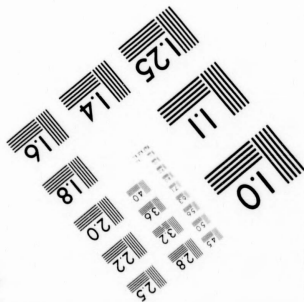
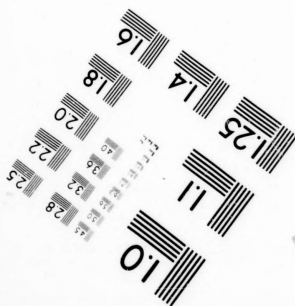
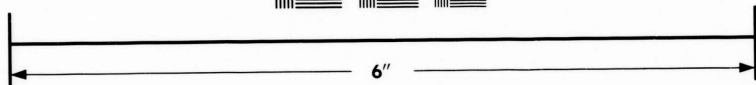
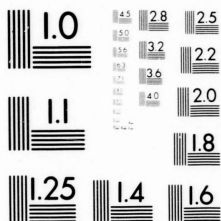


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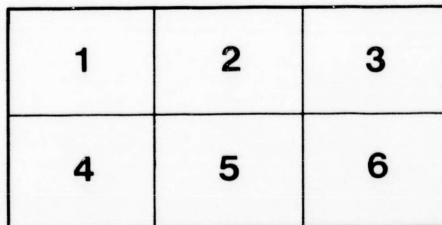
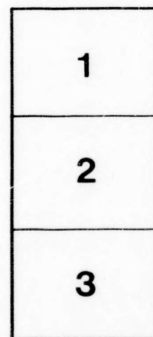
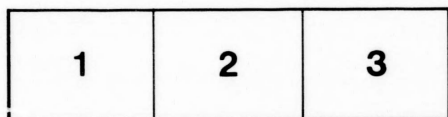
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SPEECH OF MR. CHARLTON, M.P.,

ON

CANADA'S TARIFF.

TRADE RELATIONS WITH UNITED STATES.

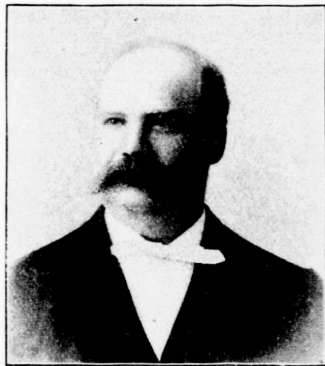
EXPORT DUTY.

REVENUE DIFFICULTIES ARISING FROM RECIPROCITY

WEDNESDAY, 22ND FEBRUARY, 1893.

... and
a difficult one. ... the evils
... which have followed have become even more

"Omnia superat Virtus."



Herbert Fairbairn Gardiner,

Hamilton, Ontario.

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SPEECH OF MR. CHARLTON, M.P.,

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WEDNESDAY, 22ND FEBRUARY, 1893.

Mr. CHARLTON. For the last fourteen years we have been engaged from time to time in discussing the system of protection or the National Policy. We have had it discussed in various ways. Some speakers, like the hon. gentleman who has just spoken, have discussed it for the purpose of making the worse appear the better cause, for the purpose of bolstering up the institution for political and partisan objects, as is generally done by speakers on the opposite side. Other speakers have discussed this question for the purpose of arriving at the truth, if possible, and of ascertaining whether the allegations made with reference to this policy are correct. I think that the evidences of revolt existing in various parts of the country would indicate most unmistakably that the public mind is arriving at the conclusion that the views of the Government are altogether wrong and that those who attack this policy do so on ample and just grounds. We have had in this House this session evidences of this feeling of dissatisfaction. We have had motions emanating from that side of the House against the duty on binder twine, coal oil and corn. These are evidences of a dissatisfaction existing in the ranks of the party opposite, which is not fully laid bare by the slight surface indications we are permitted to note. We have, Sir, evidence that this feeling of insecurity, this feeling of dissatisfaction is a widespread one, from the fact that the Government itself proposes to modify its policy, proposes to take into consideration the various arguments that have been advanced, to have commissioners make a tour of the country for the purpose of examining into the industries of Canada, promising to be governed by the information thus obtained in the modifications of the National Policy which they propose to make. I presume, Sir, they will find the task a difficult one. It is like taking out

stones from an arch, with the danger of bringing down the whole structure about their ears. The National Policy interests are so interwoven with one another, are so mutually dependent upon one another, that one duty can scarcely be removed without affecting a great many industries. And when the Government proceed to the consideration of this question and attempt tariff reforms, we, upon this side, shall watch with a great deal of interest and curiosity, the result of the experiment they may be disposed to make with reference to the reduction of duties. I do not believe, Sir, that the thing can be done unless they change their policy, and, if the position taken by the hon. member for South Ontario is a correct one, if the policy has conferred such blessings and benefits upon this country as the hon. gentleman represents, I should like to know why the Government should entertain, for a moment, the proposition to modify this policy at all. If it is what the hon. gentleman claims, we need no modification and the very course the Government propose to adopt is evidence that the Government and the supporters of the Government are not honest in the representations they make of the blessings conferred upon the country by this policy. It is clear that while they are urging that the policy is all that could be desired, they acknowledge, by their actions, that it requires modifications, and that they are compelled to consider the propriety of making modifications. Sir, we are passing through a period of our history when we may profit by the experience of a much larger country to the south of us. We copied this policy, Sir, from the United States. We have put this policy in operation upon a stage much less favourable for its operation than the United States, in a country of more restricted resources and much smaller population, and so the evils which have followed have become even more

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palpably manifest than in the United States. We are likely to follow the United States in another respect. They had an election in that country last fall, in which the people declared themselves unequivocally against the "National Policy" of that country. Two years ago an overwhelming majority were returned to Congress opposed to this policy, and, in November last, a president opposed to the existing system was elected by a larger majority than any of his predecessors for many years. The defeat of protection was overwhelming. As we have followed their example in instituting protection and have suffered all the evils the system is calculated to produce, so we are likely to follow their example in the next general election in having an overwhelming popular verdict against this system recorded in Canada as has been rendered against this same system in the United States last fall.

Protection, Sir, notwithstanding all that may be said in favour of it, is neither more nor less than a species of slavery. The slave is deprived of the product of his labour and is obliged to work without compensation. The producing classes in a country where protection is in vogue are deprived of a portion of the products of their labour and are compelled to pay taxes for the benefit of combines and monopolies; they are made tributary to favoured classes, and, to the extent that they suffer in this respect, they are slaves under this system. It is a system as indefensible upon the broad principles of justice as slavery which is absolute and unconditional. What are the farmers of this country compelled to do, notwithstanding all that my hon. friend from South Ontario (Mr. Smith) says? The hon. gentleman says the National Policy has redeemed the promise made for it to create a home market which would absorb the productions of our farms. And, in the very next breath, he tells us that the farmers of Canada exported last year \$28,000,000 worth of animals and their produce and \$22,000,000 of their agricultural products. Thus, in almost the same moment of time, he says that the National Policy has made a market for the farmer and also that the farmers have been obliged to export \$50,000,000 of their products, notwithstanding the promise that the National Policy would create a market which would absorb them all. The hon. gentleman tells us that the prices of farm products are more satisfactory in this country than they were in 1878. I wonder the hon. gentleman did not blush when he made that assertion. I wish, Mr. Speaker, that the farmers of this country could have the prices they had under the Mackenzie Administration. I wish we could have again \$1 a bushel for barley and \$1.25 for wheat. Sir, if the farmers of this country could have the scale of prices that were in vogue from 1874 to 1878, we would not have the depression existing in this country which does exist at the present moment. The hon. gentleman makes a comparison between the

exportation of produce from this country and the imports into this country for various periods. And he takes a period of depression, a period of world-wide depression existing from 1873 to 1878, and gravely informs us that because there was not a great expansion of trade at that time when there was no expansion of trade in any of the nations on the globe, the policy in vogue at that time, tried in comparison with the one that succeeded it, is thereby proven a failure. He speaks of the desirability of farmers changing their methods of work and mode of farming. I suppose the hon. gentleman is referring to the two-rowed barley business. What he says reminds me of an Irishman in the west, whose cellar was flooded by the bursting of a water pipe. He went to the city clerk to see about it, and the city clerk told him that the city would fix the pipe and the water would be pumped out of his cellar. "But," he said, "my lot has been flooded, too." "Well," said the clerk, "we will get the water off your lot and it will dry up, and the thing'll be all right." "But," persisted the Irishman, "my chickens are drowned." "Then," answered the clerk, "why in thunder don't you raise ducks?" So the farmer is advised to raise ducks; they are advised to raise two-rowed barley, or go into the business of fattening cattle for the English market. A great many schemes are proposed for the benefit of the farmers by the enterprising Government opposite, and these schemes are just now about as reasonable and successful as either of the instances I give. Sir, the farmer of this country is beginning to realize, and it is not the Reform farmer alone who realizes it, that his surplus productions are sold in the open markets of the world. He must compete in England in selling wheat with the Coolie labour of India; he must sell in the open markets of the world, and must meet the widest and fiercest competition from every producer of the same article all over the globe, and must therefore sell at the lowest rate. This is the condition of the farmer when he has anything to sell abroad. But he begins to see that even when he sells at home, the price of the surplus product which is shipped abroad fixes the price at which he must sell in the home market. And, when he comes to buy, he finds that he has to buy in a restricted market. He is not allowed to take advantage of the competition from which he suffers when he sells, but he must make his purchases in a market from which competition is excluded and where the price of everything is artificially enhanced. He realizes that while he sells in the open market he buys in a restricted market in which the restrictions are for the benefit of combines and monopolies. The farmer is beginning to see that this state of things is one that he cannot and must not sanction. It is one which he will vote against at the first

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opportunity he has to do so. He feels severely the gigantic burdens the Government has placed upon him. He finds that he must pay interest on \$60,000,000 of debt incurred in subsidizing a railway built to the lands of the North-west, the result of which is to bring them into competition with the cheaper fertile lands of that country and to depress the price of his own productions. He is paying interest upon a debt contracted for building canals in which he had no interest, which were built for the trade of the western states of America. He is paying interest upon a sum amounting to nearly \$250,000,000, a debt of \$50 a head resting upon every man, woman and child. Every man, woman and child is required to pay over \$2 annually in interest upon that debt. He is helping to pay the expenses of an extravagant Government. He is paying interest on the railway subsidies that the Government have granted from time to time for political purposes, in order that they might make somebody solid in some particular riding, and at the same time have a chance to toll these subsidies to the extent of 20, 30 or 40 per cent for election purposes. He is bearing all these burdens, and he is dissatisfied, there is no question about it. There is a feeling of unrest in the country, as my hon. friend says, and that feeling of unrest is not confined to Liberal farmers. It is widespread, it is general, it pervades all parts and all classes; and those who are upholding this system, when they next appeal to the country, will learn something about the extent of that feeling of discontent that now exists among the farmers of this country. Sir, the farmer is learning some more lessons with regard to political economy. He is learning that the number of dollars of duty paid by him and extracted from his pocket, is not a correct measure of the loss he sustains in consequence of this system. He is beginning to understand that every dollar of duty upon an article is so much added to its cost, and that before that article reaches him, there is added to that duty the profits of the wholesaler and the retailer, making it at least 40 per cent more, and that for every dollar the Government receives, he pays \$1.40 at least, in many cases, \$1.50. He begins to understand the question of incidental taxation. He begins to understand that the policy of protection is not to realize revenue, but to exclude goods from the country, and that the real operation of protection is to enable the manufacturer to raise the prices of all the goods that he produces to a point just within the amount for which these goods can be imported and the duties paid; and that, consequently, on all articles of domestic manufacture, the farmer is paying what those articles would cost, if bought in the open markets of the world, and in addition to that, he is paying to the manufacturer almost the sum of the duty that the Government would collect, if these goods were imported. The result of this is what? Last year

the duties were \$20,550,000. The duties, added to the cost of the article and the profit from those duties which the wholesale and retail dealers made, amounted to over \$8,000,000, over 40 cents on the dollar. That was the incidental tax the farmer paid. If the basis is correct, which is established by many American political economists, that for every \$3 of duty paid into the Government the farmer pays \$5 of incidental taxation to the domestic manufacturers, then the incidental tax the farmer has paid in consequence of the existence of the duties upon the class of goods that is brought into the country, and manufactured in the country, has amounted to \$34,000,000 more. So the loss of the consuming class of farmers is the amount of the duty, \$20,550,000, the profit upon the duty, which is practically a part of the first cost, \$8,000,000, and the incidental taxation, or the enhanced cost of the domestic goods produced in this country, \$42,000,000, or the sum of \$64,000,000 extracted from the pockets of the consumers of this country in order that the Government may realize a duty of \$20,550,000. Now, this may not be mathematically correct; of course, it is an approximate calculation. It may be more; it probably is more. It may be less; but in any event the sum is enormous, and the farmer is being bled in these ways I have mentioned. Now, this is a wasteful system. Of course, it would be better to resort to direct taxation than to compel these men to pay three to one, or even two to one, on the amount of customs taxation that is collected. Now, Sir, the assertion is often made, and was made by my hon. friend from South Ontario, that goods are cheaper than they were ten years ago. Suppose they are. The question is: Are goods as cheap as they would be if the duties were removed?

