual average per head of \$4.78, against \$3.09, an increase of \$1.69 in taxation per head under this Administration. Now allusion has been made to-night to my hon. friend (Sir Richard Cartwright) as a mixer and muddler of figures, as an incompetent Finance Minister, as a Finance Minister whose record was not a creditable one, whose record would not compare favorably with that of the hon. gentleman, the Finance Minister (Sir Leonard Tilley). I hear a response upon the other side. Hon. gentlemen opposite say "hear, hear." I wish that this country had been blessed with the services of a gentleman as capable of grappling with the difficulties

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of its position as the hon. gentleman on my right (Sir Richard Cartwright); I wish that during the last six years the finances of this country had been administered with that prudence, sagacity and economy that characterized the Administration of my hon. friend—

Increase of Duties Unnecessary.

What is his record? It is said he had deficits. He had. And why? Because that hon. gentleman took the position, the sound, economic position, that in a period of depression the revenues derived from Customs duties were not a fair indication or a fair measure of the volume of revenue that would be derived from them under ordinary circumstances. He took the position that though the expense was slightly in excess of the revenue derived from Customs, the deficit would be obliterated when good times returned, by an increase in the revenue the Government would receive under the tariff without any change whatever. Was his basis a sound one? Did he, in taking that, take a position which the result was not likely to prove correct? Let us see. We have no means of telling, so far as our own experience is concerned, because our own tariff was changed just at the time the depression was passing away but we have an opportunity of establishing a comparison by referring to the United States, which were affected by the same causes, which labored under depression when we labored under depression, and experienced the return of prosperity when prosperity returned to us, and where the Customs tariff was not changed from 1861 to 1882. The tariff of the United States remained the same during the period of depression, and when good times returned, and if, from the returns of that tariff, we find there was a large increase of revenue in 1880 and in 1881, as compared with 1879 and 1878, we may reasonably suppose that a corresponding increase of revenue would have characterized that time in Canada if no change had been made in our tariff. What was the result

in the United States? The revenue from Customs in 1879 was \$137,250,000. No change was made in the tariff, but the revenue from Customs in the following year was \$186,522,000, in the following year it was \$198,159,000, and in the following year, \$220,410,000; in other words, the revenue of the United States increased, from 1879 to 1880, \$49,272,000 or 34 per cent., and it increased in the two years, from 1879 to 1881, \$60,909,000, or 44 per cent. A corresponding increase in the revenue of Canada, without a change of any character whatever in the tariff, would have been, from 1879 to 1880, \$4,386,000, and from 1879 to 1881, \$5,676,000. My hon. friend was right; the experience of the United States proves that the change in times, the return of prosperity in that country led to an increase of 34 per cent. from 1879 to 1880, and of 44 per cent. from 1879 to 1881; and, even if one-half of that ratio had been secured in this country, through the return of good times, the deficits which troubled my hon. friend would have passed away if he had remained in office and he would have had a surplus under the tariff of 1876, without a change of any kind whatever.

Tilley's Comparisons United States and Canada.

I now come to the consideration of some comparisons made by my hon. friend the Finance Minister, between this country and the United States. I wish I could arrive at the same conclusions as the hon. gentleman did.

Mr. RYKERT. No you don't.

Mr. CHARLTON. Yes, I do. I wish I could arrive at the conclusion that we were as lightly taxed a country as that; I wish I could believe that our financial position is a prosperous one. I know my hon. friend from Lincoln (Mr. Rykert) says I do not wish it. He has no right to attribute to me any such wish. If I feel it my duty to expose the recklessness of this Government, if I feel it my duty to show that this Government is rushing this country to ruin, if I feel it my duty to sound the note of alarm, no

man in this House has a right to say I rejoice because our position is not as favorable as that of the country to the south of us. It is my duty to show where we are going, to show the recklessness of this Government, to show how inordinately our expenditure has been increased, to show to what alarming proportions the public debt is swelling, to show what dangers impend over this country and threaten it, and it is the duty of hon. gentlemen opposite to hear these statements, to examine them, and to make up their minds whether these statements are true or not; and, if they are true, it is the duty of every independent member of this House of Commons to check that Government and to see if the course which is being followed and which is likely to result in the ruin of this country cannot be stopped. Now, with regard to the comparisons made by my hon. friend, he first of all makes a comparison of expenditure, a comparison on averages; he speaks of the State taxes, too; he tells us that the State taxes amount to \$1.20 per head in the United States. The hon. gentleman is slightly in error there, his basis of calculation upon population is too low. He estimates the population of the United States at 54,000,000. It is estimated by their own statisticians at 57,500,000. If we take 56,000,000 it is certainly below the mark. The State taxation last year amounted to \$61,434,095, which would be about \$1.09 per head, but a large amount of that taxation is expended for purposes for which we raise municipal taxes, and, if we take out of question the subsidies in Canada, which last year amounted to \$3,603,714, and which would, in proportion, amount to \$46,848,000 in the United States, they will offset the State taxation in the United States. The hon. gentleman goes on to make a comparison between the two countries as to expenditure, and first of all he places the population too low. Then—I do not know whether he was aware of it or not—he included in the taxation of the United States a sum of seven and one-half millions which does not figure in

the taxation of the country. He takes the bank tax, he takes consular fees, he takes patent fees, he takes fees of all kinds, and these items amount to \$7,432,333, and he informs the House of Commons that this is a part of the taxation of the United States. It is not, Mr. Speaker. He places the taxation nearly eight millions too high and he places the population nearly three millions too low, and he strikes his balance on that basis and makes the taxation of the United States \$4.93½. It is not a cent over \$4.60. He makes it 33½ cents too high, at least. He starts on that basis. Then he goes on to make a statement with regard to the debt. He states the debt of the United States correctly. I believe he did not inform the House what our debt was. If he did I have forgotten. I will take the pains to supply the omission.

On Public Debt.

On the 30th June last the gross debt of Canada was \$242,482,416; and the net debt \$182,161,850. On the 31st December the gross debt was \$253,739,147, and the net debt \$188,914,885. The net debt in six months had increased \$8,753,035. On the 31st January the gross debt was \$255,966,416, the net debt was \$192,128,080. The net debt had increased in one month \$3,208,195, and the hon. gentleman admitted that subsequent to that date, the 31st January, the debt had still further increased by at least two millions more. If that is true, the net debt at the time the admission was made—I do not know what it may be now—was \$194,123,000, or a charge *per capita*, if we estimate the mean population of the year at 4,500,000, which is high enough, of \$43.13 for every man, woman and child in the Dominion of Canada. But that is not all. We have nominal assets of \$68,843,386. These are deducted from the gross debt, and the balance is assumed to be the net debt. Will the Finance Minister assure us that he can realise upon these assets of sixty-three millions without a shrinkage of thirty millions? If he will assure us,

