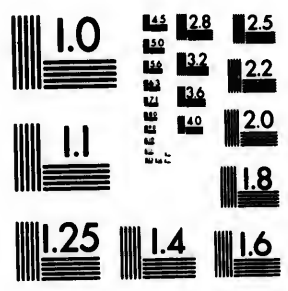


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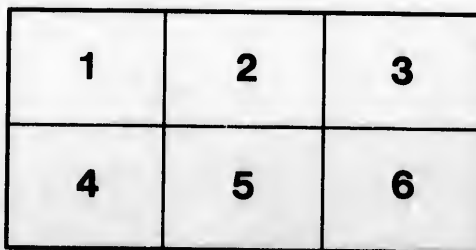
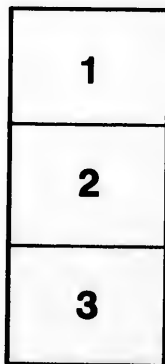
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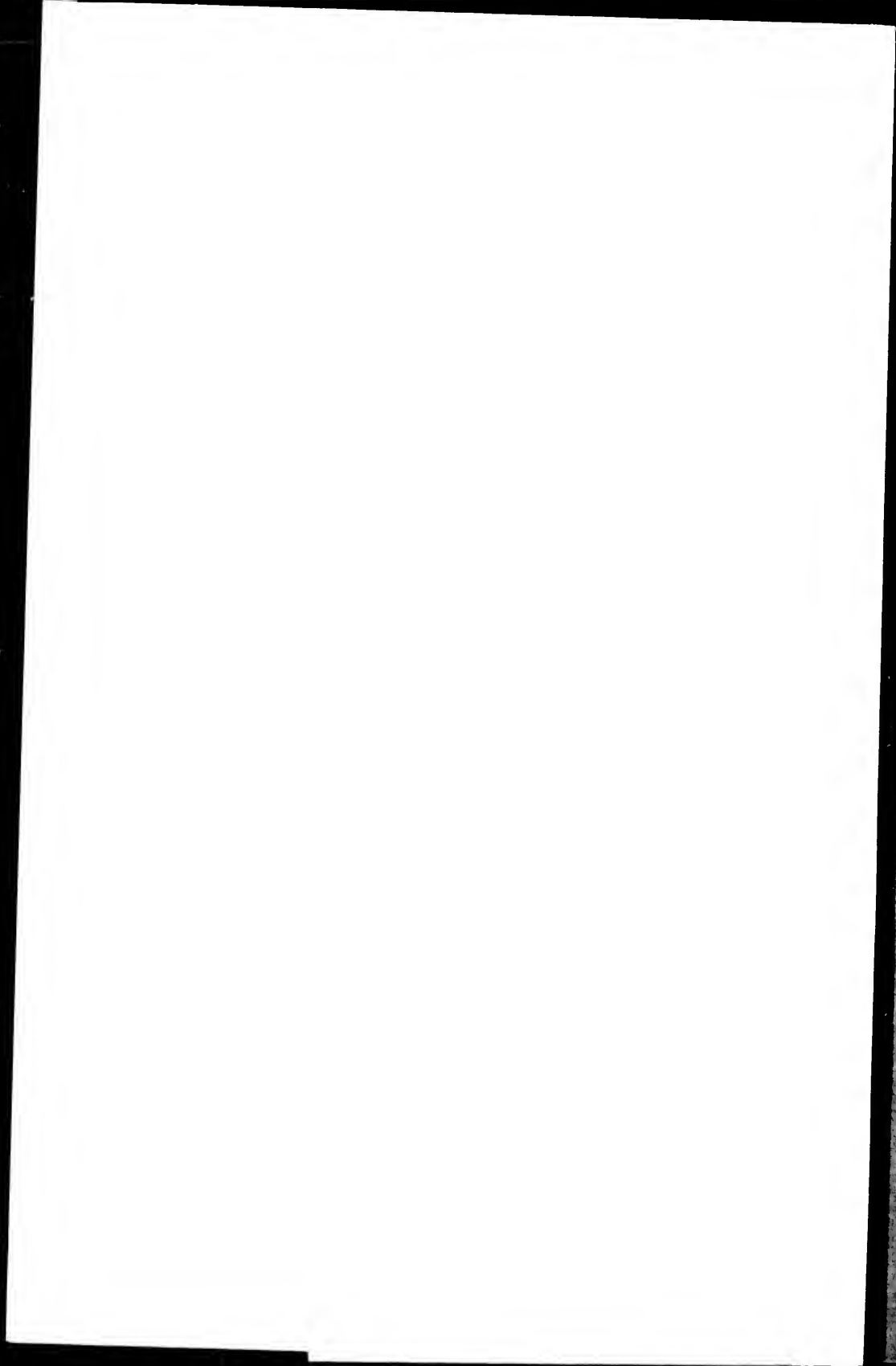
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SPEECH

MR. JOHN CHARLTON, M.P.