An hon. MEMBER. Cheaper.

Mr. CHARLTON. Some political economist opposite says they are cheaper. I suppose coal oil is cheaper than it would be if the duties were removed. According to his theory, double the duty, and it would be still cheaper. The question is: Would goods be as cheap as they are, or cheaper than they are, if the duties were removed? and the answer of any sane man would be, Yes, and they are dearer to the extent of the duty in almost all cases. If goods are cheaper than they were ten years ago, the question is how much cheaper would they be if the restrictions upon trade were removed? That is the question we have got to deal with, and the other is quite foreign to the inquiry. Now, the system of protection is one that enables the manufacturer, in many cases, to charge a higher rate for his goods than he can afford to produce them for. It is a well-known fact that Canadian purchasers can go to the United States and buy goods for importation into Canada cheaper than the merchants in that country can buy them, in many cases 20 or 30 per cent cheaper, for the reason that the tariff enables the Am-

erican manufacturer to bleed his own customers where he has control of the market; and if a foreigner comes there to buy and the manufacturer has to compete with outside parties, then he puts the price down to the level where he has a fair profit, which is 20 or 30 per cent less, even than he sells to his own customers. We have an instance of this kind in Canada in the Cordage Company at Halifax. You can go to St. John's, Newfoundland, and buy cordage made by that company 2 cents a pound cheaper than in Halifax. Why is that? Because they are selling it in Halifax, protected by the tariff duties, at 2 cents a pound more than a fair profit for manufacturing it; but if they are selling it in Newfoundland they have to compete with cordage companies elsewhere, and they have to sell it at a figure which affords them a profit which makes it desirable for them to sell there; but it does not enable them to get the price they can get in Halifax where they have control. We find that illustrated in the history of the cotton companies in this country. The enormous dividends they are paying, the enormous sums they are carrying to rest, all indicate that they are making higher profits than they are entitled to make, and the tariff constructed by hon. gentlemen opposite is a machine designed for the purpose of enabling these concerns to bleed the consumers of the country by charging prices greatly in excess of the price at which they might afford to manufacture those goods, and at which they would manufacture them if they were subjected to competition. Now, in view of all these facts we have a demand for a sweeping tariff reform, and if hon. gentlemen opposite can give us that reform, all right. If they cannot give it, the people will, in my humble opinion, try somebody else upon whom will devolve the duty of doing it. As to how fast we should make this change, of course, that is a question to be considered. We have the manufacturers to consider, we have the farmers to consider, the lumberman, the fisherman, the mine owner and the labourer—we have all these classes of interests to consider. Heretofore we have been considering the interest of the manufacturer only. Of course, we must not lose sight of his interest entirely, we must not wantonly do him an injustice, but we must not let him profit at the expense of the other producing classes of this country. We must endeavour to do justice to all, and to remove these enormous and unjust burdens that exist under the National Policy system in vogue to-day.

I propose, Mr. Speaker, to review very briefly a few of the points made in the debate hitherto. It is a question, of course, that has been pretty well thrashed out, to use a common expression, and I shall not have very much to say upon it, I shall not go into it as extensively, or treat of so many subjects, as I should have done had I spoken earlier in the debate. I wish to re-

fer briefly, at the outset, to some statements made by the Minister of Finance in his Budget speech with respect to a question of very great importance to one of the leading interests of the country, I refer to the lumber interests, and I refer to the statements made by the hon. gentleman with regard to the intention of the Government respecting the export duty on logs. I had not the pleasure of listening to the speech of the Minister of Finance, but I find in "Hansard" he is reported to have said:

The facts of the case are to-day that a most wasteful, and I believe entirely unnecessary, drain is being made on the timber resources of this country under present conditions.

And further:

It is well that this matter should undergo most serious and calm consideration, utterly removed from partisanship or trade reprisals, or the like, upon its own broad and sufficient basis.

And still further:

It (the Government) will not consider that it is debarred from taking the course that is shown to be imperatively necessary because any persons have, last year or this year, on the existing state of things, bought limits or invested in timber lands in our country.

That is to say, that no vested interests in this respect are to be considered. He will consider vested rights in manufactures, but the vested rights of a man investing his money in timber limits will not receive any consideration from the Government whatever. The lumber industry of this country has been in a depressed condition for a good many years past, until last year. Last year the lumbermen of Canada were prosperous. They had nearly reached the condition when the shackles on the trade were entirely removed. The duty on lumber going into the American market was \$1 per thousand on white pine lumber, the export duty had been removed, and the lumber trade was in a high degree of prosperity. The condition of the trade was satisfactory to those who were engaged in it, and the indications with respect to it were very clearly shown by the result of the timber limit sale held by the Government of Ontario last fall, when 600 miles of timber put up at auction and sold to the highest bidder realized bonuses of \$2,300,000, an enormous sum, and one much in excess of the bonuses received on any previous sale. I quote this sale as indicating the state of prosperity and the buoyant feeling existing in the lumber circles of this country. Now, it will be borne in mind that this trade is one which the Government does not foster; on the contrary, it is a trade upon which the Government imposes burdens. The National Policy bears heavily on this trade; the duties upon chain, axes, saws, all kinds of tools, blankets and material used in the lumber camp have been endured without a murmur. The Government have conferred no benefit, they have not fostered the trade in any way

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ested interests in sidered. He will manufactures, but an investing his I not receive any government what- of this country condition for a last year. Last Canada were pro- reached the con- the trade were on lumber going was \$1 per thou- the export duty the lumber trade prosperity. The is satisfactory to t, and the indica- were very clearly timber limit sale Ontario last fall, ut up at auction der realized bon- mous sum, and he bonuses re- e. I quote this of prosperity and in the lumber ow, it will be ide is one which ter; on the con- ch the Govern- ne National Po- ade; the duties kinds of tools, in the lumber hout a murmur. rred no benefit, ade in any way

whatever; on the contrary, they have imposed heavy exactions on the trade; and the effect of an announcement such as that made by the Minister of Finance a week ago, to-day, is a disquieting one. Here are men who have purchased timber, and the time of the year has arrived when they will be making contracts of sale. These logs will soon be reaching the mill, they will soon undergo the process of manufacture into lumber, and buyers will come to purchase. On the one hand, the buyer does not know whether the export duty will be reimposed and lumber duties go up in the United States in consequence; and the seller, on the other hand, does not know, and this state of uncertainty is embarrassing to both purchaser and seller, and has a demoralizing and unfavourable influence upon that great trade. Sir, I should like to inquire why the Government feels it incumbent upon itself to harry this business. Their policy has been one of change. They first levied an export duty of \$1, then they put it up to \$2, then they increased the duty to \$3, they then put it back to \$2, then, under the statutory provisions of the McKinley Bill, they removed it, and they are now considering what they had better do next. The lumber trade does not know what the Government intend to do, and in this case, as in the case of all important industries, uncertainty has a disastrous effect on the trade. I regret that the Minister of Finance saw fit to make such an announcement in his Budget speech. He would have acted more wisely if he had made his investigation first and arrived at a conclusion as to whether a change was desirable, than to first make the announcement he did a week ago. With respect to the export of logs, the American limit holder would, in the great majority of cases, prefer to manufacture his logs in this country; but there are degrees of uncertainty, in various respects, that deter him from doing so. In the first place, the Ontario Government have refused to make the tenure as regards Crown dues permanent; they have refused to give the limit holder a Crown dues' rate of \$1 per thousand with the assurance that this will continue for a fixed period, and the American is left ignorant as to how soon that regulation may be changed, and uncertain as to the moment at which the Ontario Government may increase the dues. Then the attitude of the Government here is another factor that deters the American lumberman from engaging in the construction of mills in Canada. He can tow his logs over to the United States and suspend his operations next year, if necessary, but, if he builds a mill, he invests a large sum, and the profit on that investment depends on his ability to use the mill continuously year after year; and if he is subject to uncertainty as regards the tenure of the Crown dues by the Ontario Government, and the additional uncertainty whether there will be an export duty or not and whether there will be an increase of the American im-

port duty, contingent on the imposition of the export duty, he naturally refrains from making an investment, and continues to carry on his business as he has done during two or three years past, towing logs and sawing them at mills already built, rather than making investments in fixed plant in this country under the conditions I have named. The truth is that at the present moment the advantages are in favour of sawing lumber in Canada. The lumberman who tows logs to Michigan does so at a disadvantage. I may take my own case. I gave a contract last year for sawing a certain quantity of logs in Canada at \$3 per thousand, which included towing about 10 miles to the mill. It costs \$1 per thousand to pay the American duty, and \$2.25 freight to Buffalo or Tonawanda, New York, making a total of \$6.25. If I had towed those logs to Michigan, the cost of towing to Saginaw would have been \$1.50, the expense of towing the logs up the Saginaw River to the mill from 35 cents to 60 cents, on an average 50 cents, the cost of sawing there \$2, freight to Tonawanda or Buffalo, \$2.25, which makes exactly the same sum as the cost of placing that lumber on the Buffalo market, sawn either at a Canadian mill, situated as the one was where I did my sawing, or taking the logs to Saginaw and sawing them there. In the one case the \$1 per thousand duty was saved, but the disadvantages almost exactly compensated for that. There was, however, the risk of towing not taken into account. I presume that no company of underwriters would insure log rafts at 10 per cent, and men engaged in log towing generally place the percentage of loss as equal to 75 cents per thousand.

Mr. O'BRIEN. The hon. gentleman talks of towing logs to Saginaw and sending them to market at Tonawanda. What about the freight from one place to the other?

Mr. CHARLTON. The freight is the same from Georgian Bay ports as it is from Saginaw. The difference in favour of sawing in Canada would be whatever the risk was in towing, whether it is 10 per cent, amounting to about \$1, or 75 cents, as is generally supposed. The American who tows his logs to Saginaw to saw is placed at a disadvantage equal to this towing risk. Under these circumstances the Americans would be glad to build mills in Canada, and all that is necessary to secure a transfer of the business of manufacturing from the American to the Georgian Bay side is to give a sense of security and permanence, first, as to the Crown dues of Ontario, and second, as to the policy of the Canadian Government. If that were secured, we would see fewer logs towed, and more lumber sawn on this side.

With regard to the depleting of our limits, which the Finance Minister laments, let me inquire: What were these limits sold for? Was the purpose in selling these limits to prohibit the buyer from cut-

ting the timber, or was it intended, after selling him the limits, to throw obstructions in the way of carrying on his business? I think, on the contrary, that these limits were sold to the buyers for the purpose of being worked. I think that the Government sold them, first of all, for the purpose of securing such revenue as it could by receiving bonuses at the sale, and, secondly, for securing Crown dues on the timber as it is cut by the owner and sent to the markets. Now, with regard to the depletion of the forests. The province of Ontario contains 197,000 square miles. Less than 25,000 square miles of that is under cultivation. The Government have placed under license, since Confederation, less than 10,000 square miles of timber. The amount placed under license before Confederation was 12,500 square miles, and I venture to say, that, on at least one-third of that area placed under license since Confederation, not a stick has yet been cut, and the amount of timber remaining on the other two-thirds is more than one-half the total quantity originally there. If there are 25,000 square miles of cultivated land, and 22,000 miles of timber land, under license, deduct that 47,000 square miles from the 197,000 square miles and you have the amount of unlicensed territory and forest land in private hands in the province of Ontario, which is 157,000 out of the total cost of 197,000 square miles.

Mr. REID. What about the water? Is there any included in that?

Mr. CHARLTON. Of the amount put under license before and since Confederation, the quantity now said by the Crown land authorities to be actually under license is less than 16,000 square miles, which covers water as well as land. It is estimated that there are 197,000 square miles of territory in the province, at least 150,000 square miles of this, besides the amount covered by license, is in forest. Now, there is not more than one-tenth of the forest area of Ontario under license to-day, and the policy of the province of Ontario has been a careful and conservative policy. The Government of that province is wide awake to the necessity of conserving their timber resources, and it does not intend to bring this territory into market faster than the wants of the country require. It intends to reserve a vast area of unoccupied lands, and, consequently, the alarm that is felt with regard to the depletion of the forests in that province is unnecessary and unfounded. If only about one-tenth of the total forest area of that province is under license, surely hon. gentlemen will realize that the alarm felt about the depletion of the forests of the province is without foundation.

