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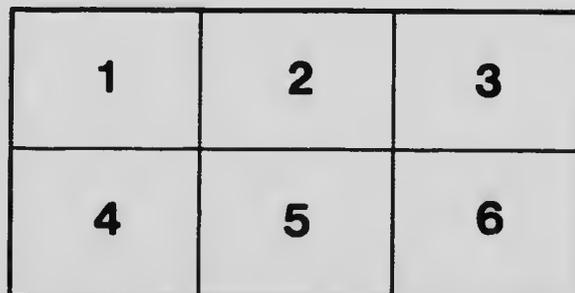
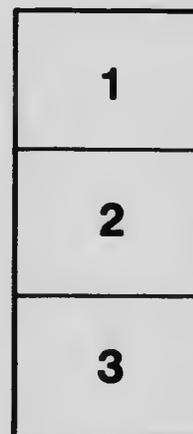
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I Revolution

II Navies

SPEECH

or III Trade

MR. R. L. BORDEN, M.P.

ON

# THE BUDGET

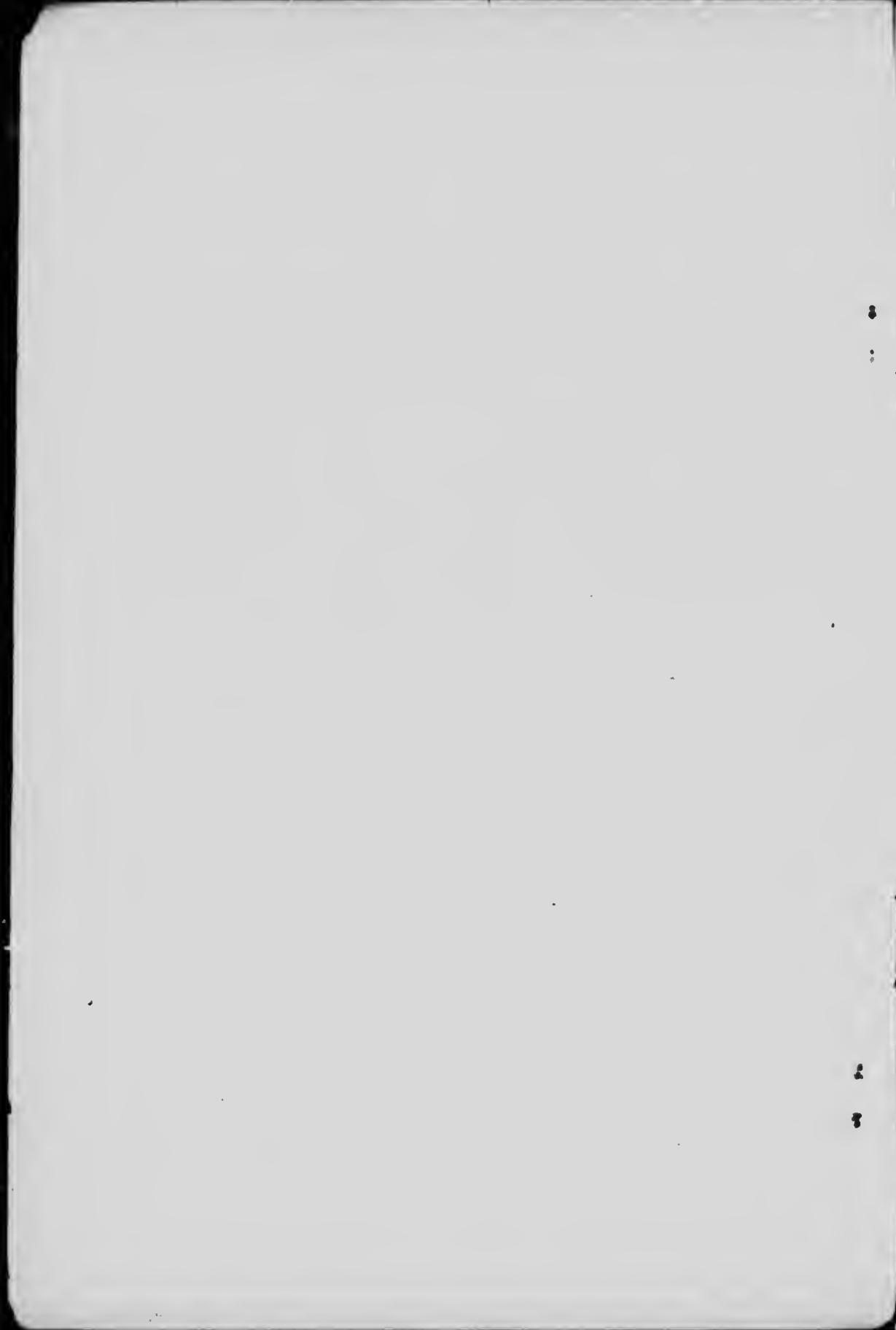
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HOUSE OF COMMONS, APRIL 17, 1903

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OTTAWA  
GOVERNMENT PRINTING BUREAU  
1903



# House of Commons Debates

THIRD SESSION—NINTH PARLIAMENT

SPEECH

OF

MR. R. L. BORDEN, M.P.

ON

THE BUDGET

OTTAWA, FRIDAY, APRIL 17, 1903

## WAYS AND MEANS—THE BUDGET.

The House resumed adjourned debate on the proposed motion of the Hon. Mr. Flelding:

That Mr. Speaker do now leave the Chair for the House to go into Committee to consider of the Ways and Means for raising the Supply to be granted to His Majesty.

Mr. R. L. BORDEN (Halifax). Mr. Speaker, I must in the first place congratulate my hon. friend the Minister of Finance (Hon. Mr. Flelding) on the very excellent speech from his standpoint which he delivered yesterday. That the hon. gentleman always makes the best of the situation we will all acknowledge, and while yesterday he had even a larger number than usual of very sharp corners to turn, he on the whole accomplished it as well as could be expected. And, whenever he did upset he gathered himself up quickly again and he went on in as smiling a way as ever. Now, while the speech was received by the House in a very appreciative and attentive manner, I was astonished to see what a singularly soporific effect so good a speech had on some of his

colleagues. I noticed that there was not the attention given to it by some of the members of the cabinet which we might have reasonably expected. In fact, I do not think that I have ever before witnessed in this House a budget speech of interest delivered while four of the Finance Minister's colleagues were sound asleep; and one of them enjoyed it so much that he woke up at six o'clock to protest against the debate being adjourned.

Some hon. MEMBERS. Hear, hear.

Mr. BORDEN (Halifax). My hon. friend the Finance Minister congratulates the country upon its prosperity. We, on this side of the House, shall not be behind hand in congratulating the country upon the prosperous conditions at present existing, and in that respect we offer a somewhat different spectacle to that which was presented in days past, by the Liberals when in opposition, some of whom were good enough to offer not only to this country but to the mother country a style of literature which was found very useful indeed by American immigration agents.

Some hon. MEMBERS. Hear, hear.

Mr. BORDEN (Halifax). The Minister of Finance did not quite so strenuously as on some past occasions argue that our prosperity is due to the government, he treats of that phase in very moderate terms indeed. In fact, the terms of his speech in that regard are in very strong contrast to a recent deliverance of the Minister of Marine (Hon. Mr. Préfontaine) in Montreal in which he remarked that the prosperity of Canada was entirely due to the Fielding tariff. Coming from a gentleman of the position of the Minister of Marine and Fisheries, that was hardly a worthy statement—it partakes more of the character of a patent medicine advertisement than of the utterance which we might hope to hear from a gentleman occupying the high position of head of one of the departments of state in Canada. It is perfectly evident that in the view of the Minister of Marine, the Right Hon. Mr. Chamberlain has taken an entirely erroneous view of the condition of affairs in Canada. At the recent colonial conference Mr. Chamberlain referring to the prosperity of Canada and the increase of Canada's trade from 1896 to 1902 spoke in this way :

The total imports of Canada increased in that period 14,500,000 pounds sterling, or at the rate of 62 per cent. That shows the enormous increased prosperity in the Dominion; it shows how the energy of its inhabitants is developing its trade.

And when you come to think of it, I suppose some credit is due to the business capacity and energy of the people of this country. For my part I have never been able to find out the exact nature of the changes in the tariff of 1897 to which the prosperity of Canada during the past few years has been due. I have inquired as to that across the floor of the House on a great many occasions and I have never got a definite or satisfactory reply. I believe that the people of Canada are entitled to some of the credit for the increased trade and the increased prosperity of this country during the past six years, although it is quite true that speakers on the other side of the House, both in this Chamber and throughout the country affect to believe in an entirely different reason for our pros-

perity. If the government does not adopt my view on this question; if their friends do not adopt that view; if they do not agree with the hon. member for North Norfolk (Mr. Charlton) who said that the prosperity of Canada was due to causes beyond the control of any government; if they do not believe in that, then Sir, they are altogether too modest, because while they have increased the trade of Canada by \$184,000,000 since 1896, look what the Fielding tariff has done for the world. The following table shows how the trade of other countries has increased during the same period :

	Increase.
1896 to 1902, Great Britain...	\$500,000,000
1896 to 1902, United States...	700,000,000
1896 to 1900, New South Wales...	60,000,000
1896 to 1900, Victoria...	35,000,000
1896 to 1900, New Zealand...	35,000,000
1896 to 1900, Australian Commonwealth...	145,000,000
1896 to 1900, West Australia...	20,000,000
1896 to 1900, Argentine...	40,000,000
1896 to 1900, Chili...	134,680,000
1893 to 1900, France...	680,000,000
1896 to 1901, Germany...	552,000,000
1896 to 1901, Mexico...	40,000,000
1896 to 1902, Canada...	184,885,084

I do not suppose, speaking in sober reality, that any of these gentlemen across the floor claim that the increases in these different countries are due to the tariff brought down in 1897 by the Hon. Mr. Fielding. But may it not be truly claimed with regard to these different countries, that the advent of the Canadian Liberals to power in 1896 is as much responsible for the improved condition of trade in the whole civilized world as for the prosperous condition which fortunately has prevailed in Canada from 1896 to 1902.

Let me make one more observation to my hon. friend the Finance Minister. He seems to take it for granted that as the imports to this country have increased to an enormous extent since 1896, we are to find in that a necessary indication of prosperity. Sir I take issue with my hon. friend on that point. I say that increased imports may accompany but do not necessarily indicate increased prosperity. Look at the condition of affairs in Canada to-day. We produce from \$750,000,000 to \$800,000,000 of manufactured goods, counting everything as a

manufacture in the production of which motive power is employed. The long delayed census returns have not yet furnished us with a statement of the annual value of our agricultural products. If our home production should be decreased by \$50,000,000 in any year, that might result in increasing our importations by twenty-five, thirty or forty million dollars. To this extent the manufactures and products which are now furnished by the Canadian people would be brought in from foreign countries. Would not my hon. friend the Minister of Finance stand up in the House and point to the increased revenue resulting from that condition of things and say: Look, the trade of Canada has increased, not \$184,000,000, but \$225,000,000, and our surplus is not \$13,000,000, but \$25,000,000. And yet, is there any hon. gentleman in this House who would say that such a statement would indicate a healthy condition of affairs in this country?

My hon. friend has gone very fully into what I may call the hushness returns of this country, and I will endeavour, in my figures I give to the House, not to duplicate those which he has furnished. I have some documents to present in a tabulated form, and, with the permission of the House, I will follow the example of my hon. friend the Minister of Finance, and hand them to the reporters without reading them in full.

In the good old days, when my hon. friend the Minister of Trade and Commerce (Hon. Sir Richard Cartwright) led the attack on the fiscal policy of the government of the day, there were great lamentations over the burden of taxation imposed upon the people of this country. My hon. friend the Minister of Trade and Commerce was very warm indeed on that point; he was more than warm. Mr. Speaker, he was almost tearful when he spoke of the sorrows of the farmers and the burden of taxation laid upon them by an extravagant and corrupt government. I will present to the House a comparison of the taxation during the past six years with that of the previous six years under Conservative administration; because I think it is right, when statements of large trade and abundant revenues are laid before the House, that we in the opposition should show the reverse side of the shield.