THE BUDGET

DELIVERED IN THE

HOUSE OF COMMONS

OTTAWA

FRIDAY, MARCH 28th, 1890.



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House of Commons Debates

FOURTH SESSION—SIXTH PARLIAMENT.

SPEECH OF MR. CHARLTON, M.P.,

ON

THE BUDGET.

FRIDAY, MARCH 28TH, 1890.

Mr. CHARLTON. I can compliment the hon. member for North Renfrew (Mr. White) very cordially upon the able presentation of the case from his own standpoint, that he has made to-night. I can say, with equal truth, that I am unable to agree with the hon. gentleman in a single conclusion he has drawn. He had a good deal to say with regard to my hon. friend beside me (Sir Richard Cartwright), as to his management of public affairs while he was Finance Minister of Canada, and as to the positions advanced by that hon. gentleman in his speech last evening, and I shall crave the indulgence of the House for a few moments in reviewing briefly some of the points made in this connection by the hon. member for North Renfrew (Mr. White). He asks, almost at the outset of his speech, how it was that upon one occasion the member for South Oxford did not occupy a seat in this House, and he left the House to infer that the riding the hon. gentleman had represented had lost confidence in him, and had failed to return him; but the truth was that the Government had blotted out that riding by the infamous Gerrymander Act of 1882, and consequently a temporary derangement of affairs resulted in my hon. friend being out of the House, I think, for one Session. The hon. member for North Renfrew goes on to say that in the first financial statement that he heard from the member for South Oxford, my hon. friend advanced the Customs duties of this country from 15 to 17½ per cent. Well, that was a very moderate advance. It was my opinion at the time that it should have been 2½ per cent. more; but the slight advance made by my hon. friend indicated the conservative character of his administration of the finances. He chose to refrain from imposing burdens upon the country; and in connection with the strict economy in the management of public affairs which that hon. gentleman practised, I think it is greatly to his credit that so slight an advance was made. The Public Accounts of this country show that during the five years of the administration of the finances of this country by the Mackenzie Government the increase of expenditure was very small; for 1873-74 the expen-

diture upon Consolidated Fund was \$23,316,000, and the expenditure in 1877-78, after five years of the administration of affairs by my hon. friend, was \$23,503,000, an increase of about \$184,000 only in the expenditure of this country, chargeable to Consolidated Fund, in five years, under the prudent, conservative and economical management of the hon. member for South Oxford—a management the character of which stands out in striking contrast with the management of the Finance Ministers who have succeeded him in this country.

Then the hon. gentleman states that the fact that my hon. friend and those associated with him on this side of the House, are still in Opposition, is proof positive that the country has no confidence in them, that the people refuse to repose confidence in the policy and in the character of those hon. gentlemen. Sir, when we take a survey of the political field of this country, when we take into account the influences used by the Government that now occupy the Treasury benches, when we consider the Gerrymander Act of 1882, the Franchise Act of 1885, the timber limit scandals, the pasture lease scandals, the appropriations amounting to millions of dollars made by that Government from time to time to influence the elections in various ridings of this country, the purchase of ridings *en bloc*, the purchase of Provinces, the refusal of that Government a few days ago to allow the passage of a law that would curtail its own powers for evil, so unscrupulously used—I say, when we look at all these things it is folly to talk of hon. members on this side of the House failing to secure the approval of the people. They are bought out; bought out by the money resources and the corrupting resources employed in every possible way by the Government of the day for the purpose of influencing the elections in this country.

Then, Sir, the hon. member for North Renfrew (Mr. White) refers to the intimation made by my hon. friend (Sir Richard Cartwright) that the policy of this country was only calculated to produce irritation in the United States, and that

consequently the policy was one to be regretted; and he tells us that if to maintain our dignity is to produce irritation, then let the irritation be produced and we will stand upon our dignity. Now, Mr. Speaker, it is a matter of great importance that Canada should set a good example to the world, that its progress and course in this matter should be dignified; but I think I will show a little later on, that I have good reason for the belief that Canada, in its intercourse with the United States, in the character of its policy towards the United States, has been more than dignified, that it has been captious, that it has been more than captious, that it has been insolent in some respects, that it has given good reasons for being considered so, and that a just cause has been given for the feeling of irritation towards Canada that exists; and I think I will be able to present, later on, the facts upon which this opinion is based.