Mr. SPROULE. That is not what Mr. Phipps, your commissioner, said in Toronto.

Mr. CHARLTON. I cannot tell what Mr. Phipps says. Here on one hand is the area

of the province, here the amount of cultivated land, here on the other hand the statistics as to the amount of that land placed under license and the amount remaining, and you put the two latter sums together, and the balance is the unoccupied territory, which amounts to 150,000 square miles at least, which is not covered by license, and which is still under timber, and from my personal observation I can say that the best timbered sections of Ontario are yet to be placed under license. But it may be asked, why do the people export logs? Simply because it is to their advantage to do so. Why does the lumberman of Maine export his logs to Canada? Because it is to his advantage. Why does the lumberman on the Georgian Bay export his logs to the United States? Because it is to his advantage. Business men will figure up these things for themselves, and if you do not interfere with them they will make that use of their property which is most conducive to their prosperity, and every time you do interfere with them you are doing mischief rather than good. We might as well talk about depleting our mines, we might as well talk about depleting our granaries, we might as well talk about depleting our herds, we might as well talk about an export duty upon barley for the purpose of having it all made into malt in this country, we might as well talk about an export duty on wool, and we might as well talk about an export duty on wheat for the purpose of having it all made in this country, as to talk about an export duty on logs. The best way to do with this matter is to let it regulate itself. When people talk about the depletion of forests, they fail to remember that, up to this time, the balance of trade in saw-logs exported has been in favour of Canada, and that we have imported more logs than we have exported. According to the Trade and Navigation Returns, the year ending 30th June, 1892, our export of logs was to the value of \$798,000, and our imports, including an estimate based upon the average of several years past, into New Brunswick, added to the imports given in the Trade and Navigation Returns, amounted to the value of \$951,000, or, in other words, we imported last year \$150,000 worth of logs in excess of the amount we exported.

Mr. SPROULE. Does the hon. gentleman know that the Trade and Navigation Returns do not keep an account of a large number of them?

Mr. CHARLTON. The Trade and Navigation Returns are supposed to take account of all logs exported.

Mr. SPROULE. But they do not.

Mr. CHARLTON. You cannot get a clearance for a raft without making a return of the quantity of timber in that raft, and a raft is not a nice little thing to smuggle out

the amount of cultivation on the other hand the statistics of that land placed amount remaining, after sums together, unoccupied territory, 9,000 square miles not covered by timber, and I can say that the statistics of Ontario are yet to be seen. But it may be possible to export logs? Their advantage to the lumberman of Maine? Because it is to the lumberman to put his logs to the use of his advantage, to figure up these logs if you do not intend to make that use of them most conducive to your time you do in your doing mischief might as well talk we might as well canaries, we might our herds, we export duty upon having it all made we might as well on wool, and we on export duty on having it all ground about an export duty to do with this itself. When the depletion of forests, up to this time, saw-logs exported Canada, and that we can have export Trade and Navigation 30th June, to the value of including an estimate of several million, added to Trade and Navigation value of \$951,000 imported last year in excess of the

the hon. gentleman and Navigation about of a large Trade and Navigation to take account do not.

not get a clearing a return of at raft, and a to smuggle out

of the country. You cannot put it in your waistcoat pocket. No logs are sent out of the country that are not reported to the Custom-house, and it is an imputation on the character of our officers to say that our Trade and Navigation Returns are not reliable. I am surprised to hear the hon. member for East Grey (Mr. Sproule) casting reflections on his own Government.

Mr. SPRIGUE. The "Canada Lumberman" says that all the logs are not included in the returns.

Mr. CHARLTON. The "Canada Lumberman" is one thing and the Trade and Navigation Returns another, and if my hon. friend places more reliance on the "Canada Lumberman" than he does on the official documents of his Government, why then I have no quarrel with him. Now, Mr. Speaker, in the period extending from 1884 to 1890, the value of our export of logs was \$3,289,000, and the value of our import of logs, including New Brunswick, was \$8,468,000, and the balance of our imports in excess of our export of logs during that period was \$5,179,000. In face of the fact that the trade—if it is an advantage to import logs and saw them—is vastly in our favour, and has been up to this time. I would ask what reason exists for insisting upon the imposition of an export duty? Are we suffering? If we have imported over \$5,000,000 worth more than we have exported, why should these hon. gentlemen make a row about it? If we imported last year \$150,000 worth more than we exported, what reason was there for that statement made by the Finance Minister, which is unsettling one of the most important industries of the country; I refer to the statement that he proposed to take into consideration, whether he intended to take a step to ruin that industry. What reason is there for medical men, who know more about pills—if they know anything about them—than they do about saw-logs, making such a noise on this matter?

Mr. SPROULE. Will the hon. gentleman allow me to ask him a question?

Mr. CHARLTON. Sit down, please; I have not time now.

Mr. SPROULE. Is it not under an arrangement of treaty that logs are entered from Maine; or is it not by freedom of trade between the two countries, the same as we allow them to take our logs out? It is a treaty that regulates that, and the Americans enter the logs and saw them in Canada of their own motion.

Mr. CHARLTON. It may be by treaty. It does not matter for what reason they come to the province of New Brunswick. The fact is that they do come in there and are manufactured in the mills at St. John. There is just as much profit derived from manufacturing 1,000 feet of logs in New Brunswick as there is for manufacturing 1,000 feet of logs in Saginaw.

Mr. SPROULE. No, because they will not employ Canadians there.

Mr. CHARLTON. If we reap an advantage of this kind, why should we take exception to another party having a fair show with us? Why should we imperil our lumber interests by allowing selfish considerations to interfere, and by which we want to have the whole benefit and to allow no benefit to the other side? Now, Sir, the Americans understand this matter.

Mr. SPROULE. So do the Canadians.

Mr. CHARLTON. My friend over there reminds me of the old woman who made some tea which was very hot, but very weak.

Mr. FOSTER. Is that all the story?

Mr. CHARLTON. I will tell him the remainder later on, as I have not time now. The McKinley Bill, which went into operation on the 6th October, 1890, made a provision which reduced the duty upon pine lumber to \$1 a thousand, and, connected with that proviso, I will read the following from the official document, section 218 of the United States Tariff Act of 1890:—

Provided, That in case any foreign country shall impose an export duty upon pine, spruce, elm or other logs, or upon stove bolts, shingle-wood, or heading blocks exported to the United States from such country, then the duty upon the sawed lumber herein provided for, when imported from such country, shall remain the same as fixed by law in force prior to the passage of this Act.

That is, any person who imported lumber from the country imposing such an export duty would not be permitted to take advantage of the reduction in duty provided by the Act, but would be obliged to pay the duty which existed prior to the passage of that Act, which was \$2 per 1,000 feet. In other words, a statutory offer was made by the McKinley Bill to this country, to the effect that if we removed the export duty on logs, the American Government would reduce the duty on lumber to \$1 per 1,000, but that if we did not remove the export duty, they would leave the duty on our lumber at \$2 per 1,000. Sir John A. Macdonald and his colleagues wisely accepted that offer and removed the export duty, and thereby secured a reduction of the duty on lumber. That was done in the interest of the pine trade of this country, and at this moment the pine trade seems nervous and apprehensive, when a statement is made by the Government that it even thinks of considering the propriety of putting back that export duty, and causing a reimposition of the \$2 duty on our lumber going into the United States. Now, the Americans understand perfectly well that this export duty is an indefensible and vexatious one. They understand perfectly well that they have sent us about three times as many logs as we have sent them. Their constitution prohibits

Congress imposing an export duty, wisely prohibits it, and therefore they are disposed to resent our imposition of an export duty. They are disposed to consider it an unfriendly act, and as they cannot retaliate in kind, they propose to retaliate in another way. Here is a Bill, which was introduced into Congress on the 4th day of last month, by a Democratic member, and which shows how they propose to retaliate.

Mr. SPROULE. That was after you were at Washington.

Mr. CHARLTON. No; my trip was somewhat after that. I may govern the legislation of the United States when I am there; but they have to do a little work without me when I am not there. This Bill is as follows:

A Bill to impose duties on lumber, wood pulp, and other articles, in case any foreign country shall impose any export duties on the materials from which they are made.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in case any foreign country shall impose an export duty upon saw-logs, pulp wood or other raw forest products designed for the use of American mills or factories, the import duty upon the product of saw-logs, pulp wood and other raw forest products of the kinds upon which such export duty is imposed, such as lumber and wood pulp, shall, when imported in the United States from such country, be increased by a sum equivalent to the amount of such export duty; and if such article is upon the free list, a rate of duty equivalent to such export duty shall be imposed upon it. And the Secretary of the Treasury is hereby empowered and directed to make and enforce such rules as may be necessary for the purpose of carrying the foregoing provisions into effect.

Now, in the first place, we cannot put an export duty on logs without getting back the \$2 duty on lumber; under the provision of the McKinley Act that is done instantly upon the reimposition of the export duty. We should have also hanging over our heads the prospect of the passage of this Bill, and I consider it almost certain that it would pass. In that case, the position would be that if we reimposed the export duty on logs, we should have to face an American duty of \$4 a thousand on lumber; and no practical lumberman needs to be asked whether he would consider that condition of things ruinous to the trade or not. Every one knows that it would be ruinous, and the lumber interest is a dangerous thing for medical men to trifle with. They had better confine themselves to their own business. The lumbermen, who have millions of dollars invested in their business, prefer to attend to it themselves. They prefer that the Government should let matters rest as they are, and they can give good reasons for this. It is true, the spruce men are dissatisfied, and I regret that they were not allowed to participate in the reduction of the duty on lumber, as it was expected they should. But they were not, and if we reimpose the export duty and this Bill passes, the spruce men will have the advantage of an increase in the duty from \$2

to \$3 a thousand. So that the condition of things is that if the export duty is reimposed, the owner of spruce timber gets no advantage, while the duty on pine lumber will be doubled; and if that should be done, we should have staring us in the face the prospect of this Bill being adopted, and the duty on lumber being placed at \$4 a thousand. This is surely a condition of things sufficient to alarm the lumber interest, and it does alarm them.

Mr. SPROULE. Might I ask the hon. gentleman who introduced that Bill?

Mr. CHARLTON. It was introduced by a Democratic member of the name of Weadock. Do you know him?

Mr. SPROULE. I will know more about him after a little.

Mr. CHARLTON. It may be said that the adoption of this provision would not be allowed, because it would be prejudicial to the interests of American lumbermen holding interests in Canada, and also because the interests of American lumbermen in Michigan would not permit its adoption.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. If you canvass the men engaged in the lumber interest in Michigan to-day, you will find that two-thirds of them are not interested in Canada at all, but that they are in favour of the imposition of the highest rate of duty on lumber that they can possibly secure. Go outside of Michigan, and hunt throughout the length and breadth of the United States, and you will hardly find a lumberman who is not in favour of a higher duty. You will find that the lumbermen of Wisconsin, Minnesota, the Southern States, Maine, California, Oregon and Washington, are all in favour of the imposition of a higher rate of duty; and the few Michigan lumbermen who are interested in Canadian lumber would be perfectly powerless in Congress; their influence would count for nothing whatever. I repeat that nineteen-twentieths of the lumbering interest in the United States are in favour of higher duties, and they would seize upon such an act as the reimposition of an export duty on logs by this Government as a pretext for urging upon Congress the imposition of higher duties upon lumber. A deputation of lumbermen visited Washington last winter, and magnified the fact that the Ontario Government in disposing of some timber limits in the Rainy River district had made it a condition that the lumber should be manufactured in Canada, and made that an excuse for urging Congress that the duty on lumber should be increased; and let this Government impose an export duty on logs with the knowledge they now possess of the state of the trade, and we will have legislation introduced and carried through that will add that export duty to the import duty, whatever it may be. That is considered a moral certainty. And we will have urging that legislation, the lumbering interests of the south,

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of the Pacific slope, of the Mississippi Valley, and of Maine. Now, it may be said that the Americans cannot do without our pine.

Mr. SPROULE. Hear, hear.