I would like to have the assurance that the nominal assets of the Dominion of Canada would realise to-morrow \$33,000,000. I do not believe they would. I believe we are entitled to add thirty million more to the net debt stated by the Government for the shrinkage in realising upon the assets. If that is the case, our net debt to day has reached the enormous amount of \$224,123,000, a charge of \$49.80 per head if our population is 4,500,000, or \$48.72 if it is 4,600,000, as I believe the hon. gentleman asserts it is. We will compare that state of the case with the debt of the United States. The hon. gentleman made the comparison. It is my duty to correct statements which I believe are not warranted by the facts. On the 1st November last the debt of the United States was \$1,408,482,948, which, on a population of 56,000,000, is \$25.15 *per capita*, against at least \$48.72 in Canada, if our assets would shrink thirty millions in realising. He says we ought to add the State debts, as we have nothing corresponding to them in Canada. We will add them. The State debts amounted last year to \$237,511,758 funded debt, and \$30,250,317 unfunded debt. We will add these sums and we have \$1,676,245,023 as the total debt of the United States State debt and National debt. Well, what does that amount to *per capita* on a population of 56,000,000? It amounts to \$29.93 per head. If we take the State debt and National debt of the United States and make a comparison of the *per capita* charge between the two countries, we will find that even upon that basis the debt of Canada exceeds the debt of the United States by \$18 per head, which is the position of the country to-day. And how has this debt been incurred? What has the Government to show for their debt?

Sir LEONARD TILLEY. Full value.

Mr. CHARLTON. Public works, paying one fifteenth of 1 per cent.; thirty or forty millions sunk in the Canadian Pacific Railway assets comparatively valueless; forty millions in the Intercolonial Railway, that we will ultimately have to close—this is the character of our

assets; this is the full value that we receive for the money. The United States incurred their debt to save the life of the nation, confronted by a crisis which threatened the dissolution of their Republic, threatened by a crisis which required that country to put forth its utmost exertions, to bury 500,000 of its sons upon the battle field which, required that country to expend thousands of millions of dollars—it was under these circumstances that the debt of that country was incurred, that debt which has been reduced to \$1,400,000,000. But we, in a time of profound peace, with no necessity resting upon us, have gone on piling up our debt until it exceeds the debt of the United States by a *per capita* charge of at least \$18 for every man, woman and child in the Dominion of Canada. And what is the outlook ahead? Can the hon. gentleman assure us that the limit of the accumulation of debt has been reached? Can he assure us that when he makes his next financial statement, if he should make it in this House, he will be able to point to any diminution of our public debt? Will he not, on the contrary, be called upon to inform us, when we meet here again, if Providence spares us, that millions upon millions more have been added to that burthen of debt already so great? Sir, it is inevitable that we will. It is inevitable that when he next makes the financial statement to this country, we will have added to our taxation, added to our expenditure, and enormous as our debt is already, it will have been considerably increased.

The Interest Charge.

Now, Sir, with regard to the interest charge. Did I understand the hon. gentleman, when he made his financial statement, to say that the interest charge in the United States was as heavy as it is in Canada? I think not. He admitted that it was heavier in this country, but he minimised the interest charge here, and he presents a statement with regard to that matter more roseate than the circumstances and the truth will warrant.

Now let us all look at that question. Assuming the population of the United States at 56,000,000, and that of Canada at 4,500,000, our interest charge last year of \$7,700,000 was at the rate of \$1.69 per head; while the interest charge of the United States last year of \$54,578,000 amounted to a *per capita* charge of 95 cents against \$1.69 in this country. That was the condition of things last year. What will be the condition of things in 1886, according to the estimates of this Government and the estimates of the United States Government? In 1886 it is estimated by my hon. friend that it will require \$9,450,000 to pay the interest on our public debt, and upon the basis of his estimates our population will be 4,660,000, which will be a *per capita* charge of \$2.02. What will it be in the United States? It is estimated that their interest charge will be \$18,500,000 for a population of 57,500,000, so that the interest charge in the United States next year will be 84 cents per head, against \$2.02 in Canada. In 1887 it is inevitable that the interest charge in Canada will be three times as great as the interest charge in the United States, in proportion to the population.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. Perhaps hon. gentleman had better wait till 1887, and then see who will be right. I say that, in all human probability, the year 1887 will show that the interest charge of Canada is threefold as great as the interest charge of the United States—a brilliant record, surely for the hon. gentlemen opposite; and the disparity will continue to increase. The debt of the United States is being reduced from year to year, the population of that country is swelling to an enormous magnitude, and its wealth is being increased in proportion, while, on the contrary, our debt is continually augmenting, and the interest charges are increasing in proportion. So much for the question of the public debt and the interest charge resting upon the two countries. Now, Mr. Speaker, this is a matter of grave importance to this country. I see my hon. from Lincoln

(Mr. Rykert) laughing. He cannot see anything wrong to this. He cannot realize, Mr. Speaker, that this country, lying alongside the United States, is a competitor with the United States in inviting emigration from the old world to our North-West, lying untilled, and asking for millions of people to settle in it; he cannot realize that the question of which country has the greatest debt, the greatest interest charge and the heaviest taxation, will have anything to do with the settlement of that country in the future, or will have anything to do with its prosperity. Oh, no! He cannot realize that. It is a matter of no consequence whether we owe three times as much per head as the United States or owe five times as much. It is a matter of no consequence whether we squander our resources, whether we accumulate a vast public debt, or whether we imperil the future of this country—all that matters nothing. The hon. gentleman from Lincoln can laugh as Nero fiddled when Rome was burning; he can laugh over the dark future that lies before this country, in consequence of the mismanagement of the hon. gentleman opposite; but I believe it is a matter of very grave consequence to us all. I believe the time has come when we should carefully consider our financial position. I believe the time has come when we should recognize that we have been proceeding in a wrong direction, and when we should retrace, if possible, our steps.

Comparison of Expenditure with United States.

Now, with regard to our expenditure. The expenditure in the year 1884, chargeable to the Consolidated Fund, was \$31,107,000, upon a population of 4,500,000, making a *per capita* expenditure of \$6.91. The expenditure of the United States in the same year was \$290,916,000 as stated by my hon. friend when he made his financial statement. The *per capita* charge in that country on a population of 56,000,000 is \$5.19, or \$1.72 less than the *per capita* charge in Canada. Then, if we deduct

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the sinking fund from the expenditure in each country, we will find the expenditure in Canada to be \$26,100,000, or \$5.80 per head; while the expenditure in the United States is \$244,000,000, or \$5.35 per head, an excess of \$1.45 per head in Canada as compared with the United States; and if we analyse the expenditure of the United States we will find various items of expenditure there we do not have here. We will find, for instance, an enormous expenditure for pensions, amounting to over \$55,000,000 a year, and a very heavy expenditure for the purpose of maintaining an army and a navy. These are expenditures which we are in a measure free from. Our expenditure for pensions last year was \$95,500. If you multiply that by $12\frac{1}{2}$, the discrepancy of population between the two countries, our expenditure for that purpose would be \$1,194,275, corresponding exactly in magnitude to what the expenditure in the United States would be if its population at the same proportion as ours. If you take our expenditure for militia at \$1,475,481, and multiply it by $12\frac{1}{2}$, you have \$18,443,512, which is the expenditure we would have incurred upon the same basis if our population were the same as the United States. Multiplying those expenditures by $12\frac{1}{2}$, in order to make them compare with the United States, what do we find? We find the expenses of the United States under those heads, when our corresponding expenditure is multiplied by $12\frac{1}{2}$, exceeds the expenditure in our case by \$83,637,670, and deducting that excess and the sinking fund from the ordinary expenditure, the *per capita* rate is \$2.86. There is another view to take, and I invite the attention of hon. gentlemen opposite to it. The United States have no such thing as a consolidated account and a capital account: all goes to current account. There is no capital account kept. When I state the expenditure of the United States, at \$290,000,000, I state the entire expenditure of that country. We had an expenditure last year, deducting sinking fund, of \$26,000,000; we had, in addition, the expenditure on capital ac-