The hon. member tells us that the party to which the hon. member for South Oxford (Sir Richard Cartwright) belongs has no policy, and that it is useless to talk about a party asking for the confidence of the country when it has no policy to present to the public, that it just sits here and indulges in a course of factious opposition, attempting to pull down everything that is offered, without having anything itself to offer in return. Now, I have always imagined that the Liberal party of this country had a policy—in fact, the hon. gentleman has attempted to criticise the policy that the Liberal party advanced to-night. One of the points in the policy of the Liberal party is that it advocates reciprocity with the United States, it desires to extend our trade relations with that country. That is one point in its policy. Another point in its policy is the assertion that this country is unduly taxed, that the burdens resting upon the shoulders of the people are too great, and that these burdens should be reduced. Another point in the policy of this party is that the expenditure is too great, that the Government in expending money is reckless, that it betrays the trust imposed in it by the people, and squanders their money; that there should be economy introduced in the expenditure of this money; that is one plank in the policy of the Liberal party. Another point is the assertion that the debt is too great, that the accumulation of debt should cease, and that a policy should be adopted that will reduce that debt, rather than increase it. That is another plank in the platform of the Liberal Party. Then, with regard to the management of the public domain of this country, the Liberal party asserts that the management has been reckless; that it has not been judicious; that it has not been in the public interest; that it has been conceived in the interest of the friends of the party and of the Government; that it has been used to increase the Government influence and to give the Government power, and that in all these things the policy of the party now in power is wrong; and per contra, that the policy advocated by the Liberal party being in direct opposition to the policy the Government has pursued is right. I might indicate many other points upon which the Liberal party stand before the people with a clearly defined policy, a policy exactly the opposite of that pursued by the hon. gentlemen in power.

Then, the member for North Renfrew (Mr.

White) proceeds to refer to the resolutions introduced in the House of Representatives last year by Congressman Hitt, and the resolutions this year reported by the Committee on Foreign Relations, of which Mr. Congressman Hitt is chairman; and the hon. gentleman informs us that there is something very suspicious about that matter, that last year the resolution reported to Congress and passed by the House of Representatives was one favoring commercial union, offering to negotiate with Canada on the basis of commercial union; while this year, singularly enough and suspiciously enough, the resolution reported by the Committee on Foreign Relations to Congress is not definitely in favor of commercial union, but is a proposition that Commissioners should be appointed on behalf of the United States, when Canada indicates a desire to treat, for the purpose of considering the best methods to secure wider trade relations between the two countries, without any definition as to exactly in what way the details are to be settled—a resolution covering almost identically the ground occupied by my hon. friend (Sir Richard Cartwright) when he moved his resolution last year. This simply shows, in my estimation, that Congressman Hitt, one of the most advanced thinkers in the United States, one of the most liberal-minded statesmen in the Republic, has somewhat modified the view he entertained last year, and he now believes that unrestricted reciprocity between these two countries can be secured on some other basis than commercial union, that it can be secured on the basis which my hon. friend from South Oxford proposed last year. In fact, it places us in a better position in this matter than before; it gives us a more liberal offer as to the basis on which negotiations shall be entered upon; it offers to us, if the resolution passes Congress, a basis for seeking to make an arrangement, which is one we may, with every confidence, enter upon and carry to a successful issue. But, the hon. gentleman tells us, that is all bosh; that this hope held out by the motion, introduced by Congressman Hitt, is perfectly delusive. He says, that Senator Sherman, last year expressed the opinion, that we could not have free trade relations between these two countries, except on the basis of political union. Then, the hon. gentleman takes up the *New York Evening Sun*, a one cent evening daily, and he reads an editorial from that newspaper, in which the writer ventures the assertion, that if we want free trade, we must take it on the basis of annexation. Does that settle the question? Does the opinion of Senator Sherman, respectable and eminent as he is, settle the question? If the United States invite this country to treat with it, to appoint Commissioners for the purpose of negotiating as to freer trade relations upon the basis that Congressman Hitt's resolution indicates, shall we, because some *New York newspaper* or some individual member of the United States Senate, refuse to accept the proposition, made through Congress, inviting us to enter into negotiations with a view to ascertaining what results can be reached, refuse to accept the invitation to secure an acceptable treaty? To refuse to enter into negotiations is to show we do not want reciprocal relations on any terms whatever.