Mr. CHARLTON. The doctor says "hear hear." He knows more about pills than he does about that matter. The fact is, and every lumberman in this House knows it, that the market for Canadian lumber is being circumscribed in area every year. We have been nearly driven from the American market for red pine lumber. We find that the southern pine is encroaching on our markets from year to year; we find that southern white wood is being used in preference to pine for finishing purposes, because it is cheaper. I have the testimony of mill men, who run trim mills, which cut up wood for finishing purposes, and they say that all through the northern states 2,000 feet of white wood is used to every 1,000 feet of pine for interior house finish. It is used all through the northern states to a great extent, and it is used entirely in the south. I have a statement of the owner of a mill at Tonawanda, New York, that he bought cypress at \$32 a thousand feet for the purpose of converting into doors, sashes, blinds, wainscoting and trimming for house finishing, and that it was nicer, more saleable and more popular with builders than pine, which he could not buy at less than \$45 per 1,000 feet for the same purpose. The result is that our pine has to a considerable extent been driven from the American market. There are vast areas of southern pine. I have seen pine forests in the south almost ready for the lumberman, where you could trace the rows of the old cotton fields, as the pine there renews itself invariably, which it does not in the north, so that the supply in the south, if cared for, can be made perpetual. The United States, therefore, may be, and can be quite independent of us, and we cannot force them to take our lumber, and if we put ourselves in the position the hon. gentleman's statements foreshadowed, we will be met by a retaliation of a kind that will force the Government to do what the hon. member for Assiniboia (Mr. Davin) has said they have often done, sneak out of a hole they strutted into. The step taken by the hon. gentleman may be, and probably is, a piece of bluff. He thinks he can bluff the United States into admitting our lumber free. I do not know anything about the game, but I am told it is not considered a safe game where you bluff on a weak hand and your opponent is liable to call you down. I do not think the Minister of Finance has a strong enough hand to play the game, and he had better not try.

With regard to the depletion of our forests, I suppose everybody wants free lumber. I am sure the lumbermen in Canada want it? If we had free admission of lumber into the United States would that arrest the depletion of our forests? If that

is the reason which actuates the Minister of Finance in taking the position he foreshadows—if he proposes to impose an export duty in order to arrest the depletion of our forests, and at the same time desires free lumber, which will accelerate that depletion—is his position a logical one? I think not. We all desire free lumber, which would make the business more prosperous. Of course it would lead to a more rapid depletion of the limits under license; but, as I said before, the Ontario Government, with that wise regard for the future which has characterized almost all its policy, has reserved out of its entire area of limits 150,000 square miles, which it has not licensed and at the rate at which it is putting its territory under license—less than 10,000 miles licensed since 1867—it will take about three hundred years before the whole territory will be leased. Under these conditions we need not borrow trouble on that score.

I have a word to say to my hon. friend, the member for East Simcoe (Mr. Bennett). The other night the hon. gentleman indulged in some pretty severe criticism on the policy of the Ontario Government, and in the course of his speech he made this statement:

Let me ask what is probably the principal reasons for these sales—

The hon. gentleman was referring to the sales made in 1885.

—being made without restrictions? If the hon. gentleman will take the trouble to turn up the records of the sales, he will find on the list of purchasers on that occasion such ideal and practical lumbermen as John A. Barron, who was formerly member of Parliament in this House, Robert Jaffray, purveyor-general for grocery supplies to the colonization roads in Ontario, and other gentlemen of that ilk; men who never expected to work these limits, but men who expected to sell them at an advanced rate; men who had thrown about them the guardianship of the Ontario Government, and thought that whatever the Dominion Government might do, the Ontario Government would be prepared to stand by them in regard to letting the lumber go out of the country.

This statement made by the hon. member for East Simcoe (Mr. Bennett) is a charge against the Ontario Government, that its own creatures were manipulating affairs and buying timber limits, and that the policy of that Government, in refusing to place restrictions on the exportation of that lumber, was a policy adopted in their interests. They were ideal lumbermen. Well, there was another ideal lumberman there on that occasion, and, while picking out the notes in his brethren's eyes, he ought to have made reference to the beam in his own. There was a gentleman at that sale by the name of W. H. Bennett, who, at present, represents East Simcoe in this House, and he purchased berths 5 and 8, the first containing sixty-nine square miles and the second thirteen and a half square miles, or in all, eighty-two and a half square miles. Mr. Jaffray, one of the other ideal lumbermen he referred to, purchased eleven square miles, so that the hon. gentleman was just eight times as great a

sinner as Mr. Jaffray. And, I think, in casting imputations upon these ideal lumbermen, Messrs. Jaffray and Barron, because they were Reformers, the hon. gentleman ought to have made reference to W. H. Bennett, who bought eighty-two and a half miles.

Mr. BENNETT. Will the hon. gentleman allow me to make an explanation?

Mr. CHARLTON. Certainly I shall, as I do not want to do the hon. gentleman an injustice.

Mr. BENNETT. On that occasion I acted as solicitor for Burton Bros., who are lumbermen, and whose men had made a survey of these limits with the view of ascertaining their value. Mr. Jaffray and the others were profiting by their experience, and I did act for Burton Bros., so that the others would not take advantage of their knowledge.

Mr. CHARLTON. We have an acknowledgment from the hon. gentleman that he bought the limits. Now, on what conditions did Mr. Jaffray and Mr. Barron buy the limits they purchased? Mr. Jaffray bought for the Collins Inlet Company and Mr. Barron bought for another company, as solicitors, exactly in the same way as Mr. Bennett did; and I hold it was not the act of a gentleman, knowing all the circumstances, as my hon. friend does apparently, to cast an imputation on these two men for doing exactly the same thing as he did.

Mr. BENNETT. For whom did Mr. Barron buy?

Mr. CHARLTON. I am not aware, but he did not buy for himself, and his name does not appear in the records of the Crown Lands Department as a license-holder. If the hon. gentleman wants to know for whom Mr. Barron bought, I will ascertain and inform him, but he bought in exactly the same way as did the hon. member for East Simcoe (Mr. Bennett), and the conduct of the hon. gentleman is a pretty small piece of business. The hon. gentleman tells us that the Ontario Government ought to have imposed restrictions at the time of the sale, that they ought to have made provision that this timber should not be taken out of the country? Should they? What were they selling timber for? It is a source of revenue. The Ontario Government, like the Quebec Government, have control of the Crown domain, and from the management of this domain they expect to derive a revenue to meet the expenditures of the Government. This is one of the assets of the province of Ontario, and, as wise administrators of the affairs of the province, it is their duty to make the most they can out of their timber resources. Suppose they had put a restriction on the use of the timber sold on that occasion, would they have received the bonuses they did receive? The hon. gentleman is well aware they would not have received one-half the amount. By making such a regu-

lation as the hon. gentleman proposes, they would prejudice their own interests, and, as wise men, they placed these lands on the market and sold them without reserve to the highest bidder, with a view of obtaining the highest price they could and with the calculation that they would obtain it. The hon. gentleman says that they should now make a charge of Crown dues of \$5 per 1,000 feet and remit \$4 on the logs that are not taken out of the country. They have not the power to do that. They have sold the limits subject to certain conditions, and they must abide by those conditions. It is doubtful if they could increase the Crown dues at all if the question were tested and whether they could do that or not, they could not make a discrimination between the owners because one is an American and the other a Canadian. They have not made any such condition in their terms of sale, and they cannot make the proposed change without violating the principles of justice. Then the hon. gentleman tells us, Sir, that these American lumbermen are bringing in their sleighs and teams and are paying the duty, and that they are actually bringing in men. Well, Mr. Speaker, I admit that that is a reversal of the order of nature, there is no doubt about that. The current of men has been the other way; it has been flowing out of the country. The idea of bringing men into this country is a new one, and I do not wonder that it rather staggers my hon. friend. We have sent about 1,000,000 men out of this country to the United States, but the idea of bringing any back is one that we ought not to entertain, I presume. If the hon. gentleman will introduce a Bill putting a poll-tax on Yankees, as well as Chinamen, no doubt this business can be arrested, that is, if the Bill passes. But, for my part, I cannot see what damage this country would suffer from the importation of a few thousand men. The more of them that will come, I should say, if they are respectable, decent citizens, the better. I know from personal connection with this business that men are needed, that men are hard to get. The effect on the lumber trade of the removal of export duty on logs and the reduction of the United States duties on lumber has been to create a demand for men. I myself went through a Lake Erie district to get men, offering from \$22 to \$32 a month for common labourers, and still found them scarce, and we were glad to get them at that. I know that these changes have made a great demand for labour. The removal of the export duty and the reduction of the American Customs duty on lumber has improved business in the small towns of the Georgian Bay region. It has given a boom to everything. The idea my hon. friend sets forth that there is no sawing being done there, that the saw mills are idle, is very much like his other assertions. I myself was obliged to tow a raft of logs to Michigan because all the mills in that vicinity were busy and I could not get them

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gentleman proposes, they own interests, and, as for these lands on the north without reserve to a view of obtaining them could and with the would obtain it. The that they should now a dues of \$5 per 1,000 he logs that are not . They have not the have sold the limits tions, and they must us. It is doubtful if he Crown dues at were tested and) that or not, they ination between the n American and the have not made any terms of sale, and oposed change with- les of justice. Then us, Sir, that these e bringing in their re paying the duty, ly bringing in men. mit that that is a nature, there is no urrent of men has as been flowing out a of bringing men t one, and I do not staggers my hon. out 1,000,000 men to the United of bringing any ght not to enter- on. gentleman will oll-tax on Yankees, oublet this business if the Bill passes. see what damage from the importa- men. The more , I should say, decent citizens, from personal ess that men are to get. The effect removal of export tion of the United as been to create self went through get men, offering ith for common them scarce, and that. I know that great demand for export duty and an Customs duty iness in the small y region. It has e. The idea my there is no saw- he saw mills are other assertions. v a raft of logs mills in that vic- d not get them

sawed. Yet the hon. gentleman tells us that the saw-mills are idle, that there are no mills running. No, Sir; the mills on the north shore, so far as I know, were employed, and they will, no doubt, be employed this season. The statement that 400,000,000 feet of logs will be exported from this country next season is a gross exaggeration.

Now, Mr. Speaker, if it is desirable to obtain free lumber, I think the prudent course to take would be just to remain quiet for a while. The Democratic party in the United States has as one of its most important principles, the admission of raw material free of duty. Now, lumber is a raw material and it is likely that one of the first acts of the Democratic Government will be to admit lumber free of duty. But I do not think they will admit it free if we carry on this game of bluff that my hon. friend the Finance Minister has instituted. If we adopt his policy of retaliation, we adopt the policy calculated to defeat the very purpose we seek to attain. If we attempt this policy of imposing an export duty on saw-logs, we shall defeat our own object of obtaining free lumber. The Americans, I repeat, will resent our act if we are guilty of the folly of imposing this duty. Now, I hope my hon. friend the Finance Minister will not be cruel to Mr. Cleveland. I would dislike to have him bluff Mr. Cleveland very severely. Mr. Cleveland would not take it kindly, perhaps. And, speaking seriously, Mr. Speaker, Mr. Cleveland is the last man to attempt to play this game upon. I presume, Sir, you recollect that when Mr. Cleveland was President before, he proposed to take very summary measures with Canada. He proposed, Sir, to engage in a kind of retaliation, compared with which the late act of the present President, Mr. Harrison, was mere child's play. I have here a letter written by Mr. Cleveland to a friend of his concerning the relations of Canada, and I have also the message sent by Mr. Cleveland to Congress with regard to retaliation. It will be found from this that Mr. Cleveland proposed to adopt what we might call very arbitrary measures. In his message to Congress President Cleveland says :

Plainly stated, the policy of national retaliation manifestly embraces the infliction of the greatest harm upon those who have injured, with the least possible damage to ourselves. There is also an evident propriety as well as an invitation to moral support, found in visiting upon the offending party the same measure or kind of treatment of which we complain, and as far as possible within the same lines. And above all things the plan of retaliation, if entered upon, should be thorough and vigorous.

These considerations lead me at this time to invoke the aid and counsel of the Congress and its support in such a further grant of power as seems to me necessary and desirable to render effective the policy I have indicated.