#### TOTAL RECEIPTS FROM TAXES.

1891... ..	\$30,314,151	1897... ..	\$28,648,626
1892... ..	28,446,157	1898... ..	29,576,456
1893... ..	29,321,367	1899... ..	34,958,069
1894... ..	27,579,203	1900... ..	38,242,233
1895... ..	25,446,199	1901... ..	38,743,550
1896... ..	27,759,285	1902... ..	43,359,112
	<u>\$168,866,362</u>		<u>\$213,558,036</u>

In 1891 taxation under Conservative government was... .. \$30,314,151  
In 1896 taxation under Conservative government was... .. 27,759,285

Decrease under Conservative government... .. 2,554,866

In 1902 taxation under Liberal government was... .. \$43,359,112  
In 1896 taxation under Conservative government was... .. 27,759,285

Increased taxation under Liberal government... .. \$15,629,827

Total taxes collected from 1897 to 1902 inclusive under Liberal government... .. \$213,558,036

Total taxes collected from 1891 to 1896 inclusive under Conservative government... .. 168,866,362

Increased taxation in six years of Liberal government... .. \$44,691,674

Average annual taxation during six years of present Liberal government... .. \$35,593,006

Average annual taxation during last six years of Conservative government... .. 28,144,394

Average annual increase under Liberal government... .. \$7,448,612

I might point out to my hon. friend the Minister of Trade and Commerce, as a culmination of this statement, that according to the estimate of the hon. Minister of Finance we shall have imposed on the people of Canada during the present year no less than \$47,520,100 of taxation. My hon. friend the Minister of Trade and Commerce when he contemplates these figures, should really, for very decency's sake, pump up a few of the briny tears which he shed in the old days.

A few years ago the hon. gentleman contributed a very strong article to the 'North American Review' on the subject of protection and free trade, in which he said :

In 1878, the actual taxation of Canada was \$17,841,938, though, as there was a deficit in that year, the necessary taxation might be placed at \$19,000,000. In 1889 the actual taxation was \$30,613,522, being an increase of \$11,613,522.

Let us pursue the comparison. In 1890 the actual taxation was \$27,759,285, in 1902 it was \$43,389,112; being an increase of \$15,629,827, or considerably more than fifty per cent of an increase. What was the comment of the hon. gentleman when he wrote this article on the melancholy condition of affairs in 1889 :

Comment is hardly necessary, nor, indeed, does space permit me to point out the enormous mischiefs which result in a young and poor country from absorbing so large a proportion of the earnings of the people, in defraying the charges of the federal government, as is now being taken in Canada.

Well, if no comment was needed then, is it not needed now, upon an increase in taxation of between \$15,000,000 and \$16,000,000 in six years? I trust that when the hon. gentleman comes to address the House on this occasion he will give his views on the question of taxation, and explain wherein they differ from the views he held at the time he wrote this article. I referred to this same article last year or the year before, but my right hon. friend was not good enough to make any allusion to it. In the speech he then addressed to the House. I thought I might possibly have been mistaken in the identity of the gentleman who wrote the article. Although it purported to have been written by one Sir Richard John Cartwright, it might possibly have been some other gentleman than my right hon. friend who occupies the position of Minister of Trade and Commerce.

There is another consideration which I would like to present to the House. If, as members of the government claim, the present tariff is a revenue tariff, why is the taxation continued at so abnormal a figure? Why does the government take from the people, for example, \$1,000,000 more in excise duties on tobacco and \$500,000 more in customs duties on sugar than would

have been taken under the tariff before 1890? And why does the Minister of Finance retain the duty on breadstuffs which he regarded as so unjust and oppressive that while premier of Nova Scotia he moved the following resolution with regard to it :

That while it is as a rule inexpedient to do with Dominion questions in this House, in view of the obnoxious character of the duty on breadstuffs, the House must firmly protest against the imposition of such duties.

And the same view was entertained by the Minister of Trade and Commerce who, referring to Sir Leonard Tilley's surplus in 1882, said :

I asked how it was got. \$1,100,000 was derived from two of the most odious and oppressive taxes which were ever imposed in any civilized country before, under similar circumstances at least, the taxes on breadstuffs and fuel. If he really wants to relieve the people, let him remove the taxes on breadstuffs and coal.

My hon. friend the Minister of Trade and Commerce sits unmoved in his chair while a surplus of \$13,000,000 is announced in this House, and forgets the commiseration he expressed some years ago for the condition of the people of this country labouring under two of the most odious and oppressive taxes which were ever imposed in any civilized country.

No, Mr. Speaker, the revenues have indeed been abundant during the past six years. There has been an increase of more than \$60,000,000 over those of the previous six years, but let my hon. friend the Minister of Finance bear in mind that if the duties on tobacco, sugar, coal and breadstuffs had been removed, the condition of affairs would be very different. If my hon. friend had the courage to carry out his financial convictions, his boasted surplus would not exist by a good many millions. In making this point I do not wish to be understood as advocating the removal of the duties on these articles, but as merely contrasting the present position taken by the Minister of Finance with the former professions of himself and colleagues and asking them at present what they have to say about those promises and professions made in days gone by. I think I am warranted in putting that question by the language used by my hon. friend the Minister of Finance. I have here a state-

ment of his views with regard to the pledges and promises of public men, which I think will commend itself to the judgment of the House :

If a public man can hold one set of principles out of office and another set in office, responsible government is a farce.

You have the right to hold the politician to his pledge, just as much as you would the man of business. The man who obtains goods from you under false pretenses is a cheat and swindler. What should you call the men who obtain votes by means of pledges which they never intended to keep ? I say again, if you are prepared to overlook these things then you have no right to ask for fidelity from any man who hereafter represents you.

I credit these words to my hon. friend the Minister of Finance. I am told that he uttered them in days gone by. But whether he uttered them or not, I do not think he will challenge their soundness, and I ask him to apply those words to the record of himself and his political friends during the past six years as contrasted with the promises and professions which they held out to the people during the eighteen years they were in opposition.

The total expenditure of the country is a matter about which, standing on this side of the House, I think I should have a word to say. The total expenditure during the six years, beginning with 1891 and ending with 1896, reached the sum of \$251,682,027. During the six years beginning with 1897 and ending with 1902, it amounted to \$314,520,785, or an increase during that period of no less than \$62,838,758 over the previous six years.

The figures are as follows :

TOTAL EXPENDITURE.	
1891.. . . . \$ 40,973,208	1897.. . . . \$ 42,972,756
1892.. . . . 42,272,136	1898.. . . . 45,334,281
1893.. . . . 40,853,728	1899.. . . . 51,542,635
1894.. . . . 43,009,234	1900.. . . . 52,717,467
1895.. . . . 42,872,338	1901.. . . . 57,982,866
1896.. . . . 41,702,383	1902.. . . . 63,970,780
<u>\$251,682,027</u>	<u>\$314,520,785</u>

The expenditure during the past year amounted to \$63,970,780. During the last year of the late administration, 1896, it was \$41,702,383, showing an increase in 1902 over 1896—the last year of the present ad-

ministration over the last year of Conservative administration—of \$22,268,397.

The average annual expenditure of the present Liberal government during the past six years, amounted to \$52,420,131. Compare this with the average annual expenditure of the previous Conservative government, which amounted to \$41,947,005, and you have an average annual increase under Liberal administration of no less than \$10,473,126.

When I presented similar figures to this House last year the right hon. Minister of Trade and Commerce was shocked and astonished that any one should so endeavour to mislead the House as to contrast the total expenditures during these two periods. Let me give my right hon. friend the Minister of Trade and Commerce an authority which I am sure he will not call in question, an authority which I am sure he respects more highly than any I could give. Let me refer to him his own authority as contained in an article published by him in the 'North American Review' some years ago. In that article he made the following contrast :

In 1845 the population of the United States was (by estimate) . . . . .	20,000,000
The taxes of the United States were . . . . .	\$27,531,630
The total expenditure was . . . . .	22,935,828

Then by way of comparison, to show how Canada was going to ruin, as compared to the United States, he went on as follows :

In 1889 the population of Canada was perhaps . . . . .	4,000,000
The taxes of Canada were . . . . .	\$30,613,522
The total expenditure was . . . . .	36,917,854

And he made a pitiful comparison between the position of Canada and that of the United States, based on that standpoint. Is it not fair, taking the right hon. gentleman on his own statement, to make a similar comparison to-day ? Let us see how such a comparison will work out :

In 1845 the population of the United States was (by estimate) . . . . .	20,000,000
The taxes of the United States were . . . . .	\$27,531,630
The total expenditure was . . . . .	22,935,828
In 1902 the population of Canada was (so far as we can ascertain from the census) . . . . .	5,410,000
The taxes of Canada were . . . . .	\$43,389,112
The total expenditure was . . . . .	63,970,780

I could not get my right hon. friend the Minister of Trade and Commerce to pay the slightest attention to that celebrated article when he addressed the House two years ago. Might I not ask from the hon. gentleman the favour of passing reference to that published statement of his? Might I not ask him to make a comparison between the figures of our present expenditure and that which he denounced in those days, and especially draw attention to the fact that he attributed all the wretchedness and misery and maladministration in Canada to what do you think? To the fact that in Canada at that day protection existed. Of course we know that, according to the right hon. gentleman's view, no protection exists in the present tariff, and I think we are entitled to some other argument from the right hon. gentleman to show that that which was food for comment and criticism so severe in days gone by, is now a matter of indifference to the hon. gentleman, even though it is exaggerated a hundred fold.

Let me now, Mr. Speaker, deal with the expenditure on a per capita basis. I am not objecting to fair and even liberal expenditure. We have a young and growing country, which needs to be developed, but I must say that a good deal of public money in this country is not used for very wise purposes and not expended in a very statesmanlike way. In making the comparisons which I do to-day, I wish to be understood as not carping at fair and reasonable expenditure, because I am always willing and ready to support the government in its expenditures, so long as they are made on some systematic plan and for some wise purpose, in the true interests of our country. But it is only right that I should bring to the attention of the country, in these times of growing trade, increasing revenues and prosperity, the fact that our expenditure is also increasing by leaps and bounds; and we may well bear in mind the words which my hon. friend the Minister of Finance, uttered only two or three sessions ago, that we cannot always expect to have these prosperous times, but must look for lean years in the future,

years when the public revenue will not be by any means abundant. Now, the per capita expenditure, computed from the year 1896 to the present time, shows as follows. And I may say in passing, that the estimate of population for the several years has been based upon a comparison of the census of 1891 with the census of 1901, by methods which, I think, give fair and accurate results:

PER CAPITA EXPENDITURE.			
Year.	Population.	Expenditure.	Per Capita.
1896.. . . .	5,070,000	\$41,702,383	\$ 8 22
1897.. . . .	5,120,000	42,972,756	8 39
1898.. . . .	5,175,000	45,334,281	8 76
1899.. . . .	5,230,000	51,542,635	9 85
1900.. . . .	5,285,000	52,717,467	9 98
1901.. . . .	5,340,000	57,982,866	10 88
1902.. . . .	5,410,000	63,970,780	11 82

The result of this is that, under the Liberal administration, our expenditure has increased about 53 per cent, our per capita expenditure, about 44 per cent and our population about 6½ per cent. What a text this would have been for my right hon. friend the Minister of Trade and Commerce (Rt. Hon. Sir Richard Cartwright). How he could deal with this subject now if he were inspired with the same sentiments he expressed so vigorously from 1878 to 1896. I have to express again the regret to which I have given voice before, that we could not have the right hon. Minister of Trade and Commerce come across the floor—just temporarily, of course, just for a couple of hours—and deal with the circumstances which face us to-day as he used to do in other times.