count, without counting payment of debts to Provinces, \$16,800,000. We spent last year, to say nothing of debts paid to Provinces, \$42,905,529. To make a fair comparison between this country and the United States, we have to take, on the one hand, the total expenditure, \$42,905,529, and on the other hand, the total expenditure in the United States, \$290,916,478. If we make that comparison and this is a fair basis, we find that the *per capita* expenditure for all purposes is in Canada \$9.41, and in the United States for all purposes, except payment of public debt, \$5.19. This is a fair comparison to make with respect to the expenditure of the two countries.

Comparison of Taxation with United States.

A word with respect to the taxation of the two countries. As I said a short time ago, the proper measure of taxation in this country is that derived from Customs. Excise duties are voluntary; you may pay them or not, as you please; Customs duties are involuntary; to them all men must contribute. The United States average annual Customs, from 1st July 1879, to 1st July, 1884, was \$3.82 *per capita*. The annual average for the same period in this country was \$4.52, upon the basis of population as represented by the Finance Minister. If we take the United States Customs taxation for last year, we will find that the *per capita* amount was \$3.64, while our own taxation from Customs was \$4.45 *per capita*. If we take 1883, the Customs taxation in the United States averaged \$3.97 per head, as against \$5.22 in this Dominion. So much for the rates of taxation imposed in the two countries.

Comparison of Expenditure in different Eras.

If we compare the expenditure in this country with the expenditure of the United States in different eras, we will find some startling contrasts. It will be remembered that this is a young country. If we go back to the history of the United States, to the time when that country was in a similar condition to our

own, when it had not attained the proportions of one of the great powers of the globe, and if we make a comparison between the expenditure in that country then and the expenditure here, now, we will find, I say, some startling contrasts. I invite the attention of the Finance Minister to a few of these contrasts. I will take the years 1790, 1800, 1810, 1820, 1830, 1840, 1850, 1860; and in making these comparisons, I do not include interest paid on public debt on either side. The figures are as follows:

CANADA—ORDINARY EXPENDITURE, 1884.

Excluding interest, \$23,407,526.

Population, say 4,500,000; *per capita*, \$5.13.

UNITED STATES.

- 1790.—Population, 3,919,214. Net ordinary expenditure, excluding interest, \$1,919,589. *Per capita*, 49 cents—1-10 our rate. Navy and war, in all cases offset subsidies.
- 1800.—Population, 5,294,390. Expenditure, \$7,411,360, of which \$6,000,000 for war and navy. *Per capita*, \$1.40—2-7 our rate.
- 1810.—Population, 7,230,808. Expenditure, \$5,311,082. *Per capita*, 73 cents—1-7 our rate.
- 1820.—Population, 9,633,822. Expenditure, \$13,134,530, of which was, navy and pensions, \$10,226,758. Total *per capita*, \$1.36—2-7 our rate.
- 1830.—Population, 12,866,020. Expenditure, \$13,229,533. *Per capita*, \$1.02—1-5 our rate.
- 1840.—Population, 17,069,453. Expenditure, \$24,139,920, of which war, navy and pension, \$15,812,525. Total *per capita*, \$1.41—2-7 our rate.
- 1850.—Population, 23,191,876. Expenditure, \$37,165,990, of which war and navy, \$19,458,634. *Per capita*, \$1.60—1-3 our rate.
- 1860.—Population, 31,443,321. Expenditure, \$54,912,634; war, navy and pensions, \$29,087,653; balance, \$25,824,981. Total *per capita*, \$1.74—1-3 our rate.

I suppose these figures do not suit hon. gentlemen opposite, but the Finance Minister instituted a set of comparisons between the expenditures of the United States and Canada, and I wanted to show what is the real relative position of each of these two countries. I wish to call

his attention to it, because he occupies a responsible position in this matter, and it is time for him to put on the brakes.

Suggestive Comparison—United States and Canada 1868 and 1884.

I wish to make one more comparison only. We launched out as a nation in 1867. I want to take that year and compare the expense or the taxation per head for expenditure in Canada and the United States, and then I want to see how we have travelled together; I want to make the comparison for this year and see whether we have lost or gained ground in the race which we must necessarily and inevitably run with that country. In 1867-68 the taxation of the United States, receipts from Customs and internal revenue, and the direct income tax, was \$357,340,000 on a population of 86,500,000, or a *per capita* tax of \$9.30. The ordinary expenditures in that year, and the payment of interest on debt was \$370,339,000, or a *per capita* expenditure of \$11.46. Now, we made a favorable contrast with the United States for that year. Our Customs and Excise taxation for that year was \$11,590,000, or \$3.40 *per capita*. Our expenditure was \$13,486,000, or \$3.93 per head, and the United States spent that year \$6.40 per head more than we did. Their taxation was 2 $\frac{1}{10}$ per cent. greater than ours, and their expenditure 2 $\frac{1}{10}$ per cent. or \$7.53 per head greater. If we come to the year 1883-84 we find that the United States Customs and Internal revenue taxation amounted to \$5.65 per head, and ours to 5.62; or, in other words, while their taxation was nearly three times greater than ours in 1867, there was a difference of only 3 cents per head in 1884. The United States expenditure in 1884 was \$5.19 per head and ours was \$6.91 per head, so that while theirs was almost three times as great as ours in 1867-68 it was \$1.72 less this year. This comparison is a suggestive one. If, eighteen years ago, the United States, burthened from taxation, had an expen-

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diture nearly three times as great as it was in Canada; if, in 1854, the expenditure of the United States is \$1.72 less than Canada, there is food for thought in that statement; and if we are to continue to travel in that direction what will the contrast be in the next eighteen years? I say that if we are to go on in that direction we will not exist as a people in eighteen years, to institute comparisons between the two countries; we will have reached the goal of ruin before that time if we are to continue in the course we have been pursuing in the last eighteen years.

Unpatriotic Conduct.

I shall be told, I have no doubt, that I am unpatriotic; I shall be told that these statements will be taken up by the American immigration agents; I shall be told that I am prejudicing the interests of Canada—in doing what? In telling the truth? Sir, I am not prejudicing the interests of Canada. I am warning the gentlemen in charge of the interests of Canada as to the condition of this country at this moment. I am warning them as to the dangers which threaten this country, as to the results which will attend persistence in the policy they are now pursuing. Sir, we cannot conceal our position from the United States or from intelligent men. It is not necessary to tell them; they know it. But we can inform ourselves, and it is necessary that the people of Canada should know the truth. It is necessary that the people of Canada should know the affairs of this country, and it is nothing short of criminal to conceal from the people of Canada the actual condition of the public affairs of this Dominion. I do not intend to conceal them. And gentlemen may prate about unpatriotic conduct and injuring the country if they choose. We have heard enough of that stuff; it is the business of an Opposition to criticise the policy of the Government, and expose what is wrong, to warn the Government and the people, if the Government is recreant to its trust, recreant to its duty.