Mr. Cleveland proposed to suspend commercial relations with Canada entirely. He proposed to do this because of grievances, real or fancied, that the United States had suffered at the hands of Canada. Now, Sir, in view

of the fact that the United States in years past exported to Canada three times the quantity of logs it imports from Canada ; in view of the fact that the United States is unable to retaliate in kind, because of the imposition of an export duty is unconstitutional, if our Government now proceeds to impose an export duty on saw-logs, it is manifest it will invite and will receive retaliation from the United States and that retaliation will take the form of the passage of a Bill such as I have read to impose an import duty equal to the export duty levied. There are now two Bills before Congress to admit Canadian lumber free, and both provide that when any nation imposes an export duty on logs, lumber from that country shall be subjected to the duty previously imposed. There is a feeling of animosity in the United States to an export duty. The United States Government and the United States people from the earliest days of their history have considered export duties unwise and unjust. The fact that such duties are prohibited by the constitution proves this and indicates that we will invite and will insure retaliation in some form if our Government takes a step foreshadowed in the remarks made by the Minister of Finance. Sir, the motive of an export duty is in almost every case a selfish one. Some, for instance, advocate an export duty on pulp wood. The object of those who desire this duty is to corner the pulp materials and hold in reserve these woods until they are ready to buy them. Many saw-mill owners have advocated an export duty because they did not want logs sent out of the country. They wanted them made cheap and kept cheap for their benefit. One of the most vigorous of the agitators in favour of the export duty is a firm by the name of Moyle Brothers, of John's Island, in the north channel of Georgian Bay, who clandestinely removed a mill which was mortgaged and brought it to Canada and set it up, and now they are howling about an export duty, because they want the logs kept till they get ready to saw them. They have not got money enough to buy them now, and they want the Government to put a restriction upon exportation, so that they would be made cheap and kept cheap till these men get ready to take advantage of the same. That is about as patriotic as the motives generally are that actuate men advocating this measure, except it may be, now and then, some medical man who takes it up as a hobby.

Mr. SPROULE. That is about as nearly correct as the hon. gentleman usually gets when dealing with the subject.

Mr. CHARLTON. I propose to pass from the question of the export duty. I hope my hon. friend will be relieved. I will give him credit for sincerity, but I do not know how much common sense I would consider he possessed in the matter. But he is sincere, no doubt, he sincerely desires to do a thing which would be very prejudicial to the interests of the country if he succeeded.

I propose now to say a few words about some of the statements made by the Minister of the Interior, who, I am sorry to see, is not in his place. The Minister of the Interior made a statement, during his speech, to the effect that the farmers of the state of New York were worse off than those of Canada, as shown by the "Globe" commissioners' report. Well, they were rather bad authority to appeal to for sustaining his position, as I will proceed to show. Of course, Mr. Speaker, the Government party are very desirous of making it appear to the farmers of this country that there is no advantage to be gained by access to the American market, free of duty, and if they can convince the Canadian farmer that his American brother is no better off than he is, and receives no better prices than he does, and that his condition is just as depressed as his own, and that he is labouring under just as great difficulties in consequence of that depression, why, then, they have succeeded in their purpose. My hon. friend, in pursuance of that line of policy, makes the assertion in his speech that the American farmers are worse off than those in Canada, as shown by the "Globe" commissioners' report. Now, I think the assertion is worthy of being examined, I think it is worth while that I should state the real facts as set forth by the "Globe" commissioners. The "Globe" newspaper was worthy of great credit for its enterprise in sending these commissioners to ascertain the state of public feeling and the state of public business in various parts of the province of Ontario, and then, in sending these same gentlemen to the state of New York to make inquiries in corresponding lines of business there, so as to be able to draw a contrast between the condition of these people in the two countries. Now, here is one of the letters from Albion, New York, written on the 20th day of January, by Mr. Cockin. I do not know what his politics are, I have understood he is a Conservative, but that does not matter, I presume, if he is a truthful man. Mr. Cockin, in describing an interview with a farmer by the name of Stephen Halleck, reputed to be one of the wealthiest farmers in Orleans county, New York, and the possessor of a farm of 200 acres, writes as follows:—

"I feed 54 head of cattle for the New York market. Last year I got \$3.80 per 100 lbs., and that is the lowest price I ever got. In 1891 I got \$5.50. My farm is valued at \$25,000. It is run on the most approved system. I don't buy everything that comes along, but what I do buy I pay cash for it and get the discount. The condition of the farmer is generally poor, but he has only himself to blame—he lives too expensively and won't look ahead; he incurs liabilities in the present which he is unable to meet in the future. I don't want annexation, and a majority of our people you will find are of the same opinion. We have not had an increase of population in this county; in fact, if I remember rightly, one of our local papers showed that the deaths have exceeded the births in Orleans county during 1892."

Below I give Mr. Halleck's figures for the past year's work. It should be remembered that this is a

model farm, one worked with plenty of capital, high intelligence, by a proprietor who gives the closest attention to every nickel expended on the place:—

30 acres in barley, 1,500 bush. at 67c	\$1,005
40 do wheat, 1,600 do	1,200
15 do beans, 350 do at \$1.50	525
50 do hay, 75 tons at \$11 a ton	825
Apples and other fruits	1,275
(8 acres in bush and balance of land in pasture.)	

Gross value of yield

Gross value of yield	\$4,830
Expenditure—	
Hired help	\$ 500
Taxes	132
Insurance	30
Improvements (the farm is in good shape)	50
Day help	50

Total

Profit for 1892

Now, I would ask any practical farmer in this House to point out to me any two-hundred-acre farm in the province of Ontario or in the Dominion of Canada, where the net profits for the last year were \$4,068. I do not think any such case can be found. Then, in the same communication, is a letter from Mr. Atkinson. I believe he does not give the name of the farmer to whom he refers in the quotation I am about to read. This farmer, says:

We get papers and letters from there [Canada], and we can make a comparison. Your barley is preferred over ours, although I believe we grow some that is as good. Your oats are heavier and worth more. Your lambs are larger and better for mutton, while if the duty were taken off wool you would command this market. We cannot grow pease like you, but have to send over and get our seed every year. Besides these you could sell beans, potatoes, eggs and poultry here. The farmer, too, gave me a list of the products of his farm, as follows:—

Barley, 9 acres, 355 bush., 68 cents	\$ 241
Wheat, 16 acres, 295 bush., 75 cents	221
Beans, 7 acres, 120 bush., \$1.60	192
Oats, 6 acres, 287 bush., 35 cents	100
Corn, 5 acres, 600 bush. (in cob), 28 cents	168
Hay, 10 tons, \$12	120
Fruit	600

Total

Canadian horses, he said, were brought over to New York state and sold for work purposes until the McKinley tariff stopped them. A great many have been purchased from the western states since that time, but the Canadian horses are short-legged and hardy and better liked. "Free trade," he said, "would be a bad thing for us because it would be a good thing for Canadians."

He does not give the size of the farm, but probably it is a hundred-acre farm. Then, in a letter summing up the result of their investigations, which was given to the world quite recently, Mr. Atkinson says:

There is practically no difference of opinion in the country districts with regard to the benefit of access to the United States markets for our natural products.

And later on:

The condition of Ontario farmers, in the face of being shut out of the most profitable market for many

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of their chief products, is evidence of the fertility and resource of the land and the industry, intelligence and pluck of the farmers of the province. No state of the Union could have survived being walled off from trading with the remaining states, and it must give to those who know the natural advantages of Ontario an abounding faith in the prosperity which would come to our farmers with free trade that in only the most favoured portions of the state are the farmers enjoying a higher standard of living and in a generally better position. The farmers in the states freely acknowledge the superiority of Ontario barley, horses, lambs, pease, oats, wool, cheese and other products, and admit that Ontario farmers would have an advantage under a free trading arrangement. This and other evidence all goes to show the advantages of free trade with the states. * * * * *

To sum up public opinion as it has been found during the inquiry, it calls for an immediate reduction of the tariff, and as wide a measure of reciprocity with the states as can be obtained, as soon as possible, and to include manufactures as well as natural products.

Mr. Cockin, in concluding his letter, says :

In a recent debate in the Dominion House, the Minister of Finance, in reply to Sir Richard Cartwright, quoted our letters from Albion, N.Y., or rather, from a portion of those letters, to show that the condition of the New York state farmer is more deplorable than that of the farmer in Ontario. The Hon. Mr. Foster should or could have readily seen from those letters that the condition of the American farmer in New York state is superior to that of our people. And why? The difference between the two is this: The Yankee farmer in New York state is hard up from high living, unnecessary expenditures, and from having been financially overweighted at the outset of his farming career. If a careful, intelligent man, and not financially pressed in the initial stage, he can hardly fail to do well. The Canadian farmer, on the other hand, is hard up, even when his farm is unencumbered. Each is striving to attain to independent circumstances. The American farmer could if he would. The Canadian farmer would if he could.

A local paper published portions of my second letter from Albion, with the contents carefully elided, giving its readers thereby an entirely erroneous idea of the condition of the American farmer. Amongst other interviews, it alludes to the one with Mr. Stephen Hallock, and prints this much of one paragraph: "The condition of the farmer is generally poor." There it stops. Had it finished the sentence it would have read: "The condition of the farmer is generally poor, but he has only himself to blame; he lives expensively, and won't look ahead." In addition, this paper in question would have given the added information that Mr. Hallock last year made a profit of \$4,068 out of his 200-acre farm. It is easy—nothing easier—to make a sentence sound vastly different by the elimination of essential words. The 53rd Psalm says: "The fool hath said in his heart there is no God." When I quote that, I give the psalmist's words and intentions correctly, but if I eliminated everything except "there is no God," and stay my pen there, I place David in an altogether false and unfair position. Everything depends upon how a sentence is put. "I cast my mite upon the crystal sea," said the gentle maiden. "Horribly sea-sick," quoth her more prosaic papa. Yes, everything depends upon how you put a thing

The testimony furnished by the "Globe" commissioners in the state of New York, and the comparison they drew between the condition of the farming community there and the condition of farmers in Canada,

clearly and unmistakably points to the facts, that the American farmer, if burdened by debt or in straitened circumstances, is placed in that position by his own extravagance and lack of thrift, that generally he is in a more prosperous condition than the Ontario farmer, and that he receives higher prices for all the products of his farm. If the Ontario farmer, with his energy and knowledge of agriculture, and with his superior land, enjoyed the advantage of the same market as the American farmer, he would exchange a position and condition of depression and want for a condition of prosperity of the most gratifying character. There is no doubt about it. The assertion made by the Minister of the Interior, that the farmers of New York state were poorer than those of Canada, as shown by the reports of the "Globe" commissioners, either betrayed great ignorance or a hasty reading of the article, or no reading at all, or the statement was made designedly and purposely to mislead the House and the country by an assertion that was lacking the very essentials of truth. I know myself, by personal observation, that lands away in the western states, in the centre of Illinois, are more valuable than lands in any portion of Canada. I was there last fall, and lands in the centre of the grand prairie of Illinois, possessing no special advantages, and seven or eight miles from a railway station, realize as high as \$90 per acre, while in the centre of Iowa farms are worth up to \$70 per acre. Everything in the United States in regard to agricultural interests indicates more wealth and greater prosperity than the conditions here, and if our farmers had free access to the United States markets and obtained the prices American farmers secure, the condition of things here would be vastly changed. The Minister of the Interior spoke of the great progress in Ontario, and drew a comparison between the condition of agriculture nowadays with olden times, when the pioneers were clearing up the forests, and when they were carrying their grist to the mill by wagons drawn by oxen, and attending church in the same way. Naturally there has been progress. We have enjoyed some good times in Canada since then. We had twelve or thirteen years of reciprocity with the United States, a period of great prosperity. Of course there was a depression in the period from 1873 to 1877, and there has been a season of depression since 1890, but on the whole there has been progress. The question is not whether there has been absolute progress or not, but the question is, what degree of progress could be made under the most satisfactory circumstances; the question is, could we have done better than we have done? We assert the affirmative, and we desire that the farmers of Ontario shall be placed under circumstances where they will have an opportunity of showing what they are capable of doing in competition with their American brothers when placed under similar conditions.

I now come to refer to remarks made by the Minister of Railways, and I am glad to see him in his seat. The Minister informed us that when the people understood that, in order to obtain reciprocity we must accept the tariff of the United States, they dropped it and the Liberal party. If am quoting the hon. gentleman inaccurately, I hope he will correct me. What did the people understand? Did they not understand from the assertions of the Minister of Railways and other members of the Government, that the people were going to secure reciprocity, that they were about to give it to the people, that they had it in their grasp, and that they actually dissolved Parliament and appealed to the people on that issue.

Mr. HAGGART. I was speaking of unrestricted reciprocity. Does the hon. gentleman not know the difference?

Mr. CHARLTON. What kind of reciprocity did the hon. gentleman tell the people they were going to get?

Mr. HAGGART. I never spoke anything of the kind.

Mr. CHARLTON. You said you were going to give them the treaty of 1854.

Mr. HAGGART. I did not; I never mentioned anything of the kind.