It will not be out of place for me to do as I have done before and to give to the House and the country an analysis of the increase of the expenditure of the various departments of the government from 1896 up to the present time. In every instance we find a substantial increase, and, in some cases at least, we find an increase, which I think, should give to some of us, and especially to economists like the right hon. Minister of Trade and Commerce, food for very much thought:

COMPARATIVE STATEMENT OF EXPENDITURE ON ACCOUNT OF CONSOLIDATED FUND FOR  
1896 AND 1902 RESPECTIVELY, WITH INCREASES.

	1896.	1902.	Increase.
Interest on debt.....	\$10,502,430	\$10,975,935	\$ 473,505
Administration of Justice.....	758,270	943,230	184,960
Civil Government.....	1,396,628	1,497,369	100,741
Fisheries.....	427,251	548,895	121,644
Geological Survey.....	131,368	224,015	89,647
Immigration.....	120,199	491,842	374,643
Quarantine.....	95,247	264,788	169,491
Indians.....	880,408	1,057,131	176,723
Insurance superintendence.....	10,039	13,500	3,461
Lighthouse and coast service.....	466,058	696,311	230,253
Mail subsidies and steamship subventions.....	534,917	624,956	90,039
Militia and Defence.....	1,111,114	2,060,979	924,265
Miscellaneous.....	172,364	1,146,121	973,757
Mounted Police.....	533,014	948,216	415,202
N. W. T. government.....	330,703	491,924	161,221
Ocean and river service.....	181,452	496,191	314,739
Penitentiaries.....	385,228	438,073	52,845
Police.....	22,703	60,241	37,538
Public Works.....	1,299,796	4,221,294	2,921,498
Railways and Canals.....	126,444	272,296	145,852
Superannuation.....	311,232	338,764	27,532

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Customs.....	896,332	1,176,024	279,692
Dominion lands.....	119,908	158,844	38,936
Inspection of staples.....	2,577	13,510	10,933
Post Office.....	3,665,011	4,023,637	358,626
Public Works.....	159,460	498,513	339,053
Railways and Canals.....	3,826,226	6,568,477	2,682,251
Weights and measures, gas, &c.....	97,295	109,072	12,377

CHARGEABLE TO CAPITAL.

Dominion lands.....	82,184	370,838	288,654
Intercolonial railway.....	260,396	4,626,841	4,366,445
Public Works.....	114,826	2,096,334	1,981,508
Public buildings, Ottawa.....	Nil.	93,730	93,730
Prince Edward Island railway.....	Nil.	475,998	475,998

I do not pretend for a moment that these increases are all unjustifiable. On the contrary, I regard some of them at least as entirely justifiable; indeed I should be glad to see the increase larger in some cases. I should be glad to see a larger increase for the lighthouse and coast service, for I think that if there is a department of the public service which has been neglected more than another during the past six years it is this one. I should be glad also to see a greater increase in the expenditure for the government of the North-west Territories. Judging by the accounts I heard of the inadequacy of the public revenues

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for the purposes of the country during my recent trip to the west, I think that the grant that is made for this service might very well have been supplemented. But I bring this table before the House because I think it is right that the House and the country should know to what extent the various departments of the public service have increased the public expenditure during these growing times.

As to the public debt, my hon. friend the Minister of Finance has dealt with that very fully in his speech. It is quite true that he shows a very good record so far as reduction of debt is concerned, if we

are to conclude that his sentiments of fifteen or twenty years ago are absolutely wrong, and the sentiments he expressed only yesterday are absolutely right. But, if any importance is to be attached to what he said about surpluses in the old days, he cannot congratulate himself as much as he felt at liberty to do on the handling of the public debt by the present government. Considering the marvellous prosperity of the country, and of the whole world in which Canada has fortunately participated, an examination of the growth of our net debt does not present any gratifying features. The increase of the debt for the last twelve years is shown by the following figures :

NET DEBT.

1891.. . . .	\$237,809,031	1897.. . . .	\$261,538,596
1892.. . . .	241,131,434	1898.. . . .	263,956,399
1893.. . . .	241,681,040	1899.. . . .	266,273,447
1894.. . . .	246,183,029	1900.. . . .	265,493,807
1895.. . . .	253,074,927	1901.. . . .	268,480,000
1896.. . . .	258,497,433	1902.. . . .	271,829,090
Net debt, 1902.. . . . .			\$271,829,090
" 1896.. . . . .			258,497,433

Increase in net debt under Liberal rule.. . . . \$ 13,331,557

In connection with this, it should be pointed out that the total revenue of the country from 1891 to 1896 was \$220,681,395, and from 1897 to 1902 it was \$286,719,524, an increase of more than \$66,000,000. The details for the several years are as follows :

TOTAL REVENUE.

1891.. . . .	\$ 38,579,311	1897.. . . .	\$ 37,829,773
1892.. . . .	36,921,872	1898.. . . .	40,556,510
1893.. . . .	38,208,609	1899.. . . .	46,743,103
1894.. . . .	36,374,883	1900.. . . .	51,031,467
1895.. . . .	33,973,129	1901.. . . .	52,516,333
1896.. . . .	36,618,591	1902.. . . .	58,042,333
	\$220,681,395		\$286,719,524

Average revenue for 6 years, 1897-02.. \$47,786,587  
 " " " 1891-96.. 36,780,233

Average annual increase during last 6 years.. . . . \$11,006,354

Revenue last year Liberal government (1902).. . . . \$58,052,333  
 Revenue last year Conservative government (1896).. . . . 36,618,591  
 \$21,433,742

It will thus be seen, Mr. Speaker, that during all these years of the present admin-

istration there has been an enormous increase in revenue. My hon. friend the Minister of Finance, in making his comparison in this regard, will bear in mind that if the Conservative government from 1891 to 1896 had had the same revenue which the hon. gentleman has enjoyed from 1897 to 1902, the public debt of this country could have been decreased by no less an amount than \$45,000,000. My hon. friend thinks he is able to congratulate himself because, up to the end of last year, it was increased \$13,000,000, and by means of the so-called surplus of the present year he will decrease it, I believe, by about \$5,000,000, leaving a net increase of some \$8,000,000.

Now, my hon. friend the Minister of Finance was, as I said, particularly jubilant over the fact that he had a surplus, and I have no doubt that my right hon. friend the Minister of Trade and Commerce shares that jubilation to the greatest possible extent. Would it be out of place, Mr. Speaker, for me to call to the attention of this hon. gentleman some utterances of by-gone days that seem to have in them possibly a spark of good sense, and to invite the Minister of Trade and Commerce, when he comes to address the House, to tell us what he thinks of these utterances of the old days, and whether he is prepared to take the same view which he held from 1876 to 1896. I am afraid that my right hon. friend the Minister of Trade and Commerce, in the touching words of the old ballad, will have to say :

I cannot sing the old songs I sang long years ago.

Now, the editorial utterances of my hon. friend the Minister of Finance, who was almost as good an editor as he is a Minister of Finance, are also worthy of attention. In the columns of the Morning 'Chronicle' some years ago he made this criticism of a Conservative administration :

If these surpluses were created by the government in some magic way there may be in them a cause for thankfulness to Sir John Macdonald and his followers, but when it is considered that every dollar of the surplus is money taken out of the pockets of the people without a shadow of an excuse, money not required even by the reckless expenditure of the government, there is not much cause for rejoicing.

Now, would my right hon. friend the Minister of Trade and Commerce do his best to digest the utterances of his colleague, and let us know, when he comes to address the House, what he really thinks of the views which were then entertained. But that is not all. My hon. friend the Minister of Finance broke out in the following year, when there happened to be another surplus, and this is the way in which he bewailed the unhappy lot of a country that was afflicted with a surplus:

That millions of dollars should be unnecessarily taken yearly from the consuming classes of the country, and this without being absolutely necessary, is a cardinal principle of the Finance Minister, to which even his best friends do not unreservedly assent.

They see that a surplus of millions at the capital is just so much money withdrawn from the trade of the country. How long can the Dominion stand the drain? Certainly not many years longer.

There were no cheers, of course, because it was a newspaper article, but we can well understand how the cheers resounded, we can even remember how the cheers resounded, when sentiments of this kind were heard on every public platform of the country. But, Mr. Speaker, let me not neglect my right hon. friend the Minister of Trade and Commerce, because I am always pleased when I quote any utterance of his; he has so terse and vigorous a way of expressing himself that it is really delightful to hear him, because he puts in half a dozen words these matters more forcibly and more eloquently than most of us could do by speaking fifteen minutes. This is the way the right hon. gentleman expressed himself in the old days:

Taxation is an evil that nothing but the requirements of government can justify.

And the requirements of government this year do not justify the present taxation by some \$12,000,000 or \$13,000,000. Yet my right hon. friend the Minister of Trade and Commerce seems to be pleased with the announcement of his colleague. I do not know how he will look upon it when he comes to address the House on the subject. But it seems to me, Mr. Speaker, that there is considerable force in the views of the Minister of Finance, which I have read to the House, as well as in the very terse statement which the

right hon. gentleman the Minister of Trade and Commerce gave to the House and to the country years ago, in the single sentence I have read from his utterances. Is there not some attraction to a certain class of people in this country when a surplus of \$12,000,000 or \$13,000,000 is announced? There are people in this country as well as in every other, whose chief concern about the public revenue is to appropriate some of it to their own use under the guise of a parliamentary vote. We had an instance of that not many years ago. The acting Minister of Public Works, in the absence of my hon. friend the member for St. Mary's (Hon. Mr. Tarte) in Paris, sent a circular around the country to his political supporters urging them to put in their demands for public works in their various localities, because it was apprehended that a general election might at no distant date be upon the country. I believe it had wonderful results. The announcement of this surplus by my hon. friend the Minister of Finance partakes of somewhat of the same character. Is it not good sense after all to look at the situation somewhat in the light in which it was presented to the country so forcibly by my hon. friend the Minister of Finance and my right hon. friend the Minister of Trade and Commerce, and to ask ourselves whether it is wise, to so arrange our fiscal system that we shall come down to the House of Commons and say to the people of the country: Look, here are \$12,000,000 or \$13,000,000 that the government do not really require, and all you who have any demands upon the government, all you who have been talking about public works which are not in the public interest but are in some private interest, come forward now, because the government has this money on hand, and it is a good time to put in your applications, and they will receive all possible attention.

Now, Mr. Speaker, I wish to turn to the trade returns which have been adverted to by the Minister of Finance, and to say that there is one matter which I think he might very well have referred to in his speech, which perhaps by accident he omitted, and that is the fact that our imports from the United Kingdom make a considerably better showing this year than they did last year. My hon. friend did not refer to that. I call attention to it, because I think that last

year I called the attention of the House and the country to an opposite condition of affairs. Trade with the mother country does look better this year. I think it has increased about \$6,000,000. But I wish to draw attention at the same time to the condition, as far as trade relations are concerned, which prevails between this country and the United Kingdom as compared with that which prevails between this country and the United States. Taking the imports for home consumption, and omitting coin and bullion, you find the position of affairs in 1902 to be as follows: Our imports from the United States were \$114,744,696, our exports to the United States were \$47,829,730, leaving a balance in favour of the United States as against Canada of \$66,914,966. Taking the United Kingdom we find precisely the opposite condition of affairs. The imports from Great Britain in 1902 were \$49,022,726, exports to Great Britain \$117,381,221, leaving a balance in favour of Canada as against the United Kingdom of no less than \$68,285,405.

#### IMPORTS—HOME CONSUMPTION.

(Less Coin and Bullion).

1902.	
Imports from United States.. . . .	\$114,744,696
Exports to United States*.. . . .	47,829,730
	\$66,914,966
Imports from Great Britain.. . . .	\$49,022,726
Exports to Great Britain*.. . . .	117,381,221
	\$68,285,495

\* Less gold-bearing quartz, silver concentrates, coin and bullion.