Assisted Passages.

I have just a word to say, by way of variety, about assisted passages. I have here a little morsel I came across accidentally, in the shape of an extract from a speech made by Sir Charles Tupper in Toronto, on the 11th day of May, 1878. It came to my mind when I heard his son, the hon. member for Pictou (Mr. Tupper), speaking with reference to immigration. On that occasion Sir Charles Tupper used the following language:—

Sir CHARLES TUPPER. "I tell you that this Government within four years have spent one million dollars in bringing emigrants into this country. What for—to starve? (Hear, hear). The Finance Minister says his remedy is to tell the people to work harder and to be more frugal. Well, we may be willing to eat and drink less, to spend less on dress and to be more frugal, and we are willing to work hard, but we want work to do."

The arraignment was that the iniquitous Government of Mr. Mackenzie had spent a million of dollars in assisting immigration in the last four years. Well, what is the record of hon. gentlemen opposite? Have they spent anything? I looked at the Public Accounts and I find that they have spent for immigration and quarantine for the last four years, \$1,516,000. I had not time to subtract the exact sum chargeable to quarantine, but I venture to say that they have spent in the four years for immigration purposes an amount exceeding by \$300,000 the sum stated by Sir Charles Tupper in 1878, when he arraigned the Government of that day for spending that money. I am free to admit that I believe the whole system of assisted passages is wrong. I believe we want the class of immigrants for Canada who are able to pay their own way, and that we are in danger, if we assist immigrants, of assisting criminals and jail birds, and the most undesirable classes of immigrants—those who have not the energy to pay their own way. I think we might very properly adopt the policy of the United States, which does not assist immigrants, but on the contrary, taxes its immigrants—taxes the steamship companies for the purpose

of providing hospitals, and maintaining Castle Garden, and looking after the welfare of immigrants in going to their destination. I believe that that is a more wise and prudent policy than the one we have been pursuing hitherto.

Now, Sir, I come to the consideration of the question of expenditure, which I shall treat as briefly as may be and in reference to this matter I ask the attention of the House to an extract from a speech made by the leader of the present Government, regarding the mode in which the finances were managed by his predecessors. The Speech was made in Toronto on 11th May, 1883, in response to an address delivered to that hon. gentleman. He says :

"We have endeavored to raise up this country from the incompetent men who unworthily hold the reins of power. Of those men I may say that their reign is to be a short one, and that the people are going to rise in their might at the coming election and sweep jobbery, corruption and incapacity into one common ruin."

Well Sir, the people arose in their might, and they swept away—what? They swept jobbery, corruption and incapacity into power on the crest of a great tidal wave of folly and fatuity.

A brief glance at some telling facts.

We will examine the record of these two Governments—and the record will prove what I say; we shall examine the record of the two Governments as to the expenditure and the management of the finances of this country. These are the gentlemen, Sir, charging jobbery, who have been guilty of such little peccadilloes as the Onderdonk contract, who did not dare to allow a Bill introduced by my hon. friend who sits near me, to prohibit contractors from subscribing to election funds, from becoming the law of the land; who have refused, Session after Session, to enact that the contractors of this Government shall not be contributors to its election funds; those gentlemen, who charge corruption on the gentlemen whom they supplanted in power; are gentlemen who at that very

time had resting upon them a stain which will be an indelible stain not only on them, but on Canada, so long as Canada has a history—the sale of a great charter, the Pacific Scandal. These men who charge corruption on the men they supplanted are men who have given away vast areas of this country without competition, and in many cases at one hundred times less than its value, to their favorites, in violation of every principle of justice and honesty—who have given away areas large enough for dukedoms and principalities, as pasture land, or as timber or coal leases, on almost nominal terms. No wonder this Government is popular with a certain class. No wonder it is strongly entrenched, when it has made a corrupt use of the influences at its command for the purpose of securing the favor of its friends. The gentleman who leads this Government, and whom I am sorry not to see in his seat, I will do him the justice to say, no doubt, has acted worse than he would have wished, on many occasions. I have no doubt that the heterogeneous elements he has been obliged to reconcile, and the political difficulties he has had to face, have forced him to commit acts that his better nature revolted against. The trouble with him is, that he is a first-class politician and a third-rate statesman. He can manage public men with the greatest facility, but as for the principles that actuate a statesman, to demand that if his principles are not carried out he will resign, if he was called upon to live up to that standard, he is not there. He reminds me of a story of an African preacher who was warning his congregation against the danger that confronted them in a spiritual sense. He said: "My brethren, the broad road leads to destruction, and the narrow road leads to damnation." Then a hearer in the congregation cried out: "Then this African takes to the woods." It is so with this hon. gentleman. He will take to the woods or to the narrow way, or will take any course in order that he may remain in power; and so, as I have said, on many occasions, he has taken positions and committed acts that his better

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nature has revolted against. With regard to the charge of incapacity preferred against the gentleman now on the Opposition benches, that charge is made by the men who made the Pacific Railway contract, and who, when that contract was laid before this House, and it became evident that a better offer was made, refused to retrace their steps, and refused to comply with the law of the land and advertise for tenders in order to secure the construction of that work on terms more favorable to the country. The men who gave, or will give to that syndicate more money than the road will cost, in addition to the 25,000,000 acres of land; the men who have piled up a debt of \$225,000,000 upon this country; the men who have adopted a scale of expenditure which, if continued, will inevitably force this Government to resort to direct taxation to raise money, in addition to all they can squeeze out of the country by indirect taxation—these are the men who prefer the charge of incapacity, jobbery and corruption against the men they supplanted.

General Expenditure of Two Governments.

Well, Sir, we will examine the financial record of the two Governments; and, first of all, we will take the general expenditure. I made this comparison partly last Session; but I had not then the complete returns as to the expenditure of 1884. I placed that expenditure too high; it was supposed that it would be higher than it has actually proved to be. I shall make this comparison to-night briefly. I start at the year 1868, with an expenditure of \$13,486,092, under hon. gentlemen opposite, who continued in power six years and increased that expenditure to \$23,316,316, in 1874. It may be asserted that my hon. friend (Sir Richard Cartwright) administered the affairs of the country for eight months of that financial year. It is true he did; but, Sir, he came within the estimate of my hon. friend opposite. My hon. friend opposite asked for \$23,685,