Mr. CHARLTON. The treaty of 1854 with alterations and emendations. When the question of a reciprocity treaty with the United States was being discussed, a subject which the Liberal party had made an issue and discussed before the people, the Government took alarm and they dissolved the House and brought on the elections prematurely one year in advance of their proper time, in order to forestall the Liberal party and take from us the benefit we would derive from that issue on which we proposed to go to the people. They stole our clothes. Hon. gentlemen opposite would have been naked, blind and destitute to-day if they had not stolen them. They have not, however, made proper use of them. They declared to the people that they were about to secure reciprocity, that the people need not pay any attention to the Grits, that they, the Government, would obtain it; that they were going to dissolve the House and appeal to the country, and obtain a new House fresh from the people, not a moribund House, to consider the reciprocity treaty, which without doubt would be submitted to them. Those were the assertions made by hon. gentlemen opposite when they went to the country. They were false assertions, of course; they were nothing more or less than political fiction. Those were the arguments of the Ministers, stated broadly. They brought down to the House a copy of the despatch to the Home Government, dated Ottawa, 13th December, 1890, and although at this session we have asked the Government to bring down the

correspondence in regard to this matter, they cannot do it. They have been two years attempting to do so, but have been unable, and they now declare they have to ask the consent of the Home Government; but we know that they could give on the 3rd February the essential portion of a document sent to the Home Government on 13th December preceding, and they can give the whole or any part of the correspondence that suits their purpose, and they can withhold from the people such portions as do not suit their purpose and would tell against them. They promised the people reciprocity, they asserted they were going to get it, that they were certain to get reciprocity on the lines of the treaty of 1854, with such changes as the altered circumstances of the two countries require.

Mr. FOSTER. I would like to have my hon. friend understand what he is saying, and the result of such an assertion. I would like to ask him for the proof of that assertion. He just now made the assertion, in so many words, that we said we were certain of getting a reciprocity treaty. Will he show the proof?

Mr. CHARLTON. I will read the hon. gentleman the document.

Mr. LAURIER. At all events there is no doubt that the assertion was false.

Mr. FOSTER. I have not the least doubt that it is a false assertion in the mouth of the hon. gentleman.

Sir RICHARD CARTWRIGHT. Not in his mouth, but in the mouth of the advisers of His Excellency.

Mr. FOSTER. Where is your proof?

Mr. CHARLTON. On the 3rd day of February the Government organ, the Toronto "Empire," contained the following—

Some hon. MEMBERS. Oh.

Mr. FOSTER. We want your proof.

Mr. CHARLTON. Was it not an authorized source of information?

Mr. FOSTER. Something like your Norfolk paper.

Mr. CHARLTON. How did the "Empire" have a Government despatch in connection with that if there was no collusion between the Government and that journal? How did it have that despatch?

Mr. FOSTER. If the hon. gentleman means to deal fairly he will stick to the one question. He has asserted a thing which I say has no foundation on fact.

Some hon. MEMBERS. Order. Sit down.

Mr. FOSTER. I have brought it to the hon. gentleman's attention, and I ask him for proof.

Some hon. MEMBERS. Let him get through and he will give it to you.

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Mr. CHARLTON. Before I am allowed to read the very first line of the document the hon. gentleman impugns the authority of the medium through which that communication is conveyed. I ask the hon. gentleman if there was not authority in that medium, how did the "Empire" come in possession of the official document in connection with it?

Sir JOHN THOMPSON. From the "Canada Gazette."

Mr. CHARLTON. Perhaps it is not necessary to read these reasons given by the Government.

Mr. FOSTER. You cannot bear out your assertion, and you know it; you cannot do it.

Mr. CHARLTON. I will read:

In view of the foregoing important statement—

That is a statement of dissolution.

—the question will naturally be asked: What are the reasons which have induced the Government to appeal to the country at the present time? It is understood that the Dominion Government have, through Her Majesty's Government, made certain proposals to the United States for negotiations looking to the extension of our commerce with that country.—*

Mr. FOSTER. A long way off from your proof yet.

Mr. CHARLTON:

—These proposals have been submitted to the President of the United States for consideration.—

Mr. FOSTER. Still a long way off.

Mr. CHARLTON. That was not so either.

—and the Canadian Government is of the opinion that if the negotiations are to result in a treaty, which must be ratified by the Parliament of Canada, it is expedient that the Government shall be able to deal with it by a Parliament fresh from the people rather than with a moribund House.

Mr. FOSTER. Miles away from your proof yet.

Mr. CHARLTON. By the declarations of their organs, by statements from the stump and every hustings, the Government did assert that it had received proposals from the President of the United States and that negotiations were in progress. If the Government had not professed to entertain the expectations that these alleged negotiations would be successful, why should they dissolve the House? They assigned as a reason for the dissolution, that they did not want a moribund House to deal with that question, but that they wanted a House fresh from the people. They stated that they were at that moment negotiating and that they expected to successfully consummate that treaty. That was the statement sent out to the people of Canada. That was the assertion made by this Government. That was the plea upon which they went to the people. They deceived the people. They led them to suppose that they were just about to

obtain a reciprocity treaty, that they had received proposals from the President of the United States, that everything was going on swimmingly; and the truth was, that they had received no proposal; the truth was, that their assertion was denied by the Secretary of State of the United States, on the 30th January; the truth was, that they were playing a game with the people of Canada which was the reverse of ingenuous; and the truth was, Sir, that the British Minister at Washington had danced attendance upon the Department of State day after day, supplicating for the privilege to send commissioners to Washington, and that the Government of the United States did not listen favourably to this proposal. But after repeated supplications and requests that a commission should be received, Mr. Blaine said there was nothing in the law to prevent the people of Canada from sending a commission, if they chose, and if the commission came to Washington, he could not, without discourtesy, refuse to see them; and then we had this game played in connection with a political struggle in this country. We had that assertion.

Mr. FOSTER. What assertion?

Mr. CHARLTON. We had this assertion made, in fact.

Mr. FOSTER. What assertion?

Mr. CHARLTON. We had this assertion made, in fact, made by the Government.

Mr. FOSTER. You cannot show what assertion.

Mr. LAURIER. I will show again and again that Mr. Blaine himself took Sir Charles Tupper to task for his statement.

Mr. FOSTER. Mr. Blaine did nothing of the kind.

Mr. SPEAKER. I hope hon. gentlemen—

Mr. LAURIER. I will prove it again and again, and read the proof at any time.

Mr. FOSTER. Will the hon. gentleman allow me to ask him a question?

Mr. CHARLTON. I presume, under parliamentary usage, Mr. Speaker, that the hon. gentleman will have a chance to reply to me?

Mr. FOSTER. You have not made good your assertion.

Mr. CHARLTON. It is a little embarrassing, Mr. Speaker, that the hon. gentleman should interrupt me so often.

Mr. SPEAKER. I must call the attention of the House to the rule that precludes the interruption of a speaker, except on a point of order.

Mr. FOSTER. Can the hon. member for North Norfolk (Mr. Charlton) give us his authority?

Mr. CHARLTON. The hon. gentleman asks me to give Mr. Blaine's letter, and I will do so.

Mr. FOSTER. Not at all; I did not ask you for that.

Mr. CHARLTON. Mr. Blaine had his attention called to the fact that assertions were made, that negotiations were in progress between the Canadian Government and the Government at Washington, for the purpose of securing a reciprocity treaty. He had his attention called to that fact by Mr. Baker, a member of Congress from Rochester, N.Y., and Mr. Blaine replied to that inquiry, as to whether this assertion, which was going the rounds of the Canadian papers, and as being assigned as a reason for the probable dissolution of the House of Commons of Canada, was true, and on the 29th January, 1891, Mr. Blaine wrote to his friend, Mr. Baker, as follows:—

I authorize you to contradict the rumours you refer to. There are no negotiations whatever on foot for a reciprocity treaty with Canada, and you may be sure, no such scheme for reciprocity with the Dominion, confined to natural products, will be entertained by this Government. We know nothing of Sir Charles Tupper coming to Washington.

Now, Sir, take the whole chain of circumstances. After the election the three commissioners went to Washington, and how were they received? Why, General Harrison practically told them they might go to Hades, and he would go off on a visit. They were not received at all. They received a rebuff. They turned about and went home without having accomplished anything. There was a deep feeling of irritation in Washington at the conduct of the Canadian Government in reference to this matter, and that feeling of irritation was all the deeper because Mr. Blaine and the Administration at Washington were restrained by diplomatic etiquette from laying bare the facts surrounding this matter, and we could only get at these things by snatches here and there. We have here been denied access to the correspondence, but I dare say the commissioners in Washington were not ignorant of the gossip of that city about this matter, were not ignorant of the fact that it was represented that Sir Julian Pauncefote, when these pretended revelations with regard to negotiations were made, went to Mr. Blaine and apologized in the most earnest manner, for a seeming breach of faith on his part and professed a deep sense of humiliation.

Some hon. MEMBERS. Not at all.

Mr. CHARLTON. Hon. gentlemen opposite may laugh.

Mr. DAVIES (P.E.I.) They thought it was a good political trick.

Mr. CHARLTON. No doubt they may think that.

Some hon. MEMBERS. Oh.

Mr. DAVIES (P.E.I.) You are proud of it, are you not?

Mr. CHARLTON. The United States Government was made a catspaw by a designing and shameless Administration to pull Tory chestnuts out of the fire in an election contest in Canada. They were made the unconscious instruments to forward the interests of the gentlemen opposite, and they felt justly indignant.

Mr. FOSTER. Where is that authority?

Mr. CHARLTON. I was speaking to you about it, and I am asking the hon. gentleman, if he did not hear some of that gossip when he was in Washington? Now, I come to the subsequent visit of this commission. They visited Washington again. Their negotiations were fruitless. Their negotiations were intended to be fruitless, for that was a part of the game. We have the statement made by Secretary Foster, not Secretary Foster of the Canadian Finance Department, but Secretary Foster of the State Department at Washington, in regard to this matter. Mr. Foster says:

During the Reciprocity Conference of last winter Mr. Blaine did not insist that in a reciprocity arrangement a uniform tariff would be necessary for both Canada and the United States, nor much less that it should be on the line of the present United States tariff. He did ask that the schedule should not be confined to natural products, but that it should include an agreed list of manufactured goods, and that the reciprocity should be confined to Canada and the United States, and because of these two conditions the negotiations were fruitless.

He did not ask for a common tariff; he did not ask for unrestricted reciprocity—neither the one or the other; but that the agreement should include a list of manufactured goods, and that the reciprocity should be confined to Canada and the United States. Now, this is the kind of a treaty that our commissioners could have got. Notwithstanding the bad odour in which they stood at Washington, notwithstanding that the Washington Government believed that they had been guilty of perfidious conduct, it was still in their power to secure a reciprocity treaty on the lines laid down by Secretary Foster's statement, which I have just read, and they would not do it—why? Oh, it would have been discriminating against England. Yes, they would have been guilty of the terrible sin of discrimination, and would have brought down on our heads the wrath of England. Now, Mr. Speaker, I have in my hand a copy of the draft treaty of reciprocity negotiated by the Hon. George Brown in the year 1874, a treaty substantially of the same character as that which Mr. Foster's letter indicates could have been negotiated in the year 1892, and that treaty met with the approval of the British Government. We have in this document the formal approval by Earl Derby of the conditions. In a communication from the Foreign Office, dated 22nd May, 1874, we have the following from Earl Derby, addressed to Sir Edward Thornton:—

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You are proud of it,

United States Government by a designation to pull the fire in an election were made the unforward the interest, and they fear

s that authority? As speaking to you the hon. gentleman, that gossip when he saw, I come to the commission. Their negotiations were in that was a part of the statement made Secretary Foster of the department, but Secretary at Washington. Mr. Foster

reference of last winter a reciprocity arrangement necessary for both nor much less that the present United States schedule should not be that it should include goods, and that the to Canada and the these two conditions

mon tariff; he did reciprocity—neither that the agreement unmanufactured goods, should be confined States. Now, this our commissioners standing the bad at Washington, Washington Government had been guilty of till in their power on the lines laid statement, which would not do it—been discriminated they would have sin of discriminating down on our and. Now, Mr. id a copy of the negotiated by the year 1874, a treaty character as that licates could have 1892, and that al of the British his document the erby of the confrom the Foreign 74, we have the addressed to Sir

I have received your despatch of the 28th ultimo, forwarding a copy of the memorandum containing proposals for a Reciprocity Treaty, which has been submitted by yourself and Mr. Brown to the United States Government, and I have to state to you that Her Majesty's Government approve this paper, which appears to be drawn up with care and ability.