Now, this is not perhaps a very happy condition of affairs. I do not say that it is a condition of affairs which can be remedied altogether by the efforts of any government, but I do say that, adopting the argument of the right hon. Minister of Trade and Commerce (Sir Richard Cartwright) it is a 'genuine practical discrimination' against Great Britain. Thus, to show the terse way he has of putting things, I will read what that hon. gentleman said in 1897.

These returns show that, in the very last year of their term of office, we exported to England, apparently, \$66,000,000 worth of our products, we exported to the United States,

\$44,000,000, we bought from England \$32,000,000 and from the United States \$58,000,000 worth. There, if you will, is a genuine practical discrimination to an enormous extent, against England and in favour of the United States, under the policy of hon. gentlemen opposite.

Does not the right hon. gentleman see that the discrimination is increased one hundred per cent to-day? What has he to say about it? Why does he not remedy it? If this was a ground of criticism upon the policy of the late government what is he doing as Minister of Trade and Commerce that he does not endeavour to alleviate this condition? Let us read his story of 1897 as applied to the conditions of to-day:

These returns show that in the year 1902, we exported to England, apparently \$109,347,345 worth of our products, we exported to the United States \$66,567,784, we bought from England \$49,022,726, and from the United States, \$114,744,696 worth. There, if you will, is a genuine practical discrimination to an enormous extent, against England and in favour of the United States, under the policy of hon. gentlemen opposite.

Compare our imports from Great Britain and the United States and other countries from 1896 to the present time and observe and consider the result, in view of the fact that when they came into office they apparently wished the country to understand that they had given up their old theory of preferring the American dollar to the British shilling. They became very much attached to the interests of the mother country, they became very desirous of promoting our trade with the mother country and yet the condition of affairs prevails in the present year of which I have spoken. I will point out to the House by means of a table how it has continually progressed in that direction from 1896 up to the present time. Now, the table which I propose to give to the House shows the imports, including coin and bullion, for home consumption from the United States and Great Britain and from other countries from 1896 to the present time, and I distinguish therein between free and dutiable goods. I shall not read all the details, but I will avail myself of the same privilege that I requested before and ask to have this statement placed on record in 'Hansard.'

IMPORTS HOME CONSUMPTION, INCLUDING COIN AND BULLION.  
FROM THE UNITED STATES.

	1896.	1897.	1898.	1899.	1900.	1901.	1902.	Percentage of increase 1902 over 1896.
	\$	\$	\$	\$	\$	\$	\$	
Dutiable.....	29,101,646	30,482,569	38,063,969	44,471,824	53,897,561	53,600,278	60,181,808	
Free.....	29,472,378	31,166,532	49,611,630	48,535,342	55,946,817	56,884,730	60,625,242	
	58,574,024	61,649,101	87,675,600	93,007,166	109,844,378	110,485,008	120,807,050	106.25 p.c.

FROM GREAT BRITAIN.

Dutiable.....	24,366,179	20,217,422	22,556,479	27,521,508	31,561,756	31,701,634	35,062,564	
Free.....	8,613,563	9,194,766	9,944,438	9,538,615	13,237,974	11,316,510	14,151,198	
	32,979,742	29,412,188	32,500,917	37,060,123	44,799,730	43,018,144	49,213,762	49.22 p.c.

OTHER COUNTRIES.

Dutiable.....	13,771,934	15,520,834	14,004,649	17,439,840	18,887,478	20,667,824	23,413,124	
Free.....	15,261,780	4,711,958	5,486,850	6,514,464	7,282,730	7,066,992	9,357,659	
	19,033,714	20,232,792	19,491,499	23,954,304	26,170,208	27,734,816	32,770,783	70.59 p.c.

We see that the imports from the United States increased over one hundred and six per cent, from other countries nearly seventy-one per cent, and from Great Britain only a little over forty-nine per cent. I would gather from this that the Right Hon. Minister of Trade and Commerce will agree that the alleged efforts of this government to promote trade between Canada and the mother country as compared with trade between Canada and other countries has not been very successful, to say the least.

There is another aspect of the case which might be put before the country. From 1867 to 1902 our average importation from Great Britain, excluding coin and bullion, was \$42,549,216, in 1902 our importation was \$49,022,726, or an increase of \$6,473,510 over the average. During the same period our average importation from the United States was \$51,608,862, and in 1902 it was \$114,744,696, or an increase of \$63,135,834 over the average. What is the cause of the enormous increase in our trade with the United States and the comparatively small increase in our trade with the mother country? It may be and very likely is due to some causes over which the government cannot possibly ex-

ercise any control. We know that we are in close proximity to the United States and merchants can get goods more quickly from the United States than they can from the mother country. Then again, the American manufacturer perhaps caters a little more to the requirements of the Canadian market than the British manufacturer, but after all, you will observe that comparing the rates of duties, even taking into consideration the preference which prevails, as between ourselves and the mother country, and as between ourselves and the United States, the United States have practically the same rates as Great Britain. If you only take into consideration dutiable goods, and taking into consideration all classes of goods they have very much the advantage indeed. The rates on goods imported from Great Britain are: dutiable 24.03 per cent, dutiable and free 17.18 per cent; from the United States, dutiable 25.18, dutiable and free 13.20 per cent or 4 per cent less than the average rate dutiable and free as applied to goods from the mother country; from all other countries, dutiable 27.26, dutiable and free 16.46 per cent.

	Great Britain.	United States.	All Countries.
Dutiable... ..	24·03	25·18	27·26
Dutiable and free .. ..	17·18	13·20	16·46

Thus, taking the average rate on dutiable and free goods, we see that Great Britain, even taking into consideration the preference, pays a higher rate than any other country and a very considerably higher rate than the United States. The hon. member for North Norfolk (Mr. Charlton) was interrogated about this condition of affairs in a reciprocity convention in the United States, I think, two years ago and he made the following very straightforward answer:

The Canadian tariff against England has a rebate of 33½ per cent, but the goods imported from the two countries are dissimilar and the rates of duty on the goods from England happen to be higher than the rates of duty on the class of goods coming from the United States, and the net result, the total duty, is almost the same.

I was somewhat amused at my hon. friend's use of the word 'nappen' in that regard. I think we all pretty well know what was done; goods coming to us from the mother country had the duty increased upon them in 1897, and then the merchants of the mother country were presented with a preference which left the rate of duty practically the same as that which is paid on the imports from the United States, even if you take into consideration dutiable goods alone.

Mr. Chamberlain brought this matter to the attention of the Canadian ministers at the colonial conference, and as the Minister of Finance has read a portion of the answer to Mr. Chamberlain's remarks it is perhaps only right that I should place before the House what Mr. Chamberlain said on that occasion. At pages 7 and 8 of the report, speaking on the British preference, Mr. Chamberlain said:

But in Canada, before the conference of 1897, the Canadian government had decided to give us a preference which then amounted to 25 per cent, and this subsequently was increased to 33½ per cent. This was a preference voluntarily accorded by Canada on British taxable goods imported into the Dominion. Canada has therefore anticipated the general proposal of the

premiers, and the time which has elapsed has been sufficient to enable us to form a judgment of the effect of an arrangement of this kind, and I have to say to you that, while I cannot but gratefully acknowledge the intention of this proposal and its sentimental value as proof of good will and affection, yet that its substantial results have been altogether disappointing to us, and I think they must have been equally disappointing to its promoters.

I shall circulate to you another paper which contains very fully the whole of the statistics showing the course of trade in Canada since 1897, and the results of the preferential tariff. But I may give you in a word or two the most important conclusions. I am comparing now the import trade of British goods into Canada in the year 1896-97, with the last year for which I have the returns—1900-1901. The total imports of Canada increased in that period £14,500,000, at the rate of 62 per cent. That shows an enormously increased prosperity in the Dominion; it shows how the energy of its inhabitants is developing its trade. Fourteen and a half millions and sixty-two per cent: if you will kindly bear in mind those figures as showing the total result of all the import trade. Of that the free trade, upon which no duty is levied and upon which therefore no preference is given to British goods, increased £6,250,000, or at the rate of 67 per cent. The general trade, that is the trade from foreign countries which came under the general tariff, also increased £6,250,000, or at the rate of 62 per cent. But the preferential trade—the trade upon which this advantage had been given to British goods, only increased in the same time £2,000,000 and only at the rate of 55 per cent. So that the rate of increase under the preferential tariff was actually less than under the general tariff and also under the free tariff. Or taking it in another way, the total increase of the trade of Canada with foreigners during the period named, this is including both the trade subject to the tariff and also the free trade, was 69 per cent while the total increase of British trade was only 48 per cent. . . .

But now I want to point out another thing which I think will be of great importance, and which I am sure the government of Canada must have taken into their serious consideration. What return has been made to them by the foreigner for the advantage which the foreigner has derived from their tariff? The exports from Canada to foreigners have decreased 40 per cent, while the exports from foreigners to Canada have, as I have said, largely increased. On the other hand, in spite of the tariff, in spite of everything in the natural course of trade and communication, the exports to the United Kingdom have increased 85 per cent in

fifteen years, and the net result, which I desire to impress upon you, is that in spite of the preference which Canada has given us, their tariff has pressed, and still presses, with the greatest severity, upon its best customer, and has favoured the foreigner who is constantly doing his best to shut out her goods.

Of course it is only right that both sides of the question should be presented, and it may be said in reply to Mr. Chamberlain that while the imports of Canada from the mother country are only 20·62 per cent of the aggregate trade between the two countries, nevertheless the imports of the United States from Great Britain are only 23·20 per cent of the aggregate trade between those two countries. In other words, Great Britain buys from the United States nearly four times as much as the United States buys from the mother country. This has continued year after year, notwithstanding the opinion of some that you cannot sell to any nation from which you do not also purchase. The experience of these two countries does not bear out that argument. The trade relations between Canada and the mother country are much more favourable to the latter than are the trade relations of the mother country with the United States, and yet we receive, not-

withstanding the preference, exactly the same treatment as the United States does in the British market. This is a circumstance which we have urged upon the attention of this House over and over again. On this subject the Finance Minister has scoffed at our views in his speeches of days gone by, but they are views which according to his speech of yesterday he is prepared to take into more serious consideration than ever he did before.

There is another aspect of this matter which Mr. Chamberlain did not bring to the attention of the Canadian ministers, and which shows in even a more striking manner than the figures which he presented, the trade relations us between the mother country and other countries as compared with Canada. Let us look at the statement of the exports from the United Kingdom to foreign countries and to Canada during the past ten years. In preparing this table I have taken the latest returns that were available. I could not get returns later than 1890 for some of these countries and with regard to others I was not able to get the returns for the year 1890, with which I started the comparison. But giving the House the comparison as it is, here is what we find :

STATEMENT OF EXPORTS FROM THE UNITED KINGDOM TO FOREIGN COUNTRIES AND CANADA.

	1890.	1896.	1900.	Percentage of Increase 1900 over 1896.
	£	£	£	
France .....	25,175,280	20,424,280	26,986,320	32·19
Holland.....	23,634,667	21,304,250	24,024,334	12·77
Italy .....	12,802,240	9,195,560	14,350,760	56·06
Belgium.....	8,517,680	8,224,720	12,034,240	45·10
Spain .....	7,783,120	6,188,360	9,973,000	61·16
Sweden.....	6,648,278	5,490,778	9,805,778	78·58
Norway.....	3,673,778	3,500,950	5,742,778	64·03
Portugal.....	2,984,092	2,739,825	4,308,983	57·27
Mexico.....	2,133,750	1,976,250	2,620,750	32·67
Switzerland.....	2,094,960	2,063,280	2,493,129	20·54
	1891.			
German Empire.....	28,258,050	27,565,650	35,959,500	30·45
	1890.		1899.	
Russia.....	9,334,000	11,130,900	13,601,313	22·19
			1900.	
Denmark.....	3,753,389	4,348,000	6,005,167	38·11
Canada.....	8,928,033	6,785,956	9,215,994	36·00

Canada stands eighth in the percentage of increase and ninth in actual increase among these fourteen countries, notwithstanding the preference which has been so much relied upon by hon. gentlemen opposite as a means of creating better trade relations between Canada and the mother country. None of these countries gives to the mother country any preference; they stood on the ordinary trade relations, and yet taking these fourteen countries, we find that so far as percentages are concerned, Canada stands eighth, and so far as actual increase is concerned Canada stands ninth.