009, and the expenditure was only \$23,316,316. Now, the increase in those six years was \$9,830,224, a percentage of 72 per cent., while the increase of population during the same period was only 11 per cent. The increase of the expenditure exceeded the increase of population by six and a-half times. Now, we turn to the record of the corrupt men who were driven out of power on account of incapacity, jobbery and corruption. They commenced in 1874 with an expenditure of \$23,316,316, and they went out of office in 1879 with an expenditure, based upon the estimates of my hon. friend, of \$23,669,000. It is true, that expenditure was somewhat increased, owing to the fact that the hon. gentleman opposite was in office eight months of that financial year; but the increase over Sir Richard Cartwright's estimates was due to them. This shows an increase, from 1874 to 1879, of \$352,684, or an average of \$70,536 a year, against an annual average increase of \$1,638,370 under their predecessors. Now Sir, we have commenced on the third financial period in our history, being the second term of the hon. gentlemen opposite. Upon my hon. friend's estimate of \$23,669,000 they commenced operation. They increased the expenditure of that year. My hon. friend assures us that he would have kept the expenditure within the estimates, and we have reason to believe he would, inasmuch as he reduced the expenditure between 1877 and 1878 by \$16,000. If this be the case, those hon. gentlemen, starting with an expenditure of \$23,669,000, in 1880, have increased it, to to \$31,107,706, in 1884. They have increased the expenditure by \$7,438,706, or 31 per cent., while the population of the country has increased but 9 per cent. They have increased their expenditure in the last period three and a-half times faster than the population has increased. But for the manipulation in the Dominion lands account, but for the placing to capital account the \$723,000 that ought to have been placed on the consolidated fund account, the comparison would have been \$723,000 worse than it is.

Comparison upon the Basis of Controllable Expenditure.

But there is another basis upon which to institute this comparison, and it is a fairer basis than the one I have adopted. If we take our Public Accounts and look at our balance sheet, we will find that the expenses chargeable to consolidated fund are placed under three heads. We find, first, the classification of charges on account of debt, subsidies or sinking fund, and so forth. These are fixed charges; they cannot be varied; whatever subsidies have to be paid, whatever interest is charged upon the public debt, whatever sum has to be put into the sinking fund, these sums must be paid. The pruning knife cannot be applied here; the Government cannot reduce the appropriation for these expenses. Then we have charges on revenue, the charges for collecting Customs, the charges of carrying on the operations of the Post Office Department; the charges for the Excise Department; the charges for managing Public Works—these are charges that, so far from the Government being able to retrench them must inevitably increase to a small extent every year. The pruning knife cannot be applied to those. If the pruning knife is to be applied at all, it must be to that class known as Controllable Expenditure, expenditure on account of legislation, Administration of Justice, Civil Government, Appropriations for Public Works, Militia Expenditure, and expenditure of that character. It is to those the pruning knife may be applied, and I propose to institute a comparison between the expenditure of the two Governments as regards controllable expenditure, so that we may see what each Government has accomplished in the matter of retrenchment. We will take the period from 1868 to 1874, when hon. gentlemen opposite were in power. Starting with a controllable expenditure, in 1868, of \$3,631,000, they had increased that by 1874 to \$8,324,075, an increase of \$4,693,000 in six years, or 129 per cent., averaging annually 29½ per cent., or an increase in expenditure 12½ times

more rapid than the increase in population. We will take the period when the incompetents came into power—when the jobbers and the corruptionists were put at the head of affairs. They started in 1874 with an expenditure of \$8,324,075; in 1879 the expenditure amounted to \$6,941,577; showing that they had effected a reduction in controllable expenditure of \$1,382,498, or 16 per cent. of a reduction against an advance of 29 per cent. by their predecessors. We then come to 1879, when the Government changed and hon. gentlemen opposite came into office. They started with a controllable expenditure of \$6,941,577, and in 1884 they had succeeded in raising it to the amount of \$11,294,374, an increase of \$4,352,797, or 62 per cent., giving an annual average of 12¼ per cent., or an increase seven times more rapid than the increase in population. If we add to this controllable expenditure, the sum improperly placed to capital account, with regard to expenditure on Dominion lands, \$723,000, we will find that the increase was \$5,000,000, or 72 per cent. So much for the comparison of the expenditures, first under the head of total expenditure chargeable to consolidated funds, and secondly, under the head of controllable expenditure, the latter being the only one in which the Government can exercise its power of retrenchment.

I propose to occupy the attention of the House a few moments in making a comparison of the expenditures in certain Departments of the Government, coming under the head of controllable expenditure, made by each Administration; and in whatever way we institute the comparison between the financial record of my hon. friend, (Sir Richard Cartwright) and that of the Finance Minister, we will find that in every instance it will rebound to the credit of my hon. friend (Sir Richard Cartwright). I will take the Departments of Civil Government, the Department of Public Works chargeable to Consolidated Fund, the Dominion Lands and the Department of Public Works chargeable to Revenue,

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and will institute a comparison in each case. As regards Civil Government, I would like to call the attention of the Finance Minister to this comparison I am about to make, because he may feel disposed to emulate in future, the good example set to him in the past by my hon. friend (Sir Richard Cartwright).

Civil Government Expenditures.

In 1868 there was expended on Civil Government, \$594,441; in 1874, \$883,685, an increase of \$289,244, or 48 per cent., or an average annual increase of 8 per cent., four and a-half times greater than the increase in population. Then my hon. friend (Sir Richard Cartwright) came into office, and starting with that expenditure of \$883,685, in 1874, he reduced it, in 1878, to \$823,369, a decrease of \$60,316, or 6½ per cent., decrease against an increase in the preceding period of 48 per cent. Then the gentlemen who drove these incompetents from power came in, and they started with this expenditure of \$823,369, which, by 1884, they had increased to \$1,084,417, an increase of \$261,048, or 31½ per cent., being an average annual increase of 5½ per cent., three times that of the population in this, the second period in office of hon. gentlemen opposite, and four and a-half times that of the population during their first period in office, as against a decrease of 6½ per cent. during the period my hon. friend (Sir Richard Cartwright) was in power.

Public Works Expenditure.

Next, take up Public Works chargeable to Consolidated Fund. Here is an opportunity to exercise economy, but also here is an opportunity to launch out into lavish and unjustifiable expenditure, for the purpose of bribing constituencies—making canals, promising to erect, and erecting public works, spending money lavishly by this means in various constituencies, in order to influence public sentiment in favor of the Government nominees. That power may be used; that power has been used. Perhaps it would be unparliamentary to say that power is being used; but it certainly has been used. I will

point out a most striking contrast between the records of the Finance Minister and that of my hon. friend (Sir Richard Cartwright). Hon. gentlemen opposite started in 1868 with an expenditure under this head of \$126,269; in 1874, when these gentlemen went out of power, their expenditure had reached \$1,826,000, an increase of \$1,699,722, or 1846 per cent., making an annual average increase of 224¼ per cent., 128 times faster than the increase of population. Then the Reform Administration came into power and, starting with an expenditure of \$1,826,000, in 1874, they had succeeded in reducing that, in 1878, to \$998,594, a reduction of \$827,407, a reduction of 45 per cent., an annual reduction of 11 per cent., against an annual increase under their predecessors of 224¼ per cent. Then the gentlemen opposite came into power, and, starting with this expenditure of \$998,594, in 1878, they ran it up, in 1884, to \$2,908,851, an increase of \$1,910,257, or 191 per cent., an average increase of 32 per cent., an increase eighteen times greater than the increase in the population of this Dominion. This is a pretty nice record. These men are entitled, I think, to talk about jobbery, and corruption, and incapacity, when speaking of gentlemen on this side of the House.