What was this paper? What were the conditions contained in it? Here is the schedule of the goods that were to be interchanged between the two countries free of duty; schedule A, natural products; schedule B, agricultural implements, forty in number; schedule C, manufactures, a list of thirty-seven articles. We have, in this list, axes, cultivators, forks, grain drills, hoes, hand or horse, horse-power machines, reapers, reapers and mowers combined, spades, shovels, scythes, threshing machines, etc. In the schedule of manufactures, we have boots and shoes, cotton manufactures of all descriptions, cabinet-ware and furniture, carriages, carts, wagons, iron goods, bar, hoop, pig, puddled, rod, sheet or scrap, nails, spikes, bolts, tacks, bracks or springs, castings, leather, harness and saddlery, mill or factory or steam-boat fixed engines, and machines, printing paper, printing type, presses and folders, satinettes of wool and cotton, tweeds of wool solely, and a great variety of other articles. Here was a treaty which Mr. Brown and the British Minister at Washington had negotiated, which had been submitted to the British Government, and which had been approved by Lord Derby, although it discriminated against England in the same sense in which these hon. gentlemen claim that a treaty such as they could have negotiated a year ago would have discriminated. In view of the indications they had of England's intention with reference to the Brown draft treaty, we know that their fears were quite needless, and I think that the reasons they assign are not the real reasons. I think that they object to a reciprocity treaty which will open the Canadian market to American goods of any kind, not because it will discriminate against England, or because England has any disinclination to allow such a treaty to be negotiated, but because of the dictates of the Red Parlour; and, in the interest of that one industry, the manufacturing industry of this country, the Government have controlled and shaped their policy, and have disregarded the interest of the farmer, the lumberman, the miner, the fisherman, the labourer and every other class of the Canadian people except that small fraction represented by the manufacturing class.

Sir JOHN THOMPSON. Will the hon. gentleman allow me to ask him one question, whether he is aware that that arrangement was declared by the Hon. George Brown himself to be without the feature of discrimination against Great Britain?

Mr. CHARLTON. I would like to inquire how that arrangement could be carried into

effect without discrimination against Great Britain? It could not be done.

An hon. MEMBER. Answer the question.

Mr. CHARLTON. I have answered the question. There is the treaty, there is the list of manufactured goods; there can be no doubt of it. Now, Mr. Speaker, these hon. gentlemen have been telling the country that they are in favour of reciprocity. I have heard that statement made in this House year after year. Who thinks they are in favour of reciprocity? They are, I admit, in favour of reciprocity in natural products. Of course, they are. So would I be, and so would everybody be on this side of the House. But to talk about reciprocity in natural products, under the circumstances, is to insult common sense—simply that and nothing more. We have been assured by American statesmen every year since the old reciprocity treaty was abrogated in 1866, that they would never again grant reciprocity in natural products. That is a foregone conclusion; we cannot get it. If we talked to the people of this country honestly about reciprocity, we must talk about some attainable measure of reciprocity, not about some unattainable scheme which is foredoomed to failure, as that of hon. gentlemen opposite was when they sent their representatives to Washington on the last occasion. Now, I assert that if the Liberal party were in power they could get a reciprocity treaty with the United States. I assert that without hesitation. I have reason to assert it, from the declarations of prominent men in the Democratic party—from the declarations of Mr. Springer, the Chairman of the Committee of Ways and Means, and from the declarations of Mr. Carlisle, the Secretary of the Treasury of the United States. The Democratic party would naturally be disposed to give us reciprocity. It would not be necessary to have a uniform tariff. It would not be necessary to have that bugbear of the Finance Minister, unrestricted reciprocity. I believe we could obtain reciprocity substantially on the lines laid down in the draft Brown treaty; that, I firmly believe; and if we were to make an honest effort to obtain reciprocity, we would succeed. We have made efforts for reciprocity in natural products time and time again. We sent a commission to Washington in 1866, consisting of Sir Alexander Galt, Sir W. P. Howland, Mr. Smith, of New Brunswick, and Mr. Henry, of Nova Scotia, to see if we could get reciprocity in natural products, and failed. We sent Sir John Rose in 1869 on the same errand, and again failed. We sent the Hon. George Brown in 1874, and the treaty to which I have referred was negotiated, but it was lost in the United States Senate. The commissioners of this Government went again in 1892, and again failed; and we shall always fail, if we seek for reciprocity in natural products alone. The Americans will

not grant us the privilege of selling to them everything we have to sell, unless we grant them the privilege of selling to us what they have to sell. That is a settled question. If we secure reciprocity at all, we must be willing to have it on lines which will enable the Americans to sell us manufactured goods in return for our natural products of the soil.

That being the case, the next question to consider is, if reciprocity is obtainable upon these conditions, would it be to our advantage to get it? I just want to consider that question very briefly. Would it be to our advantage to procure reciprocity from the United States if we had to go outside of a treaty that was confined to natural products alone, if we had to negotiate a treaty which would admit manufactured goods of various kinds to allow the Americans to sell to us goods we require in return for what we purchase from them? Under the McKinley Bill, I need hardly recapitulate the burdens under which we labour. We pay a duty of 30 cents per bushel on barley; \$30 per head on horses; \$10 on cattle; \$1.50 on sheep; 5 cents per dozen on eggs; 25 cents per bushel on potatoes; 25 cents per bushel on apples; 40 cents on malt; \$4 on hay; 10 cents per pound on wool; 5 cents on poultry; 6 cents per pound on butter; 40 cents per bushel on beans, and 40 cents on pease. Now, if these duties were paid by the consumer it would matter nothing to us; but if, on the contrary, we receive for the productions we send to the United States the price in that market less these duties it is a very important matter to us whether we can secure the removal of these duties or not. It is unnecessary to go at this time into the question as to who pays the duty. Every farmer understands that. The quotations in the Trade Returns of both sides of the line settle that question. According to the American papers, barley is 30 cents per bushel, plus the freight, higher in their markets than in Canada. Prices of horses, sheep, cattle, eggs, potatoes, apples, malt—in all these articles upon which duties are levied you will find that the market quotations are lower in Canada than in the United States to the extent of the duty and transportation in each case, and were these duties removed the amount would simply be added to the price in Canada without materially affecting the condition of the American farmers one way or the other. In looking over some American statistics I was very much struck the other day by the fact that, not only has there not been any growth of trade between these two contiguous nations since 1867, but there has been a diminution in the exports of this country. It is a remarkable fact. The United States have doubled their population and trebled their wealth, yet the trade between the two countries has been retrograding. I find by some American statistics contained in the "Tribune" almanac of New York, a publication reported to be a reliable authority, that

we exported to the United States in 1866 to the value of \$48,528,000, and in 1892 our exports only amounted to \$35,334,000, being a shrinkage in twenty-six years of \$13,194,000, or 27 per cent. I find that we imported from the United States, in 1866, \$27,905,000, and in 1892, \$61,715,000, showing an increase in our imports from the United States in twenty-six years of \$33,810,000, or 121 per cent. So that our imports increased by that large percentage, 121 per cent, and our exports decreased 27 per cent. Now, the balance of trade against us last year, according to American statistics, was \$26,381,000, and the balance of trade in our favour in 1866, \$23,623,000. That certainly does not indicate a healthy state of trade; and if we take our own Trade and Navigation Returns, we find that our exports to the United States, without short returns, being added, were \$39,950,000, in 1866, and in 1892, without short returns, they were \$35,640,000, or an actual shrinkage in our export to the United States, after twenty-six years, of \$4,310,000 or 10 per cent. In face of the fact that the American population had doubled, and their wealth trebled, our exports according to our own returns to that country have actually diminished, as compared with twenty-six years ago, leaving out the question of short returns, which do not figure in the return of exports in 1866. There have been but three years since 1866, the last year of reciprocity, when our exports to the United States equalled our exports that year, namely, 1873, 1882, and 1889. With the exception of these three years, under the influence of repressive and hostile tariffs, we have failed to export Canadian products to the extent we did in 1866, when the population of that country was one-half of what it is to-day.

It being six o'clock, the Speaker left the Chair.

After Recess.

Mr. CHARLTON. Having pointed out the effect upon the commerce between the United States and the Dominion of Canada of restrictive tariff legislation since 1866, and having shown that the volume of our exports to that country have actually diminished during that period, and were last year some \$4,000,000 less than in the year 1866, I wish next to draw attention to the condition of matters, the aggravated condition of matters, as regards increase under the McKinley Bill of the restrictive measures which had been in vogue before. And for this purpose I select certain articles for which the United States furnish our chief market and draw a comparison between the export of these articles to the United States in the year 1890, the year immediately preceding the McKinley Bill's coming into operation, and the year 1892, the year in which that measure was fully in operation and its effects were fully felt. I take

Not only have we extraordinary agricultural resources, and peculiar advantages of position in the matter of reaching the markets of the sea-board for our agricultural productions, but we have enormous mineral resources, and our advantages for reaching a market with the minerals of this country are fully as great as our exceptional advantages with regard to our agricultural productions. We have a trade in minerals, an exceedingly small one. With our immense deposits of iron ore north of Lake Ontario, iron ore deposits up the valley of the Ottawa and up the valley of the Gatineau, iron ore deposits of extraordinary richness in the late disputed territory north of Lake Superior, fully as accessible as the iron ore of Michigan—with all these deposits of iron ore, we sent to the United States last year only 7,707 tons; while there was a trade in iron ore from the Lake Superior ports and the Lake Michigan ports to the Lake Erie ports alone of over 8,000,000 long tons. Now, we ought to participate in that trade, we have advantages for doing it. We could participate in that trade quite as advantageously as the mines having their outlets at Escanaba, Marquette and Two Harbours, and we are debarred from participation in that trade by the iron ore duties. We might share almost equally in that trade of 8,000,000 tons, but we have this paltry pitance of 7,707 tons which amounts to nothing at all. Last year we shipped to the United States fifty-eight tons of copper ore, where we should be shipping thousands of tons of copper ore to be smelted in the American works. We shipped last year from Nova Scotia 210,000 tons of coal to the sea-board cities. Now, Nova Scotia is the natural source of supply of coal for nearly the whole of the New England states. It can supply the cities of New York and Philadelphia upon more advantageous terms, and with greater ease, than those cities can be supplied from the coal mines of the interior of the state of Pennsylvania. Nova Scotia ought to ship, at least, 3,000,000 or 4,000,000 tons of coal annually to New England and to the sea-board cities, and would do it if the shackles were removed from trade, if the duty upon coal was removed. Here we are with a trade of 200,000 tons that ought to be at least twenty times that amount, and would be twenty times that amount if the restrictions were removed. The United States last year used \$54,000,000 worth of various kinds of building stones, and we sent to that country the paltry amount of \$52,000 worth. They used over a thousand times as much as we furnished them. There is no mineral production for the supply of which we have such advantages as in structural material. We have around the great lakes on the north shore, quarries of the most superior quality, quarries of marble, quarries of freestone, quarries of sandstone, quarries of granite, right along deep water on the lake shore where we could load this material on vessels. All around these lakes are great cities like

Chicago, with its million of inhabitants, Milwaukee, Detroit, Toledo, Cleveland, Buffalo, Erie; and the natural source of supply for stone for all these cities is the Canadian quarries. Stone can be shipped by water through the Erie canal to New York and Philadelphia. In the business of furnishing structural material, in the business of furnishing the productions of our quarries on the north side of our great lakes, we ought to have, at least, one-tenth of the \$54,000,000 worth of the trade in the structural material required by the United States. We ought to supply them with \$4,000,000 or \$5,000,000 worth of structural material in the great lake region. Now, if our mineral resources were developed, as they would be developed under a system of free trade, if we could participate in the American iron business by furnishing ore, if we could send copper ore to their smelters, if we could participate in the coal trade, if Nova Scotia could have its fair share of the business upon an equal footing, with no favours asked, if we had access to the American market for structural material from our quarries, we would build up speedily a trade which would swell to an amount of exports not less than \$20,000,000 annually, and which would distribute in money annually paid for labour in this country, from \$12,000,000 to \$13,000,000 a year. Instead of that we have practically nothing—7,707 tons of iron ore, \$52,000 worth of stone, 58 tons of copper ore, and 210,000 tons of coal. We are, in fact, not aware, we fail to realize the enormous opportunities that we might grasp, and that we would grasp if restrictions on trade were removed.