Now, Mr. Speaker, I want to come to one or two matters that were dealt with by my hon. friend (Hon. Mr. Fielding) in his speech, and the first thing I desire to touch on is the post office revenue. The Minister of Finance told us that the Postmaster General in a recent speech which he delivered in Toronto, made a perfectly fair comparison of revenue and expenditure when he omitted the Yukon. Why did not the Minister of Finance omit the Yukon when he made comparisons of trade returns? If it is a perfectly fair thing for the Postmaster General to omit the Yukon in post office comparisons, surely it is a perfectly fair thing for the Minister of Finance to omit the Yukon in trade comparisons. The Minister of Finance spoke of the decrease in letter rates which the Postmaster General has made, but why did he omit to mention the fact that upon almost every other class of mail matter the Postmaster General has increased the rates? Was it not well to bring both these matters to the attention of the House? And why does not the Minister of Finance say something about the wages which the Postmaster General pays to his post office employees and to his letter carriers? I have to go down nearly every session to the Postmaster General's office attending deputations of post office employees from all over Canada, who point out that their wages have not been increased for the last twenty or thirty years, and that they really have not enough now to keep body and soul together.

Some hon. MEMBERS. Hear, hear.

Mr. BORDEN (Halifax). The Postmaster General boasts of a surplus. Why, two of

his mail drivers were fined in the city of Montreal yesterday because they were driving horses that were not in a fit condition. Why does not the Postmaster General invoke the services of the fair wage branch of the Labour Department? Why does not the Postmaster General call in the Minister of Labour to assist him in giving a fair rate of wage to the post office employees?

Mr. KEMP. Where is the Postmaster General to-day?

Mr. BORDEN (Halifax). I am sorry that the Postmaster General is not in his place to-day. I have long thought that the services of the Department of Labour could not better be employed than in endeavouring to do something for the post office officials from one end of Canada to the other, who are complaining that while the necessaries of life have increased from 25 per cent to 50 per cent during the past six years, their wages have remained the same in order that the Postmaster General may boast to this House and to this country, that by leaving a portion of Canada out of consideration he really could pretend that he had a surplus in the year 1902.

Then the Finance Minister referred to the government railways. He told us that there is an alleged surplus—No, he did not say that there was an 'alleged' surplus; he said that there was a surplus, but I would prefer to call it an alleged surplus. Every one knows that the mode of arranging charges as between capital account and revenue account in the Railway Department has been changed by this government; and if the Minister of Finance appreciates so much the methods adopted by the Postmaster General, why did he not give us a comparison of the railway accounts on the former basis? Let us look at the way he got his surplus of last year. He charged no less than \$4,626,841 to capital account, and then claimed a surplus of \$57,898. And my hon. friend the Minister of Trade and Commerce thinks that a most gratifying exhibit of the railways of this country for the year 1902.

The hon. Minister of Finance told us what the government had done with regard to trade matters during the past six years. They had had trade negotiations with the

mother country, and the net result of these negotiations, Mr. Speaker, you will regret to learn, is nothing. They have had trade negotiations with France, and you will also regret to learn that up to the present time these have resulted in nothing. They have had trade negotiations with the United States, and these negotiations up to the present time have resulted in nothing, except the interchange of very polite letters between the Prime Minister and Mr. Senator Fairbanks. Then, they had certain negotiations during the past six years with Germany. We bitterly complained last year and the year before that the papers relating to these negotiations had not been brought down. The year before last I went to the papers which were laid on the Table of the parliament of the Australian Commonwealth, and I got information there which should have been laid on the Table of this House. We were told that the papers were of a confidential character. They were brought down at the conclusion of the speech of my hon. friend the Minister of Finance last night, and we do not find anything very confidential in them. I am not sure that they have all been brought down; I shall ask my right hon. friend about that perhaps, on a subsequent occasion; but I do say that there is nothing on the face of the documents brought down which in any way could justify the government in voting down the motion of my hon. friend from Jacques Cartier (Mr. Monk) when he asked last session that those papers might be laid on the Table of the House. They began negotiations with Herr P. Hatzfeldt, I think; they continued them with Graf Von Posadowsky; but during the past two years they have been negotiating altogether with Herr Bopp, and the communications with Herr Bopp have been laid on the Table; and really, Mr. Speaker, the attitude of Canada in these negotiations has been a most remarkable one. We urged the government two years ago by a resolution which we proposed in this House, to take some stand with regard to this matter. We urged them again last year. Two years ago when I moved a resolution on the subject I spoke very strongly with regard to the treatment of this country by Germany. That resolu-

tion, which the government voted down, was as follows:

This House is of opinion that equivalent or adequate duties should be imposed by Canada upon the products and manufactures of countries not within the empire in all cases where such countries fail to admit Canadian products and manufactures upon fair terms, and that the government should take for this purpose all such available measures as may be found necessary.

Strong language was used on the subject by members on this side of the House, but with no effect on the government. Indeed, the hon. Minister of Finance, so far as one could understand his language, seemed inclined to justify the attitude of Germany. The attitude of this government with regard to Germany reminds me very much of that well known play 'The Private Secretary.' You remember that when the old Indian colonel comes home and meets the poor little curate, the private secretary, and mistakes him for his nephew, whom he expected to find no milksoop, he addresses certain questions to him. The young man gives very weak replies in very effeminate tones. By and by, the old gentleman gets so exasperated that he seizes him by the back of the head, cuffs him and kicks him about the room, beats his head against the wall, and generally uses him very roughly. The young gentleman makes no response, but submits to it all, until after receiving an incredible amount of ill-usage, he braces himself up and says: 'now, look here, if you do that again, I'll get real cross with you.' That is about the attitude of the Canadian government towards Germany during the past six years. Germany has been excluding our products from her markets by imposing upon them an enormous tax, while admitting the products of other countries under her minimum tariff; and all we have been doing during these years has been to say to her, 'if you do this again, we will get real cross with you.' Now, we are getting really cross with her, because we are going to impose a surtax against her. That may be a very good thing; but, in the first place, I think action of that kind should have been taken by the government four or five years ago, instead of voting down resolutions which we pro-

posed, and refusing the House any information on the subject. In the second place, so far as this surtax is concerned, I think we are getting too much government by Order in Council in this country. Practically the whole tariff is in such a position that the government can deal with it by Order in Council—can deal with it on the eve of a general election. If we are going to deal with Germany, we had better put the Act on our statute-book, and deal with her at once. I am willing to stay here all summer, if necessary, or any reasonable time, for that purpose. But if the surtax is to be imposed by Order in Council, why does the hon. gentleman deal with it in such a way that he will have to come to the House by and by and have made it more elastic? In his speech he pointed out the necessity of making the tariff more elastic with regard to the importation of raw materials used in manufactures, and one would have supposed that in dealing with the surtax, he would have taken a similar course, instead of applying it to all products alike; and if he gives the Governor in Council power to impose a surtax—

The MINISTER OF FINANCE. There is nothing about the Order in Council. The surtax is imposed directly. It is in force to-day, subject to the qualification that the Order in Council may make regulations with regard to it.

Mr. BORDEN (Halifax). It is dealt with now?

The MINISTER OF FINANCE. It is dealt with now.

Mr. BORDEN (Halifax). If that is the case, I am glad to know that it is in line with what we on this side of the House have advocated. But if the tariff on German goods is to be dealt with during the present session, it would be well to make the surtax elastic, because there may be goods imported into this country from Germany upon which it would be unwise to impose a surtax of 33½ per cent, while on other goods it might be wise to impose a very much larger amount.

The MINISTER OF FINANCE. Who is to determine the difference?

Mr. BORDEN (Halifax). This House, I think, ought to determine the difference; and we will have an opportunity of dealing with that question when the hon. gentleman's resolution comes up for discussion. I think the House ought to deal with these matters instead of leaving them to be settled by Orders in Council. Certainly there are a number of instances of his practice in the resolutions.

The MINISTER OF FINANCE. No.

Mr. BORDEN (Halifax). Are there not some instances of this in the resolutions which the hon. gentleman proposes?

The MINISTER OF FINANCE. Not with relation to Germany.

Mr. BORDEN (Halifax). I am dealing with the general subject of Orders in Council and with regard to materials for manufacturing steel rails, my hon. friend has adopted that system, which, I think, is an unwise one.

The MINISTER OF FINANCE. That has been in the statute for years.

Mr. BORDEN (Halifax). It has been followed in this country to some extent, but my hon. friend seems inclined to increase it, and that is what I am objecting to.

Now, the attitude of the government with regard to preferential trade is a most extraordinary one. I do not propose to deal with the question of preferential trade by any resolution which I will submit at this juncture, because I think it should be dealt with by itself at a future period. But I think I should say a few words with regard to the attitude of the government on this subject. This preference to the mother country was inaugurated in 1897 or in 1898 by the singing in this House of the national anthem and my right hon. friend the premier went across to Great Britain and told the people of the mother country why Canada had seen fit to make this preference. He told them that Canada was giving it as a free gift and did not want any compensation. I shall not read his language as it has been quoted to the House many times, but I cannot refrain from quoting these words:

It is a free gift. We ask no compensation. Protection has been the curse of Canada. We would not see you come under its baneful influence—for what weakens you must weaken us.

The Cobden Club arose in the purity of its free trade principles, and presented my hon. friend with the Cobden Club medal. Then he came back and we discussed the matter in this House and country. We were told, from one end of the country to the other, that Canada, by means of this 33½ per cent preference, had already obtained a preference in the British market. We were told that Canada had already a substantial preference in the British market. We on this side moved resolutions which are almost identical in terms with that finally adopted by the representatives of this government at the colonial conference. And these resolutions were voted down time after time by the government and its supporters. Let me read one of the resolutions which we moved in this House. Sir Charles Tupper moved in the session of 1900:

That this House is of opinion that a system of mutual trade preference between Great Britain and Ireland and the colonies would greatly stimulate increased production in and commerce between these countries, and would thus promote and maintain the unity of the empire and that no measure of preference which falls short of the complete realization of such a policy should be considered as final and satisfactory.

Well, Sir, resolutions were adopted with regard to this matter at the conference. Let me read the first clause of the resolution in which the representatives of this government concurred:

This conference recognizes that the principle of preferential trade between the United Kingdom and His Majesty's dominions beyond the seas would stimulate and facilitate mutual commercial intercourse and would by promoting the development of the resources and industries of the several parts, strengthen the empire.