Dominion Lands Expenditure.

And next, with regard to Dominion Lands. In 1868 we spent nothing; in 1874 the expenditure was \$280,163. Starting with that expenditure in 1874, my hon. friend reduced it, in 1878, to \$87,628, a reduction of \$195,535, an annual average decrease of \$48,883, a reduction for the period of 69 per cent., or an average annual decrease of 17 per cent. Then our friends opposite administered the affairs of that Department and, commencing with \$87,628 of an expenditure in 1878, they had, in 1884, an expenditure chargeable to income of \$166,890, and chargeable to capital—a device for cooking the accounts and making the expense seem less than it really is—\$723,658, a total of \$890,548, an increase of \$802,920 in six years, an

average annual increase of \$133,821, a total increase of 1016 per cent., or an annual average increase of 169 per cent., or ninety-six times faster than the increase in the population.

Public Works Management.

In Public Works chargeable to Revenue—that is the management of our public works, our railways and canals—we started, in 1868, with an expenditure of \$626,286; gentlemen opposite ran up the expenditure to \$2,389,679 in 1874, an increase of \$1,763,393, or 281 per cent., an average annual increase of \$293,898, or 47 per cent., an increase twenty-seven times faster than the increase in the population of the country. Then the incompetents came in and, starting with the expenditure of \$2,889,679, in 1874, in four years they had increased it to \$2,471,437, an increase of \$81,758, or 3 $\frac{1}{10}$ per cent. for the period. Then the gentlemen opposite took charge of the administration of that Department again, and commencing with an expenditure of \$2,471,437, in 1878, they had increased that expenditure to \$3,302,791 in 1884, an increase of \$831,354, or 33 per cent., an average annual increase of \$138,559, or 5 $\frac{1}{2}$ per cent. This is the record. These are the comparisons, these are the contrasts that exist between the management of these Departments by the two Governments, and nothing could be more striking, nothing could be more satisfactory as an evidence of the economy and careful management of these affairs upon the one hand, and the recklessness which characterises the management of these affairs upon the other.

Causes for Alarm.

What is the significance to us, as a people, of our increasing expenditure and our diminishing revenue? Is there any cause for alarm in the future? Is there any cause for supposing that my hon. friend will be able to boast of surpluses of \$4,000,000 or \$5,000,000 a year in the near future? Is there any cause for fear that he, too, may be troubled with deficits, that he may possibly be characterised by

some person opposed to him in politics as the "King of Deficits," as my hon. friend was a short time since? With a scale of expenditure this year reaching \$33,000,000, with a shrinkage in revenue from Customs and Excise of \$3,786,000 in the last year, with these causes in operation, I say that there is reason for grave alarm; I say that there is a danger that our finances may break down; I say that there is reason, good reason, for the inability of the Government to place the \$25,000,000 loan about to fall due; I say that there is good reason for their having a floating debt of from \$13,000,000 to \$15,000,000; I say that there is reason for their being obliged to resort to the desperate shifts which the man in business resorts to whose credit is not good and who goes "shinning" around the streets attempting to raise money to meet a note which is due and is threatened with protest. We have placed ourselves in a position of grave embarrassment, in consequence of reckless extravagance and mismanagement of the affairs of the country. I do not blame my hon. friend, who is the creature, the victim, of circumstances. He undoubtedly has been forced to a great degree into the position in which he is, but, whether forced or not, whether responsible or not, the difficulties which threaten the country are none the less real, and none the less to be lamented.

Our Manufacturing Industries.

And, now, a few words in regard to our manufacturing industries, and I am done.

Mr. RYKERT. That is good.

Mr. CHARLTON. I hear the Minister of Customs say "that is good."

Mr. BOWELL. No; you did not.

Mr. CHARLTON. I am afraid he is like the old Scotch elder, who was accused of being hard-headed and not open to conviction, and who denied the accusation, and stated that he was open to conviction, "but," he added, "I would like to see the man who would convince me." That is the characteristic of my hon. friend opposite.

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Mr. BOWELL. I did not happen to say anything, so your story does not apply.

Mr. CHARLTON. I am afraid that the warnings I have given have fallen upon that hon. gentleman unheeded, and that they will have no effect upon him or upon the Finance Minister. It troubles me to think that efforts so well meant and truths so palpable should have so little effect upon those to whom they are directed.

Mr. BOWELL. Love's labor lost.

Mr. CHARLTON. I wish to ask this question: Did our manufacturing interests, when the National Policy was introduced, require additional protection? I answer that they did not. They had attained a great development under a revenue tariff of 15 per cent., raised to 17½ per cent. in the last two years. I say that, in 1871, if our census statistics are reliable, we had \$125,000,000 worth of material consumed by our manufactures in Canada that year, that the products of the manufactures were \$221,500,000, that we had \$78,000,000 of capital invested, that \$40,850,000 were paid in wages, that 188,000 people were employed. I say that was a respectable, nay, more than a respectable, that is was a marvellous development of manufacturing industries in a country so young and so poor as Canada was then; and, if the manufacturing industries of Canada had attained that degree of development under a 15 per cent. revenue tariff in 1871, I say that no necessity existed in this country for any additional protection. I say that without fear of contradiction, and I shall point out, before I finish, that the development of the manufacturing industries of this country has been greater and more satisfactory than those of the United States in the last decade under a high protective tariff. What industry have we in prosperous operation in Canada to-day that did not exist before the National Policy came into operation? What branch of manufacturing industry is prosecuted now that was not prosecuted then? We hear people talk of

the National Policy—the advocates of the policy—and you would imagine, from their air, from their assertions, from their claims, that the National Policy created the manufacturing industries of Canada, and that before this National Policy was adopted we had nothing of the kind. This is not the case. The National Policy may have accelerated to some extent the development of the manufacturing industries of the country, and it accelerated them, if it has done so, in an unhealthy manner. The stimulation has been unhealthy, and the manufacturing industries of the country are to-day, I believe, in a worse position than they would have been if no such stimulant had been applied. Were not our manufacturing industries prosperous before this National Policy came into operation? A careful comparison of the industries of the United States with those of Canada will prove beyond controversy that the manufactures of Canada, during the entire period of depression, from 1873 to 1878, were more prosperous, were earning better dividends, were more fully employed, than those of the United States. That is an assertion I make broadly; it is one that can be substantiated; it is one that does not admit of denial. Why, then, did we need the protective policy? The very prosperity that came to our manufactures after the passage of the National Policy tariff was a prosperity due in a great measure to the revival of trade. Not only in Canada, but all over the world, an immense impetus was given to business. It was an impetus that business received, not from the tariff of Canada, not from any tariff, but from the passing away of that long period of commercial depression that sat like a nightmare upon the industries of every civilized nation, from 1874 to 1878, and the prosperity that resulted from natural causes; the prosperity that came from the passing away of that serious depression that weighed upon every industrial occupation, every industrial interest, and every commercial interest in the civilized world—I say the prosperity that was due to

the removal of that depression has been falsely attributed to the National Policy; and if the National Policy had not been adopted, I firmly believe that the manufacturers of Canada would have made as good progress and would have been in a more healthy condition to-day than they are now under the operation of that policy.