In the discussion of this question, the Minister of Railways, the other afternoon, said, "it was acknowledged that this policy of free trade would do away with our manufactures, as was the case with several new states." The hon. gentleman is not in his seat, and I am sorry. I wanted to ask that hon. gentleman, who acknowledges this? I have not heard of it being acknowledged. I also wanted to ask him, what new states have been deprived of their manufactures by free trade with the other states? I should feel very much enlightened if I received an answer to either of these two questions. It is very unfortunate that the hon. gentleman who made the assertion is not here to substantiate it. The truth is, and it is a very significant fact, that the percentage of increase in manufactures is greatest in the newer of the states and the percentage of the increase is lowest in the old states which form the great manufacturing centre, and the tendency of progression seems to be most strongly in the direction of the newer states in the Union. I find on making a comparison between 1870 and 1880—I have not the figures of 1890, as the compendium is not yet published and the figures are not accessible—that Massachusetts shows an increase of 14 per cent during the ten years, New York 37 per cent, Connecticut 15 per

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of inhabitants, Cleveland, Buffalo of supply is the Canadian supplied by water New York and ss of furnishing iness of furnissh-quarries on the s, we ought to the \$54,000,000 ctural material . We ought to) or \$5,000,000 n the great lake resources were eveloped under e could partici-usiness by fur-copper ore to rticipate in the ld have its fair equal footing, had access to ctural material build up speedl- to an amount 0,000 annually, a money annu- country, from year. Instead nothing—7,707 h of stone, 58 0 tons of coal. fail to realize hat we might rasp if restric-

tion, the Minis-noon, said, "it policy of free manufactures, y states." The eat, and I am on, gentleman, e not heard of so wanted to ave been de- by free trade ould feel very ed an answer ns. It is very ntleman who e to substan- a very signifi- e of increase in the newer ntage of the states which g centre, and seems to be of the newer on making a 1880—I have compendium gures are not shows an in- he ten years, cticut 15 per

cent, New Jersey 5 per cent, Pennsylvania 5 per cent, Ohio 30 per cent, Indiana 36 per cent, Michigan 59 per cent, Illinois 100 per cent, Minnesota 228 per cent, Iowa 52 per cent and California 74 per cent, and manufacturing industries in the southern states show arge increases, notably in Alabama. In the face of the assertion made by the Minister that the manufactures of the newer states were crippled out of existence by the manufactures of older states, I should like to have placed these figures before him. The manufacturing interests of the new states are increasing more rapidly than those of the old states, and I have no doubt the manufacturing interests of the Dominion on the whole would be benefited by obtaining a larger market, and by having 70,000,000 of consumers instead of 5,000,000. The increase in some of the western cities has been very remarkable. For instance, between 1870 and 1880, Louisville manufactures increased by \$38,000,000, Chicago by \$249,000,000, Milwaukee by \$43,000,000, St. Louis by \$143,000,000, San Francisco by \$78,000,000 and Birmingham, Ala, by \$50,000,000. All these statistics prove conclusively that the assertion made by the Minister of Railways was utterly without foundation, or that it was an assertion made recklessly. The hon. gentleman had no foundation on which to base it, or the hon. gentleman purposely made a statement which would not bear investigation. So far as the ability of our manufacturers is concerned, I am not willing to admit that the Canadian is an inferior begin, I am not willing to admit that a Canadian, with equal chances, will not hold his own, and be able to cope with, any other man. I think the Canadians hold their own very well in the United States, and I know that as a rule they are succeeding, that no class of the population in the United States are making more headway than our people are doing; they are energetic, they take hold of business with vim, they possess the qualities necessary to success, and they are succeeding, and these men in Canada, if they had the chance to reach a market of 65,000,000 on the other side of the line, would be equally successful in any manufacturing business that is not a pampered concern and requires pap fed by a National Policy to keep it alive, but any business that is a natural business and adapted to the country, would succeed. In some lines, I have no doubt, there would be a phenomenal increase. For instance, manufacturers of anything in the character of woodenware. We have exceptional advantages for carrying on a business of that kind. We would almost monopolize the manufacture of wood pulp and would manufacture paper extensively. We would to a large extent manufacture leather, for we have the tan bark, which is now becoming scarce in the United States. We would also very largely increase our manufactures of woollen goods and

tweeds, and I firmly believe that the results of obtaining free trade with the United States and the opening up of their markets to that kind of our manufactured products, would result, not in ruin to our manufacturer, but in a great increase in the output of the manufacturing establishments of this Dominion. I have no fear whatever of any disaster as the result of free trade to manufacturing industries of this kind, and I am happy to say that, in conversation with scores of manufacturers of this country, I have found that in the vast majority of cases they express no concern about this matter, but they say if they can get access to the United States market on equal terms with American manufacturers, all they want is an arrangement to continue in operation as long as possible, that they are perfectly prepared to enter into such an arrangement at any moment, and are quite prepared to take care of themselves.

Another point made by the hon. gentleman was what he asserts to be the revenue difficulty. If we entered into this arrangement, we were told by the Minister of Finance and by other hon. gentlemen on that side of the House, we would be obliged to resort to direct taxation, that we cannot make an arrangement for reciprocal trade with the United States without calling on the tax-gatherer and raising part of the additional revenue required by direct taxation. I do not believe there is any foundation for that assertion. If we were to secure partial reciprocity with the United States, that is reciprocity on a list of manufactured goods, which Mr. Foster in his letter mentions, and which indicates that he expected the United States and the Canadian Governments might make an arrangement which would not cover the whole list of goods produced by both countries, if we arrange a certain list of goods as articles to be covered by reciprocity treaty, we should lose duties only on those covered by the schedule adopted. But if we entered into an arrangement, admitting every article from the United States free of duty and sacrificed the whole of the duties derived from American importations, we would sacrifice \$8,000,000 annually of revenue. The question is, can that sum be made good without resort being had to direct taxation? I assert that it can. We would have, of course, to readjust our fiscal system, we would have to resort to a certain line of taxes that are purely revenue taxes. We might put a duty on tea and coffee. Those duties are less objectionable than on the class of goods produced in the country, because you thereby escape incidental taxation. The consumer pays for what is imported, and if there is nothing of the kind produced in the country, the article is not enhanced in price. We might impose a small duty on sugar, say 1 cent per pound, and we could furnish sugar to consumers at an advance of only one-fifth of a cent per pound on the present prices, because there is now a duty of eight-tenths of a cent per pound for the purpose of enabling the refiner to meet

competitors without protection. A duty of 1 cent per pound would amount to \$3,300,000, and the consumer would get this advantage by the amount of the duty going into the Treasury of the country, instead of into the pockets of the refiner. Then we might impose an income tax. That tax was resorted to in England.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. Yes, a tax on the wealthy men of the country is something to which the great majority of men would not object. Perhaps the Minister of Finance might object to a tax of 5 per cent on his official salary, which would reduce it by \$400; but the country would favour the taxing of all incomes of that kind; it would yield, too, a large sum, and by means of a small revenue tax on sugar of one cent per pound to the revenue, instead of eight-tenths of a cent for the benefit of the refiner, by means of imposing income tax and by means of increasing the excise duty, the \$8,000,000 would be provided---

Mr. CAMPBELL (Kent). They could cut down the expenses.

Mr. CHARLTON. That is another thing I was about to refer, and to which my hon. friend from Kent (Mr. Campbell) has directed my attention. We could retrench in our expenditure if we had placed on us the necessity for retrenchment. Is there any reason why, with an increase of 11 per cent in the population, the expenses of this country should have increased 40 or 50 per cent? There is no reason whatever for that. Let us go back to the scale of expenditure which existed ten years ago, and we would save enough to cover the deficiency of \$8,000,000 without imposing extra taxes. It is only a bugbear which these hon. gentlemen raise to frighten the people of the country when they threaten that we shall be obliged to resort to direct taxation if we bestow upon Canada the great advantages that will result from free access to the American market. Supposing, for the sake of argument, that we were obliged to resort to direct taxation to provide for this \$8,000,000, what would we have to compensate our people for that? We would have a saving of \$8,000,000 on American duties, which, in place of going into the coffers of the Government, would go into the pockets of the people in the shape of their being able to buy goods cheaper. We would have a saving of the profits on these duties which constitute part of the cost, amounting to 40 cents on the dollar, and which would aggregate \$3,000,000. We would have a saving to the people of the incidental taxes, that is, the increased cost of goods manufactured in this country, with which these goods on which duties are paid come into competition, which, according to Mr. Springer, amounts to \$5 incidental, to \$3 direct, and which would amount, in all, to at least \$8,000,000 more. We would

have a saving to the people of this country of the duty paid on their products going into the United States, which would represent \$5,000,000 on the present volume of exports of natural products to that country. We would thus have \$23,000,000 in all to compensate for the loss of \$8,000,000, even though we were obliged to resort to direct taxation, but I assert that there is no necessity to resort to direct taxation. We can raise a revenue by the imposition of a revenue tax upon articles not now taxed; by the imposition of 1 cent a pound on sugar in place of the eight-tenths of a cent per pound now levied for the benefit of the refiners, and also by an income tax. In these ways we can secure the necessary revenue which would enable us to give this country the blessings of reciprocity with the States.

Mr. LANDERKIN. We could repeal the Franchise Act.

Mr. CHARLTON. We could repeal the Franchise Act and save something else besides our credit. If we had reciprocity with the States, we would have increased production and increased exports, we would have brighter prospects, we would grow in wealth and we would grow in population, not at the miserable rate of 11 per cent in ten years, but at the rate of 25 or 30 or, possibly, 40 per cent in the decade. We would grow in the volume of business transacted, we would grow rapidly in tax-paying capabilities, and even if for a time it were necessary to leave a little gap between expenditure and receipts and to shoulder a small deficit, as we have often done before, we would soon catch up with the measure of our responsibilities and be able to shoulder our burdens and march along with the utmost ease, in consequence of the increased prosperity, the acquisition of population and the increase of wealth which would be sure to result by opening up to this Dominion the market of the 65,000,000 of people to the south of us. These are the points, Mr. Speaker, that I intended to refer to before you left the Chair at six o'clock.

Now, Sir, we are assured by the gentlemen on the opposite side of the House, that all this talk of ours is treasonable.

An hon. MEMBER. Hear, hear.

Mr. CHARLTON. Some one says, "Hear, hear." Is it a treasonable thing, Sir, to adopt a policy that will make Canada a nation? Is it a treasonable thing to adopt a policy that will enormously swell the imports and the exports of this great country, and utilize its great developed resources? Is it treason, Sir, to adopt a policy that will increase our population, that will increase our wealth, that will increase our power, that will increase our self-respect and make of us the great people that God designed should inherit this grand country, extending from ocean to ocean? This is treason, is it? The

of this country products going which would represent volume of that country. 0,000 in all to of \$8,000,000. I assert that t to direct tax- nue by the im- on articles not n of 1 cent a he eight-tenths ed for the bene- by an income secure the ne- d enable us to s of reciprocity

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poor beggarly policy of the hon. gentlemen opposite reminds me of the story of a Presbyterian elder, who, in giving a charge to his minister, said: "Brother, God keep you humble, and we will keep you poor." That is what the Government design to do by us. They design to keep us humble and poor by this policy of restriction, which is intended to make us too weak and too destitute of ambition even to get up and travel in the direction of prosperity, if it were placed before us. The arguments used by the hon. gentlemen opposite are fallacious. They tell us that unrestricted reciprocity would destroy our manufactures. That is false. They tell us that we cannot get it. There is no foundation for that assertion. We can get it. They tell us it would not give our farmers better prices. Nothing is further from the truth than that assertion. The truth is that it would increase the values of the products of the farmers, and every farmer in this Dominion knows that access to the American market is all that he requires to bridge over the chasm that exists between depression and prosperity. They tell us it would not be permitted by England, but I have shown tonight the draft of a treaty in which England did permit, and sanction, and endeavour to consummate, a treaty that discriminated against her in the same manner, and almost to the same extent as would a treaty such as we are prepared to negotiate with the United States. They tell us, Sir, that it would lead to direct taxation, but I have shown already that there is no foundation for that assertion. They tell us that we are now prospering and happy, and that we can do better without such a treaty. They cannot deceive the country with such nonsense as that. Finally, they tell us that it is a disloyal policy, and that it will lead us to annexation. Well, Mr. Speaker, I think that the policy we are pursuing now will lead us to

annexation, and if the other policy should lead us to annexation it is not worse than the policy we are under at present. I would rather reach annexation through the door of prosperity, and expansion, and increased wealth, than to go through as a miserable beggar asking to be brought into the American fold because the evils of our policy were so great that we had reached that point when we could no longer live without knocking at the door of the American union. However, this is a question which does not properly enter into the consideration of the matter we are discussing. We cannot forecast what the future political effect of any policy will be. We cannot forecast what the future destiny of this country will be. We do not know what result the forces at work will produce. We have nothing to do with these questions; but, Sir, we have something to do with grasping at an opportunity that lies directly in our path, and the result of which we know will be to give us prosperity, to give us increased wealth, to give us increased population, and to make that population happy and prosperous. I for one, Sir, propose to advocate, at all times, and with all the force I possess, the adoption of that policy so satisfactory in the good results it will produce, so necessary for the prosperity of this country, a policy of seeking for and obtaining reciprocity with the United States of America, a policy which the gentlemen on the opposite side will never adopt, a policy that they have cruelly trifled with, and deceived the people upon, and a policy on which they will be brought to judgment before the people, and condemned for chicanery, fraudulent transactions, deception and mendacity.

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