There is a difference in the language of the two resolutions, but none whatever in the meaning, yet my right hon. friend called on his followers, in the year 1900, to vote down the very resolution which he subsequently proposed to the colonial conference. In all the debates in this House on this subject we were told that we had a preference in the British market, and that

we were not to approach the mother country in any huckstering spirit. The hon. Minister of Agriculture, in addressing more than one gathering on the other side, told his hearers, with the sanction, no doubt, of his colleagues, that Canada wanted no compensation for the preference given. Mr. Speaker, who is doing the huckstering now? Who is not only huckstering now, but, by the somewhat undignified threat in the memorandum handed the imperial government, and expressed more broadly yesterday by the Minister of Finance, is telling the British government that unless we get some compensation, the preference will be repealed. I wonder if, in such an event, we shall stand up and sing 'God Save the King,' or what action will we take. Perhaps, when this preference is repealed, my hon. friends on the other side will get up and sing the 'Star Spangled Banner.' We were told that Canada had a substantial preference in the British market. If it had, why are my hon. friends demanding anything from the British government at present, and why are they threatening to repeal this preference? Look at their whole attitude. Only two years ago my right hon. friend, in answer to myself, said that it was perfect folly to discuss the question of preferential trade unless Canada was prepared to adopt free trade. If the right hon. gentleman doubts my word, let him send for 'Hansard.' Last year my hon. friend the Minister of Finance told us that this one-sided preference was a good thing, not only for the mother country, but for Canada. Well, Sir, if it is a good thing for Canada, why are hon. gentlemen huckstering about it? Who are the hucksterers now? My right hon. friend told us on one occasion that we had the attitude of those who were willing to wound, but afraid to strike. Who are willing to wound but afraid to strike now? Who are making undignified threats? Did you ever, Sir, in all the course of your parliamentary experience, see a more extraordinary exhibition of somersaults than that which the government has given us? The fact is they began with Great Britain, as with the United States, by giving up everything. They gave Great Britain a preference with a great burrah. They told the mother country that we gave it in return for the splendid freedom we

enjoy, that we wanted no compensation and did not want to see Canada cursed with protection. Five years afterwards they went to the colonial conference, and getting down upon their hands and knees, they asked for a preference in the British markets, and threatened, if refused, to take away from Great Britain that preference in our markets, which they said we had given to the mother country without desire for compensation and as her due. Let me point out that these gentlemen who were so merry about a certain resolution which I proposed to this House last year and also the year before, had better turn their jests on their own lender now. I was told then that protection to Canadian industry was absolutely inconsistent with the idea of mutual preferential trade. Yet here in black and white, in the records of the colonial conference, is the very proposition which I put before the country then.

I said to the people of this country that, as between the British manufacturer and the foreign manufacturer, we might, and we ought, to give a preference to the British; but that in doing that we should always safeguard the interest of the Canadian manufacturer. Here in this book we have the very self-same argument which was then so jeered at, placed by the Canadian representatives before the colonial conference:

But the Canadian ministers pointed out that the Canadian tariff was by no means prohibitive, that large quantities of goods were imported, and that a great proportion of these came from foreign countries. In any line in which it appeared that the goods would be manufactured in Great Britain it might be possible to so readjust some duties as to give an additional advantage to the British manufacturers, and thus turn over to him a volume of trade which at present is held by the manufacturers of foreign countries.

The Canadian ministers stated that if they could be assured that the imperial government would accept the principle of preferential trade generally, and particularly grant to the food products of Canada in the United Kingdom exemption from duties now levied, or hereafter imposed, they, the Canadian ministers, would be prepared to go further into the subject and endeavour to give to the British manufacturer

some increased advantage over his foreign competitors in the markets of Canada.

But I do not dwell upon this, having a number of other matters, perhaps of more importance in connection with the trade question, to deal with before I conclude, and I do not wish to impose upon the patience of the House.

My hon. friend the Minister of Finance says that this is not an opportune time to make any revision of the tariff. He talks to the protectionists and the free traders of this country very much as he did in 1897 and 1898. The time is not opportune to do certain things. He has put into his speech as much of protection as he thought his free trade friends would swallow, and as much of free trade as he thought his protectionist friends would support; and he has extended to the manufacturer this year the same invitation which he gave before and to which he referred in his speech—'call again.' There was a little bit of controversy between the Minister of Finance and the hon. member for St. Mary's (Hon. Mr. Tarte) as to what was said to the manufacturers last year. The ex-Minister of Public Works (Hon. Mr. Tarte) is not usually regarded as a very stupid man. Some people in this country have occasionally considered him as a man of very acute intellect. Yet that hon. gentleman failed to grasp what the Minister of Finance meant when he was talking to the manufacturers last year. If the hon. gentleman's (Hon. Mr. Fielding's) colleagues were deceived, it is probable that the manufacturers were deceived also. The Minister of Finance tells us that he invited them to call again because he knew they could call again in any case, not only this year, but next year and the following year. So, he considered there was no implied promise in saying: 'We will do nothing for you this year, but come next year.' But the manufacturers might understand it differently. What was it we had the year before last? Oh, yes, the Joint High Commission. It had escaped me for the moment. It was because of the meeting of the Joint High Commission that we had no revision of the tariff in 1901—and I do not go further back than that year. In 1902, it was the Colonial Conference. This year it is a combination of

both—the result of the Colonial Conference coupled with the possible resumption of the Joint High Commission. Now, of course, every one will regard that as highly satisfactory, and, in some quarters it will be applauded as very ingenious. The government holds these gentlemen off by threatening to repeal the British preference, and also by telling of another meeting of the Joint High Commission. The Minister of Finance tells them in effect: We do not know that it will amount to much; and, if it does not, we will take the tariff of other countries into consideration. This will be very pleasant for the gentlemen who are interested in this matter. In fact, they are told to call again next year for perhaps something may happen in the meantime to enable the government to grant them what they ask. We make no promises, says the Finance Minister; it may happen that a free trade sentiment will spread over the country, in which case, we can tell you to go about your business, for we have made no promises—but you had better come back and see us next year. And, no doubt, these gentlemen are very highly pleased with the position of affairs; and the Minister of Finance, no doubt, will accomplish the result which he intended by putting his speech in that highly diplomatic form.

The character of our imports has something to do with the question, whether or not there should be a revision of the tariff this year. We all admit the necessity, as I have already said, of a liberal public expenditure for Canada and of a tariff which will produce a liberal revenue. But look at our tariff, and then also consider whether we have in Canada any resources which can be developed, any raw material which can

be utilized in order that some considerable proportion of the commodities which we are buying from foreign countries may be made by our own people. I have here a statement giving a comparison of our imports from the United States in a number of lines. I do not confine it to articles imported for home consumption as I find that it would be too difficult to make the consumption owing to the way in which the returns are made up:

	IMPORTS FROM THE UNITED STATES.		
	1896.	1896.	
	Free.	Dutiable.	Total.
Fisheries.. . . .	\$ 52,519	\$ 318,674	\$ 371,193
Forest.. . . .	2,654,423	.....	2,654,423
Animals and products .. . . .	3,811,278	1,482,114	5,293,392
Agricultural products .. . . .	2,672,895	8,045,590	10,718,375
Manufactures. . . . .	8,351,635	19,742,117	28,093,752
Fisheries.. . . .	\$ 31,380	\$ 494,706	\$ 526,086
	1902.	1902.	
Forest.. . . .	4,038,722	.....	4,038,722
Animals and products .. . . .	4,573,595	3,838,859	8,412,454
Agricultural products .. . . .	7,967,462	11,544,604	19,512,066
Manufactures. . . . .	25,532,617	46,885,102	72,417,719

In this table I have dealt with total imports. I would ask my hon. friend the Minister of Finance whether he thinks increases of that kind are necessarily indicative of increased prosperity in the country. But I have gone a little more into detail and have prepared a statement of dutiable imports from Great Britain and the United States—and I am dealing with total imports—so as to show a comparison between 1896 and 1902:—

STATEMENT OF PRINCIPAL DUTIABLE IMPORTS FROM GREAT BRITAIN AND UNITED STATES, 1896 AND 1902. (TOTAL IMPORTS.)

	GREAT BRITAIN.			UNITED STATES.		
	1896.	1902.	Increase.	1896.	1902.	Increase.
	\$	\$	\$	\$	\$	\$
Animals .....	6,069	22,323	16,254	206,999	1,124,874	917,875
Breadstuffs.....	79,983	167,890	87,907	6,023,992	8,663,871	2,639,879
Fruits .....				1,114,180	1,947,974	833,794
Hay.....				28,832	121,624	92,792
Hops.....	13,923	23,631	9,708	37,733	89,196	51,463
Provisions.....	25,711	30,147	4,436	1,177,848	2,462,865	1,285,017
Vegetables.....	12,709	32,804	20,095	171,097	342,468	171,371
	138,395	276,795	138,400	8,760,681	14,752,872	5,992,191
Carriages .....				1,246,633	1,356,891	110,258
Cement .....	123,436	148,818	25,382	22,642	588,510	565,868
Cotton and manufactures .....	3,366,502	5,078,587	1,712,085	1,076,081	1,603,917	527,836
Drugs, &c.....	250,689	643,531	392,842	510,667	780,531	269,864
Earthen and chinaware.....	381,495	684,912	303,417	55,892	241,135	185,243
Electrical apparatus.....	8,581	15,745	7,164	309,911	1,350,505	1,040,594
Fancy goods .....	916,933	1,058,683	141,750	230,988	389,990	159,002
Flax, &c.....	1,414,404	1,780,837	366,433	64,125	82,681	18,556
Glass and manufactures.....	215,344	388,504	173,160	419,179	523,820	104,641
Hats and caps.....	805,426	842,929	37,503	404,050	872,598	468,548
Leather and manufactures .....	117,315	257,750	140,435	1,024,285	1,466,382	442,097
Iron, steel, metals and manu- facture of.....	2,733,860	5,135,622	2,401,762	6,395,765	17,681,776	11,286,011
Brass, copper, gold, silver and manufacture of.....				555,589	813,852	258,263
Agricultural implements.....				414,933	2,634,385	2,219,452
Paints and oils.....	597,686	736,829	139,143	1,215,534	2,262,437	1,046,903
Paper and manufactures.....	249,139	360,094	110,955	673,875	1,042,663	368,788
Wood and manufactures.....				767,993	1,407,808	639,815
Wool and manufactures.....	6,970,010	8,881,941	1,911,931	208,430	354,621	146,191
Rubber and manufactures.....	118,657	217,812	99,155	211,669	525,218	313,549
Silks.....	1,901,627	2,414,599	512,972			
	20,309,499	28,923,988	8,614,489	24,568,922	50,732,592	26,163,670

Thus it will be seen that of the articles I have mentioned our imports from Great Britain increased between 1896 and 1902 by no less a sum than \$8,614,489 and during the same period the increase in our imports of the same articles from the United States amounted to \$26,163,670, making a total increase during this period of six years of no less a sum than \$34,778,159.

Now, Mr. Speaker, is there any reason a very considerable portion of these articles might not be produced in Canada? Is it wise to delay a revision of our tariff, even under present conditions, if, by a judicious and thorough revision of the tariff, we could produce or manufacture in Canada a very considerable portion of the articles to which I have called attention? Now, I will give another tabulated statement which shows this increase in a more striking way.

The following is a statement of certain dutiable goods imported into Canada from

Great Britain and the United States, which shows a large increase for the year 1902 over 1896:—

	Increase 1902 over 1896.
Animals.....	\$ 934,129
Breadstuffs.....	2,727,786
Provisions.....	1,289,453
Cotton and manufactures .....	2,239,921
Drugs.....	662,706
Earthen and chinaware.....	488,660
Electric apparatus.....	1,047,758
Flax.....	384,989
Glass and manufactures.....	277,801
Hats, caps, leather and manufactures .....	1,083,593
Iron, steel, metals and manufactures .....	13,687,773
Brass, copper, gold, silver and manu- factures of.....	258,263
Agricultural implements.....	2,219,452
Paints and oils.....	1,186,046
Paper and manufactures of.....	479,743
Wood and manufactures of.....	639,815
Wool and manufactures of.....	2,058,122
Rubber and manufactures of.....	412,704
Silks.....	512,972

\$32,506,686

The MINISTER OF CUSTOMS. What was the heading of that last table ?