Percentage of Cost Chargeable to Wages.

Now, Sir, I have one little fact to present to the House, which I think will convince any candid member that the protection we afford is higher than necessary. One of the arguments of protectionists is that it is necessary to protect the manufacturer because he pays higher wages than are paid in England—it is claimed in the United States that the wages are 60 to 70 per cent. higher than in England. Well, we will admit that it is necessary to afford a degree of protection that will enable the manufacturer to pay double the wages paid in Great Britain—what amount of protection would be required? What percentage of the cost of the fabrics and wares produced in this country and produced in the United States is chargeable to wages? That is the question. The census returns of the United States show that 17 per cent. of the cost of the products of the manufacturers is the cost of the wages paid to the operatives, and the balance is due to the raw material and other charges. Our census returns show that 19 $\frac{1}{2}$ per cent. of the cost of fabrics produced by our manufacturers is chargeable to wages. Well, Sir, if you are going to enable the manufacturer of Canada to pay double the wages paid in England, how much protection does he want to overcome that? Why, he wants one-half of that 19 per cent., he wants 10 per cent. protection, 10 per cent. higher prices, in order to enable him to pay double the wages paid in England, because the total cost of the wages to him is 19 $\frac{1}{2}$ per cent. In the United States 8 $\frac{1}{2}$ per cent. protection is sufficient to enable the manufacturer to pay double the wages paid in Great Britain; and so the

people of this country have been deceived as to the degree of protection necessary in order to enable our manufacturers to meet what they claim are the additional burdens imposed upon them as compared with Great Britain.

Progress under Revenue Tariff and Protection Contrasted.

Now, Sir, I promised a few moments ago to show that the progress of manufactures in this country and the progress of manufactures in the United States had been satisfactory, healthy, and rapid under a revenue tariff policy. We have seen, in the United States, a period of revenue tariff policy extending from the year 1846 to 1860; and we have seen a period of a protective policy extending from 1861 down to the present date. Now if we take the returns from the United States for the four years between 1846 and 1850, under this revenue tariff policy, and if we take the decade between 1850 and 1860, passed entirely under the operation of a revenue tariff policy, which was well settled and had been in operation four years before the decade commenced, and compare the progress made by the manufacturing industries of that decade with the progress made in the two succeeding decades, we will have the data upon which to form an opinion as to whether manufacturers did really get an advantage under the revenue tariff, and as to whether a protective tariff is essential to their development. Now, I shall not trouble the House with a table I have here, which goes exhaustively into the capital, the material used, the amount of products, the amount paid, the wages, and the number of hands; but I will point out the percentages of increase under these various heads during the three decades:

Capital—1850 to 1860	89 per cent.
“ 1860 to 1870	109 currency
“ 1870 to 1880	31 $\frac{1}{2}$ percent.
Hands—1850 to 1860	37 per cent.
“ 1860 to 1870	47 “
“ 1870 to 1880	31 “

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Wages—1850 to 1860	60 per cent.
“ 1860 to 1870	102 currency
“ 1870 to 1880	22 gold.
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Products—1850 to 1860	85 per cent.
“ 1860 to 1870	124 currency
“ 1870 to 1880	26 gold.

Now, what do these figures show? They show that the increase in capital, in hands, in wages, in products, was very little greater under the stimulation of high protective duties from 1860 to 1870 than it was under the revenue tariff from 1850 to 1860, and they show that the increase in these various points was very much less under the protective duties from 1870 to 1880 than from 1850 to 1860. The average increase for twenty years was less than the average annual increase in the ten years under a revenue tariff. That is the record of the United States with regard to protection vs. a revenue tariff. It is worth while mentioning in this connection, that the popular vote in the United States in 1880 was 526,000 in favor of a revenue tariff, and that in 1884 a revenue tariff President has been elected by the popular vote after twenty years' trial of protection.

Sir LEONARD TILLEY. Hear, hear.

Mr. CHARLTON. Yes; it is worth hearing. It is suggestive. It points to a moral that we do well to heed.

Sir LEONARD TILLEY. The language Mr. Cleveland used was just such language as would be used on our side of the House as to this policy.

Mr. CHARLTON. The language he used, the language his party uses, the language his supporters use, is that the tariff of the United States is an unjust and an oppressive tariff, and that duties should be levied for revenue purposes only. That is the plank on which Mr. Cleveland was elected President of the United States. We come now to the

Growth of Manufactures in Canada,

and I ask the hon. Minister's attention to the statistics I am about to quote.

They are very suggestive also. The more you look into them the more hollow the pretensions of the hon. gentleman seem. I will make a comparison with respect to the growth of manufactures in this country during the last ten years. It may be claimed that a part of this growth is due to the National Policy. I do not know to what extent the hon. gentleman would make that claim. But eight years of the ten years between 1871 and 1881 were under a revenue tariff. The change came in 1879, and you may fairly assume that the influences exercised by the National Policy, whatever they were, were not fairly brought into play until the expiration of a year, at least, and so nine of the ten years were passed under a revenue tariff policy. I assume that, I assert it, that of the decade between 1871 and 1881, nine of the ten years were under a revenue tariff, and whatever progress was made by the manufacturing industries of Canada, it was largely due to the operation of a revenue tariff policy. Let us see what the progress was. Here are the figures:—

CANADA.

Capital invested.

1871.....	\$77,964,000	1881.....	\$166,302,000
Increase.....	\$87,338,000.	Per cent.	112.

Material consumed.

1871.....	\$124,907,000	1881.....	\$179,918,000
Increase.....	\$55,011,000.	Per cent.	44.

Products.

1871.....	\$221,617,000	1881.....	\$309,616,000
Increase.....	\$87,999,000.	Per cent.	39.

Hands employed.

1871.....	187,942	1881.....	254,983
Increase.....	66,993.	Per cent.	35.

Wages paid.

1871.....	\$40,851,000	1881.....	\$69,429,000
Increase.....	\$28,578,000.	Per cent.	45.

Ratio increase of population.....	20.	Ratio increase of Capital exceeds	5 1/2 times.
“ “ Material	“	“	2 1-5 “
“ “ Products	“	“	2 “
“ “ Hands	“	“	1 1/2 “
“ “ Wages	“	“	2 1/2 “

Increase exceeds U. S. decade, 1870 to 1880.	Capital 80 p. c.—
“ “ “ “	or threefold
“ “ “ “	Material... 7 p. c.—
“ “ “ “	Products... 13 p. c.—
“ “ “ “	1/2 more.
“ “ “ “	Hands.... 4 p. c.—
“ “ “ “	Wages..... 23 p. c.—
	or double.