Mr. BORDEN (Halifax). That was the increase of the total imports of certain dutiable goods imported into Canada from Great Britain and the United States in the year 1902 as compared with the year 1896. I will send it over to my hon. friend if he desires to see it. I have endeavoured to make these statements with the utmost possible accuracy, and they have been gone over more than once. Possibly my hon. friend may find some trifling inaccuracies in some of them; if so, of course, they are altogether unintentional, and I will make any explanation about them. It is difficult, as the Minister of Customs knows very well, to pick out these items from the various portions of the trade and navigation returns. A great deal of time has been spent upon them, and I think the table has been prepared with a fair degree of accuracy. In addition to these, in looking at the free list, I find the following striking increases in 1902 over 1896 :—

Breadstuffs.....	\$2,387,318
Iron, steel, metals and manufactures of.....	8,794,842
Cor'age.....	1,683,772
	\$12,865,932

These figures deal altogether with increases, and do not take into consideration imports from countries other than Great Britain and the United States, the imports from which are comparatively small. Now, having regard to the enormous increase in our imports of many commodities and articles which should be produced or manufactured in this country, is it a matter of congratulation that we should have so largely increased the volume of our importations? Would it not be more in the interest of Canada if these articles to the extent of \$25,000,000 or \$30,000,000 had been produced in Canada instead of being imported, and if the 50,000 Canadians who are said to have gone into the state of Massachusetts between 1895 and 1900 had remained in Canada? Is it not apparent that, with regard to a great many of these articles, a very considerable portion of them

might, and indeed ought to be, produced in Canada? Why should Canada import:

Breadstuffs to the amount of.....	\$11,731,268
Provisions and vegetables.....	2,981,109
Iron, steel and manufactures of.....	33,691,626
Woollen and cotton goods*.....	20,938,719
Electrical apparatus.....	1,373,023
Hats, caps, leather and manufactures of.....	3,835,119
Agricultural implements.....	2,654,000
Paints and oils.....	2,181,426

\* Raw cotton not included. \$79,376,288

The aggregate of these articles which I have enumerated is the enormous sum of \$79,376,288 worth imported into Canada in 1902, a good deal of which I think we could have, and a good deal of which I think we ought to have, produced in Canada. My hon. friend says: We are not going to revise the tariff. We have not time to revise the tariff, we have something else on our minds which will prevent us from revising it this session; and therefore we will invite our friends to call again, and we will content ourselves with making the trifling changes in the tariff which have already been referred to. Sir, it seems to me that our policy in Canada should be to accomplish the following objects:—

1. To so arrange our tariff that all legitimate industries at present established in this country should be so protected as to insure as far as possible permanency under conditions of depression as well as in times of commercial expansion.

2. To invite capital and attract labour to the establishment of other industries which the resources and raw material of our country amply justify.

3. To preserve by means of an adequately protective tariff our own home market for our own people and to have the policy of the Government so declared and understood.

4. In framing our tariff to have regard solely to the interests of Canada which have been committed to our charge, although recognizing that in consulting our own interests we must not be unmindful of the tariffs raised against us by other countries.

5. To so frame our fiscal policy that labour in Canada shall be paid a fair living wage, remembering always that our labouring classes and therefore our producers and

manufacturers cannot be expected to compete on even terms with countries in which the condition of life among the labouring classes is altogether different. We do not desire to reduce our labouring population to the low standard of living, to that hard fierce struggle for existence which prevails in many countries. We do not want our labouring classes to compete without protection against the pauper labour of any country.

6. To utilize the labour of our own people in conversion of our own raw material into finished products required for use in our own country. It is surely bad policy to export our raw material, to send our labouring classes abroad to another country to find work in its manufactories and to send after both our money to pay for the finished product which we require.

Canada is bound to become a great agricultural country and her farmers are entitled to every possible protection and assistance. But we have enormous and varied resources the reasonable development of which will build up, not only in the east but in the west as well, great industrial centres of population which will afford a home market better than any foreign market for very large portions of our agricultural products. We know now that one of the matters of regret among the Americans who are coming by thousands into our great North-west is that they do not have in the west of Canada the home market which they had in the United States by reason of the great industrial centres which have been built up in the Western States. I believe that by a policy of adequate protection, such as the Liberal-Conservative party has advocated, is advocating and will advocate in this country, we will build up, even in the west of Canada, great industries and great industrial centres. The value of our home market cannot be placed too high. We know the value which has been placed upon it in the United States of America. We know that the United States have always carefully guarded their home market and it is apparent from the utterances of her public men and leading business men that they propose to preserve it in the future. Those of them who have discussed measures of reciprocity with other countries have always declared

that any system of reciprocity upon which they would enter must be of such a character as not to harm a single American industry and not to deprive a single American labouring man of one day's work. One of the latest pronouncements on the subject is that of Mr. Shaw, secretary of state for the United States. In dealing with the policy of the United States in the future he made the following very frank declaration :

We say that it matters very much who produces that which the American people consume. American people shall have the first opportunity to supply the American market. Therefore adjust your tariff so as to give the American labourer, artisan and farmer the first opportunity to supply that which we can consistently. Then we have a surplus. What will we do with it? We will sell it abroad. Higher than we sell it at home? Yes, if we can. Cheaper than we sell it at home? If necessary. Sell it for what you can get and we will have a large balance of trade, which brought in will make us all comfortable.

The following extract from a letter recently written by a leading manufacturer in the United States to the public press of that country is interesting. I refer to a letter, written by Mr. G. H. Seabury, of New York, in January, 1903 :

The commodities that are undersold in foreign markets include steel, iron, machinery, locomotives, agricultural implements, sewing machines, cotton goods, pharmaceutical preparations, patented wares, furniture and minor manufactures that are produced in every section of our country. If these surplus exports were not sold at small margins of profit we would be unable to secure and hold our foreign trade.

As I have said before in this House, Canada, since entering upon her period of commercial development, finds herself peculiarly situated. She lies 4,000 miles alongside the greatest manufacturing and agricultural country in the world. She has a sparse population spread over an enormous area. She lies alongside of a country which protects by an almost prohibitive tariff its own home market. Canada, with 5,500,000 people lies alongside of the United States with a population of 80,000,000 and a home market absolutely protected. What is the result? Look at the enormous manufactures of the United States; look at the enormous agricultural production of the United States. In

times of great commercial expansion the home market of the United States takes nearly everything that is produced in that country; at all events, the amount they export, although absolutely large, is relatively very small. They exported in 1900 only three and one-half per cent of the manufactures and eight, or nine, or ten per cent of the agricultural products. Well, things will go on all right during a time of commercial expansion when the home market is capable of absorbing nearly the whole product, but when a time of depression comes, when the consuming power of the people of the United States is decreased, what will happen? A good deal will happen. Canada lies alongside of the United States, Canada is her best customer in manufactured goods, as the hon. member for North Norfolk truly says. Canada is her third best customer in all classes of goods. When the surplus of the United States comes to be dealt with, where will it be dealt with? It will be dealt with in Canada and Canada may reasonably expect in the first instance to be the dumping ground of the American surplus. Canada, to some extent, is the dumping ground of that surplus at the present time. It is argued ravelly by some people in this country that it is a good thing for the people of Canada that Canada should be the slaughter market for the manufactures and agricultural products of the United States. The argument seems to be this: It is said that if these goods are sold in Canada at less than the cost of production we get them cheap and therefore, upon the old free trade argument of years ago, it must be a good thing for the Canadian people to buy these goods in the cheapest market. What if the advent of these goods into the Canadian market closes up Canadian factories? What if Canadian farmers leave their farms and go to the United States and find the employment which they cannot find at home? I believe that for another reason a policy of free trade such as was advocated years ago can never be an acceptable policy in Canada. Free traders in Great Britain, possibly men who might be described as doctrinaires so far as this country is concerned because they do not realize the conditions which prevail here, regret that Canada has not followed the example of the mother country and adopted free trade. It

seems to me that these gentlemen really do not know that of which they speak. If Canada had adopted the policy of free trade and opened her markets to the United States, our trade relations, bad as they are with the mother country, would be far worse, and further than that, I believe that the commercial supremacy of the United States which would undoubtedly then have prevailed in our markets would have been coupled eventually with political supremacy. Therefore, I do not think, looking at our situation, that we can ever have anything like a policy of free trade in Canada, and if we are going to adopt the policy of protection, let us have a declared and pronounced policy so that the people may know what to expect and let us adopt a policy which will adequately protect all the interests of the country.

During the past six years the government of the country has not declared its fiscal policy as it should have done. We have had no definite statement; no pronounced and declared policy. The Finance Minister, in 1897, told the people of this country that eternal vigilance was the price of protection. The Minister of Trade and Commerce (Rt. Hon. Sir Richard Cartwright) said that the ship's head was now turned towards the sea of free trade, and he was glad of it. The Prime Minister folded his arms in dramatic fashion since the commencement of this very session, and he told the people that he was glad that, having commenced his political life as a protectionist, he had now become a pronounced free trader. It is true that the Minister of Marine told the people of Maisonneuve two months ago that the Prime Minister was a protectionist, but still two months have intervened and the right hon. gentleman may have changed his opinions since. Cabinet ministers and their followers have given conflicting views from time to time on the question. Last session the Minister of Finance made an announcement which was regarded by some of his followers as a declaration that the tariff would be raised this session. The hon. gentleman from Alberta (Mr. Oliver) distinctly stated in this House that that was his construction of the remarks of the Finance Minister, and he was not corrected by any member of the government at that time. The Minister of Trade and Commerce

(Rt. Hon. Sir Richard Cartwright) made last session one of the most pronounced free trade speeches he ever made in his life. It would be well perhaps that I should refer to some of the language which he used then, in order to show his words, by way of contrast with those of other ministers. The Prime Minister congratulates himself that he has assembled in his cabinet men of every variety of opinion with regard to fiscal matters. Well, he certainly has a very strong contrast in some of them. Listen to what the Minister of Trade and Commerce said last session, and we will know when he gets on his feet now whether or not he is of the same opinion :

I do not mean to say that a government may not be corrupt and yet not protectionist. That may be. But I do say that human nature being as it is, it is almost impossible for a government to be protectionist and escape being corrupt.

But the Minister of Trade and Commerce, according to ideas of gentlemen on his own side of the House, is in a protectionist government at present, and he says it is difficult to be in a protectionist government and not be corrupt. Of course, if he insists upon it, we are bound to take him at his word. The Minister of Trade and Commerce thus continued his remarks :

And I will add this further ; I will add that while I think protection and corruption are practically inseparable ; I will add that I likewise believe for my part, that protection and true freedom are all but absolutely incompatible. On that I will give you words of another more eloquent than any I can utter. Here are some remarks which are very much indeed to the purpose. The gentleman whom I quote says :

'I come to expose to you the policy of the Liberal party. Let me tell you that policy may be resumed in the good Saxon word 'freedom' in every sense of the term ; freedom of speech, freedom of action, freedom of religious life and civil life, and last, not least, freedom in commercial life. . . .

In the American Republic you have the line of cleavage which exists between the Liberal party and the Conservative party—the question of free trade. We stand for freedom, they stand for restriction ; they stand for servitude ; we stand for freedom.

I denounce to you the policy of protection as bondage ; yea, bondage, and I refer to bondage in the same manner in which the American

slavery was bondage ; not in the same degree perhaps, but in the same manner. . . . In the same manner the people of this country, the inhabitants of the city of Winnipeg especially, are toiling for a master, who takes away, not every cent of profit, but a very large percentage, a very great portion of your earnings for which you toil and sweat. . . .

I do not tell you that we must have no taxation, but I do say that the government has no right to take a cent from you or me except for the necessities of the revenue, and if the government takes from you any portion of your earnings, whether the portion be large or small, to give to somebody else that government is as much a robber as the highwayman who puts a pistol to your forehead and says : "your purse or your life."

Admirable sentences, admirably expressed with that force and eloquence with which my right hon. friend (Rt. Hon. Sir Wilfrid Laurier) usually puts the case before his audience.

Mr. BROCK. See them smiling.

Mr. BORDEN (Halifax). After the session the Finance Minister went to Yarmouth, and he spoke there ; the Finance Minister at Yarmouth, the Minister of the Interior (Hon. Mr. Sifton) in his organ and in personal interviews, the Minister of Agriculture (Hon. Mr. Fisher) and the Minister of Customs (Hon. Mr. Paterson) in Argenteuil, the Postmaster General (Hon. Sir William Mulock) on the public platform and in his organ, the Minister of Inland Revenue (Hon. Mr. Bernier) at St. Hyacinthe, the Minister of Railways and Canals (Hon. Mr. Blair) in New Brunswick, the member for Guysborough (Mr. Fraser), the member for Hants (Mr. Russell) in Yarmouth, and many other members on the government side of the House have proclaimed their adherence to free trade, and have denounced any attempt to increase the tariff. On the other hand, the Prime Minister, through the mouth of his Minister of Marine, announced in Malsonneuve that he was in favour of legitimate protection to Canadian industry, and the Minister of Marine appeared on the platform before his electors as a protectionist. The member for West York (Mr. Campbell), the member for South Wellington (Mr. Guthrie), the member for West Huron (Mr. Holmes), the Prime Minister of Ontario, the Attorney General of Nova Scotia, the Hon. James McMullen, and a great many other very prominent gentlemen in the Liberal

party have proclaimed themselves in favour of increased protection to the industries of this country, and they have supported the position of my hon. friend from St. Mary's (Hon. Mr. Tarte), and have said that the government should have adopted the policy which had been advocated by that hon. gentleman (Hon. Mr. Tarte) before he left the present administration.

Now, Mr. Speaker, what really are we to make of the attitude of the Liberal party in that regard? I leave it to you, Sir, if, after carefully digesting, as I know you have done, the speech of the Minister of Finance yesterday, you are one whit the wiser as to what the policy of the Liberal party is with regard to protection and free trade. I know, Sir, that by the usages and custom of the House you are debarred from making any answer to my question, and, of course, I put the question only in a formal way, but I am quite satisfied, Mr. Speaker, that if you were at liberty to answer you would be just as dumb as you are at present.

Some hon. MEMBERS. Hear, hear

Mr. BORDEN (Halifax). Now, Mr. Speaker, the Conservative party believes in a policy of adequate protection; a policy of such adequate protection as will maintain and strengthen Canadian industries; such a policy as will give our own market to our own people. That policy we have declared in all parts of the country. We believe that such a policy is in the interests of all parts of Canada and of all classes of the community. I think that word 'adequate' attracted the attention of my hon. friend Haldimand, and I will give him every good authority for the use of that word by and by. In the western states the policy of protection has found favour with the farmers, because they see built up in all that western country great industrial centres; because they feel the advantage of a protected home market, and because they know that without the protection of that home market they would get very much less for their products than they do at present. As I said before, I believe that the farmers in the western part of Canada will have the same experience, and that they will learn, even more than they do at present—and they do very largely realize it at present—the advantages of our home market; the advant-

ages to this country of the protection of the home market so far as all classes of the people are concerned.

It is sometimes said that the farmers cannot be protected. My hon. friend the Minister of Trade and Commerce took that ground last year. He said the only way in which you could protect them would be by giving them a bounty. I want to point out to my hon. friend that there are people in this country whose claims have been denied by this government—I refer to the lead miners of British Columbia—who look on this matter in a somewhat different aspect. During my visit to the western part of this country I found that they complained bitterly that the tariff fails to give them any protection whatever, while the farmer has a very considerable protection. After enumerating a number of implements upon which a duty must be paid by the miner, they proceed as follows:

Wheat protected by a duty of 12 cents per bushel; oats protected by a duty of 10 cents per bushel; hay protected by a duty of \$2 per ton; potatoes protected by a duty of 15 cents per bushel; eggs protected by a duty of 3 cents per dozen; poultry protected by a duty of 20 per cent; cattle and sheep protected by a duty of 20 per cent; hogs protected by a duty of 25 per cent; fruits protected by a duty of 25 per cent; condensed milk, canned at Truro, Nova Scotia, protected by a duty of 3½ cents a pound; pease, corn, beans, canned, protected by a duty of 2½ cents per pound; apples, pears, peaches, canned, protected by a duty that averages over 100 per cent; preserved meats protected by a duty of 25 per cent; ham and bacon protected by a duty of 2 cents per pound; cheese protected by a duty of 3 cents per pound; butter protected by a duty of 4 cents per pound; and so on.

It will be observed that the lead miner of the west entertains an entirely different view from that expressed last year by the Minister of Trade and Commerce, as to the possibility of protecting the farmer. I am not suggesting that the protection to the farmer is too high; I think it is not high enough. I believe that upon many agricultural products the duty ought to be increased, so that a country like Canada, possessing agricultural capabilities second to none in the world, should not be handicapped in competition with the United States and should not be obliged to import from

that country nearly \$28,000,000 of agricultural and animal products. The farmer is protected in this country to a certain extent. He should be protected to a greater extent, and the Conservative party will be prepared, upon attaining power, to give him a further measure of protection which in its opinion the interests of the country demands.

The tide of industrial expansion seems to be at its height on this continent. It has been expected that its ebb would come before this. It has not yet come, but it will come as surely as the ebb follows the flow of the ocean tide. All business men are agreed on that. When it does come, the protection afforded to Canadian industries by the present ad valorem tariff will decrease with the decrease in prices. In many respects it is insufficient at present. It will be utterly insufficient then, when the time comes that we shall have to face the slaughtering in the Canadian market of goods from the United States. Have we no suffering industries at the present time? The hon. gentleman says that the time is inopportune for making any change in the tariff. What about our woollen industries, our cotton factories, our iron and steel industries? Do these not feel too keenly the stress of foreign competition? We have the lead mining industry of British Columbia crushed by the united effects of an American combine, an American prohibitive tariff and a non-protecting Canadian tariff. The most magnificent mining country in the world is practically paralyzed for the want of protection, while my hon. friend says that we have not time to deal with this question at this session—we have more pressing and weighty matters in our hands, and these gentlemen had better come another year. Would it mean nothing to the immigrants who are pouring into the North-west to have 100,000 people added to the population of British Columbia, engaged in the lead mining and other legitimate industries which ought to be built up in that province? An example of the value of a home market is found in the North-west at the present time. The people are pouring into that country, and we are finding there for the manufactures and agricultural products of eastern Canada a better market than they had before, while at the same time various industries in British Columbia have been stimulated

by the fact of that immigration. These movements react on each other.

What is our position with respect to the United States? We buy from them about \$72,000,000 of manufactured goods, and we sell to them \$6,024,000. We buy from them \$28,000,000 of agricultural products and products of animals, and we sell to them of the same articles less than \$8,000,000. All our producers and manufacturers are confronted in that country by a practically prohibitive tariff. I maintain that the Finance Minister does not take the proper view of the situation when he says that we had better postpone the revising of our tariff until after we have negotiated on trade matters with the United States. Their tariff is practically double ours, and we with a tariff half as high as theirs are going to negotiate with them. What is the objection to putting our tariff on a better and fairer basis first, and then going to negotiate with the United States? Why do we have to wait until my hon. friend the Prime Minister gets further letters from Senator Fairbanks in reference to resuming those negotiations which I thought from the right hon. gentleman's remarks in Montreal about a year ago had come for ever to an end? I say it is bad policy first to give to the United States such concessions as we gave in 1897, to continue these concessions to the present year, and then to say that we will avoid touching our tariff at all in order that when we come to negotiate with the United States we may go there handicapped. No, the stronger policy is the better one. Let us first deal with our tariff from the standpoint of our own interests, recognizing that in doing so we must have regard to certain conditions existing in other countries. Then, having dealt with our tariff in a strong and bold way, if the United States desire to negotiate, we can inform them that we are at their service and ready to take up the matter at any time they may desire.

Sir we propose at this juncture to renew our declaration of policy of last year with regard to the tariff. As I have already said, the question of preferential trade will be dealt with later. The resolution which I wish to move is as follows:

That all the words after the word 'that' in the proposed motion be left out, and the following substituted therefor:—

This House, regarding the operation of the present tariff as unsatisfactory, is of opinion that this country requires a declared policy of such adequate protection to its labour, agricultural products, manufactures and industries, as will at all time secure the Canadian market for Canadians ;

And that the financial policy of the government should include a measure for the thorough and judicious readjustment of the tariff at the present session.

Some criticism has been made upon the wording of this resolution. Some gentlemen have found it difficult to attach any intelligent meaning to the word 'adequate.'

I have noticed on some occasions that the same hon. gentlemen made use of the word and found it good enough to serve their purpose. Let me say that the hon. Minister of Marine and Fisheries (Hon. Mr. Préfontaine) favours 'legitimate protection.' I have his language declaring that policy, under my hand, used by him in a recent campaign in Malsonneuve. I suppose that 'adequate' is quite as definite as 'legitimate,' particularly when coupled with the proviso that the protection we ask should be adequate to maintain the Canadian market for Canadians. My hon. friend the Minister of Railways and Canals (Hon. Mr. Blair), this session, when introducing his Railway Commission Bill, expressed his opinion that it would 'adequately protect' our shipping interests. Yet my hon. friend the Minister of Finance says that the phrase 'adequate protection' is absolutely meaningless. I commend his criticism to his hon. colleague, the Minister of Railways and Canals, and I trust that the speech of the latter will be revised in accordance with that criticism. I find also that the provincial premiers introduced the phrase three times in their resolutions which the government is now considering. Would it not be well for my hon. friend the Minister of Finance if he adheres to the opinion he expressed in Halifax, to send these resolutions back to the provincial premiers for an explanation of this meaningless phrase which they have used. But I have a better authority than all these, one I am sure my hon. friend the Minister of Finance will not question. A certain editor of a newspaper published in Halifax some years ago, and published

there still, used the following strong language with regard to the coal duty :

The coal duty is a confessed mockery—an organized hypocrisy. The coal owners of Nova Scotia have been fooled, as we predicted they would be ; they get no adequate protection.

My hon. friend the Minister of Finance, who wrote that article, does not understand now the meaning of the term 'adequate protection' which was then used by him in that article. That only shows how some of us travel backwards in our education.

The MINISTER OF FINANCE. On both sides.

Mr. BORDEN (Halifax). Most of us go a little forward, but my hon. friend, in this regard at least, has found himself travelling backward in his comprehension of the English language. With these excellent authorities, especially the last, perhaps the Minister of Finance may be inclined to reconsider his obiter dictum.

Sir, I concur in the eloquent words which my hon. friend the Minister of Finance uttered in his peroration. We all realize now the wealth of our resources, the splendour of our heritage. It is true that the Liberal leaders in days gone by did not entertain the same view of the great west which has been expressed so eloquently by the hon. gentleman. The great Conservative leaders of the past had opposed to them men who, in all sincerity, saw nothing in the province of British Columbia, save a sea of mountains, who saw nothing in our great west but a land incapable of paying for the oil required in operating a transcontinental railway. But let bygones be bygones. These gentlemen see now what the great Conservative leaders of bygone days saw years ago. We are glad that now we all think alike on this subject. We have a great country, a great heritage, and, therefore, great responsibilities. I fear not for the future of the west, nor do I believe that any narrow or sectional spirit now pervades or will pervade the people of that country. Like the people of the east, they will stand for a broad and strong Canadian policy, a policy which will give to our producers the advantage of our own markets, and to our labouring people a fair living wage; a policy which will keep our

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young men in our country and under which we can all unite in upbuilding a happy, prosperous and contented Canada.

I beg to move the following amendment to the motion of the hon. the Minister of Finance :

That all the words after 'that' in the proposed motion be left out, and the following substituted therefor :—'This House regarding

the operation of the present tariff as unsatisfactory is of opinion that this country requires a declared policy of such adequate protection to its labour, agricultural products, manufactures and industries as will at all times secure the Canadian market for Canadians ;

'And that the financial policy of the government should include a measure for the thorough and judicious readjustment of the tariff at the present session.'

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