That is the record with respect to the progress made by manufacturers in Canada: first, up to 1871 under a clear and distinct revenue tariff policy, and second from 1871 to 1881 under a revenue tariff for nine-tenths of the period at least, which shows a vastly greater development of manufacturing interests in this country than was acquired in the United States under a high protective tariff from 1870 to 1880. Wherever we may look we cannot fail to be impressed by the fact that a satisfactory and rapid development of the manufacturing interests of this country has been secured under a revenue tariff policy, and that an equally satisfactory and an equally rapid development of the manufacturing interests of the United States has also been secured under a revenue tariff policy. The manufacturing industries of the United States were in a relatively stronger and more healthy condition in 1860 than they were in 1884. The exports of the manufacturers of that country were relatively larger than they are now. The exports of cotton goods in 1860 were larger than they have ever been since except in one or two years; and if the progress made from 1850 to 1860 under the revenue tariff policy had been maintained till 1884, the development of the manufacturing interests of the United States would have been as great as it is to-day. Will the hon. Minister assure me that his policy has benefitted any considerable class in this country? Will he tell me it has benefitted the lumberman? I know it has not. Will he tell me it has benefitted the fisherman of his native Province and of Nova Scotia?

Some hon. MEMBERS. Yes.

Mr. CHARLTON. No; no man of common sense will say so. Will he tell me it has benefited the laborers of Canada?

Some hon. MEMBERS. Yes.

Mr. CHARLTON. Will he tell me it has benefitted the cotton operative, who is working on short time and at reduced pay, and whose average earnings are \$45 less a year than in 1878? The laborers

will tell him, no. Will the hon. gentleman tell me it has benefitted the farmer?

Some hon. MEMBERS. Yes.

Mr. CHARLTON. Will he tell me that the National Policy is not, in some measure, responsible for the present depression in prices?

Some hon. MEMBERS. No.

Mr. CHARLTON. I say yes; and I will demonstrate it. It is true that, as a rule, you cannot raise or lower the price of produce by the operation of a tariff; but a policy may be adopted by a country which, in the end, will produce important results, either in advancing or in depressing the prices of produce.

How the N. P. Depresses Prices of Grain.

England is the great market for Canada and the United States. England buys her food and she produces the fabrics that the world consumes. She exchanges the products of her forges, looms, and mills for the produce of the farmers of the new world. That trade is a trade of mutual exchange, and it can be carried on only as an exchange. England cannot be excluded from the markets of the United States and Canada, and continue to draw from those countries her supplies of food. She must be able to give to those countries the productions of her labor in order to take from those countries the products of their labor. The United States, for twenty years, and Canada for six years, have adopted a fiscal policy of enmity to England, a policy the effect of which is designed to exclude the products of British labor from the markets of these countries. What has England done? Could she continue to buy her supplies of food from this continent and pay us in gold? Could she continue to sail her vessels to our ports in ballast, and charge double freight, because there was a cargo only one way? Has she not looked round to procure food supplies in exchange for the products of her labor? Has she not spent millions in constructing a railway system in India, so that she might reach the wheat fields at the

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base of the Hymalayas, and exchange with the Hindoos British products for a food supply? Yes, she has done it. She now consumes millions of bushels of Indian wheat a year, and she has been driven to this course by the hostile tariff policy of this country and the United States; and when I assert that this policy has had a direct influence in depressing the price of agricultural produce in Canada, I assert what is patent to any man who examines the facts. Sir, the hon. gentleman has reduced the price of every bushel of wheat the Canadian farmer has to sell, of every bushel of farm produce he has to sell—he has reduced it by the operation of this policy, which has placed us at variance with our natural customers, and driven from the markets of Canada the people who are the consumers of our surplus food products. This has been the operation of the National Policy, a policy which has not only imposed direct taxes on the people of this country, in the shape of Customs duties, but has imposed indirect duties, in the shape of an enhanced cost of the ordinary articles of consumption of the people of this country, and imposed this additional taxation in the shape of a reduction in the price of farm produce. Not for one hundred years has wheat been lower in England than is to-day, because she has reached countries where that article can be produced cheaply. Not for many years has the price of wheat been lower than it is in Canada to-day, notwithstanding the vaunts and boasts of hon. gentlemen, that they would afford agricultural protection to the farmers of Canada. They offered them benefits and blessings. They have conferred on them curses instead.

Well, Mr. Speaker, I have a couple more extracts to read, and I read them for the purpose of reminding the Government that they boasted that they had certain powers which we now call on them to use. We call on them

To Redeem the Promises.

they made and exercise the powers which we were informed they possess. What are

those powers? In 1878 Sir Charles Tupper, in a speech in this House, a speech which I heard delivered myself, made use of the following language:—

“The hon. gentleman ought to know that if Governments are good for anything they are good to increase the prosperity of a country by Acts of Parliament, or to meet difficulties in which a country is placed, from time to time, and which require legislative interference.”

And again, in 1878, the same gentleman made use of this language:

“The hon. gentleman may say that the prosperity of the country cannot be obtained and promoted by Acts of Parliament. We deny it. We say that you may make the very taxation necessary to sustain the public credit by meeting the interest on the public debt and discharging the ordinary administration of public affairs, a means of so fostering our industries as to give to the people the money that is required in order to pay the taxes.”

Now, here are two very important powers. The first power is to give prosperity by Act of Parliament, and the second power is to make the taxes of the country a means of giving the people the money required to pay the taxes. Now, we call upon the Government to exercise those beneficent powers. It was said once by a celebrated and pious king, “If I forget thee, oh Jerusalem, may my right hand forget its cunning.” Have these men forgotten their duties? They made promises which the Deity alone could fulfil. Or has their right hand forgot its cunning? or are they like the gods of old, upon whom Elijah called? Have they gone on a journey—are they pursuing, or are they asleep? Why in the present juncture of affairs, with the present difficulties confronting us and surrounding us, and over us—why, with the financial gloom which is settling on this country, are not these gentlemen giving us prosperity by Act of Parliament as they declared they could? Why are they not making this vast volume of taxation which presses so heavily on the country, a means by which the prosperity of the country may be increased, by furnishing the money to pay these taxes, as they

said it would. Sir, I am afraid we have little hope that these promises will be fulfilled. I fear, Sir, they are like many other promises, that they are, in fact, like all the promises made by the hon. gentleman, with reference to the operation of the National Policy, fallacious, foundationless, false. But, Sir, I think we must turn to the sad reality and face the difficulties that confront us. I think we must realize that we cannot secure the blessings that their promises offered to us. If we could, all would be well. But in place of these blessings being likely to be ours we look abroad on an immense debt, on an enormous load of taxation; we look abroad on our swelling expenditures; we see the Canadian Pacific Railway syndicate drinking up millions as the thirsty sand drinks up water, and calling for more. We see, in the near future, difficulties

which may well appall the stoutest heart, we see a Government, backed by a following that seems ignorant, careless, and unconcerned as to the difficulties and dangers that threaten us; and Mr Speaker, all we can do here is to protest—all we can do here is to call the attention of the Government to these difficulties and dangers; all we can do is to implore them to retrace in some measure their steps, and endeavour as far as they can, by prudence in the future, to avert the calamities which recklessness in the past promises to impose on us.

Mr. McLEAN moved the adjournment of the debate.

Motion agreed to.

Sir LEONARD TILLEY moved the adjournment of the House.

Motion agreed to, and the House adjourned at 11 p.m.

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