Then the hon. gentleman has told us about the pessimistic wails of the hon. member for South Oxford (Sir Richard Cartwright). Well, I might speak

of the optimistic cock-a-doodle-doo expressions of the hon. gentleman himself, and one would be as appropriate as the other. It may be pessimistic to point out clearly the dangers that threaten this country, to show that we are on the way to ruin, to warn the people of the result of the course we are pursuing. But I do not think so. I think it is patriotic in a public man, and he who has the courage to stand up and speak the truth and warn the people as to the natural outcome of the policy pursued by the Government is one who deserves thanks rather than condemnation.

Then the hon. gentleman goes on to talk about the small increase in our rural population. He does not admit directly that there is a decrease, but he admits, inferentially, that there is a very small increase, because he proceeds to account for it, and he says the drainage of the population to the North-West accounts for it. There is not a sufficient aggregation of people in the North-West to account for the drain from the older Provinces. The people go to the United States—they go in streams and in thousands.

An hon. MEMBER. Why?

Mr. CHARLTON. Because there are better opportunities and openings there. I find Canadians wherever I go, and I find them satisfied with the condition of affairs there. I am bound to say that I never have found a Canadian in the United States who expressed any desire or intention to come back to Canada.

Some hon. MEMBERS. Oh, oh.

Mr. CHARLTON. It is a bald statement of fact, and simply that. It is a fact that the increase of our rural population is at a standstill, and this is not accounted for by the drain of our population to the North-West, for, where one man goes to the North-West from Ontario, four or five cross the line into the United States.

The hon. member from North Renfrew (Mr. White) next comes to the statement made by the hon. member for South Oxford (Sir Richard Cartwright) with respect to the mortgage indebtedness of Ontario, and he disputes the statement made. It is an easy matter to do so. Accurate information as to the matter is not probably available. What the hon. member for South Oxford (Sir Richard Cartwright) did was to name eleven ridings in the Province, and his statement was that a certain condition of affairs with respect to mortgage indebtedness prevailed in these ridings, and he said, if a like condition of things prevailed in the rest of the Dominion, then there was a mortgaged indebtedness in Canada of from \$200,000,000 to \$300,000,000; and, to satisfy the country that his calculations were correct, he asked that there should be a vote of money for the purpose of appointing a commission to examine into this matter, and decide whether these calculations with regard to the mortgage indebtedness were well founded or not. And if the Government have any doubt as to the conclusion, let them give us a small vote, and appoint a commission, and investigate the matter, and demonstrate whether the calculations of the hon. member for South Oxford are well founded or not. But whether we have a mortgage indebtedness of between \$200,000,000 and \$300,000,000, made upon mortgage loans less or more, I can assure the hon. gentleman, and the members of this House, that there is a certain mortgage indebtedness, the

amount of which we can arrive at almost exactly. There is a mortgage indebtedness on the improved lands in this Dominion, amounting to over \$10 an acre, due to the public debt of Canada. That mortgage indebtedness we have at all events.

An hon. MEMBER. Are there no assets?

Mr. CHARLTON. We have \$237,000,000 of net debt, and we have 22,000,000 or 23,000,000 acres of improved lands, and it is, therefore, easy to figure up how much is the mortgage indebtedness on the improved lands of the Dominion.

Then the hon. gentleman (Mr. White) proceeds to give us some statistics, or not statistics exactly, but speculations, as to the depression existing in the United States. If all he asserts with respect to the United States were true, it simply points to the fact that protection, which has been the policy of that country since 1861, has not worked satisfactorily, and if protection in the United States has produced, or any other cause has produced, the depression in that country, which the hon. gentleman asserts exists there, it behooves us to see whether the policy we are pursuing is not one of a similar character and likely to produce similar results.

The hon. gentleman (Mr. White) refers to England under a free trade policy. Well, in England a great many causes have operated to produce agricultural depression. In the first place, the natural customers of England for the products of her looms and workshops are the countries that have adopted a policy which is calculated to keep her goods out of their markets. The result has been, to that extent, to reduce the purchasing power of England. These countries have a surplus of food to sell to Britain. The price of natural products in those countries is governed by the prices in England, and the protective policy which impoverishes their natural customer for food products, and reduces her purchasing power has its effect upon the reduced prices paid in America for farm products. Added to this there has been a great reduction in freights, both railway and ocean, and the opening up of new sources of supply, as in the case of India, all of which has tended to depress the agricultural interests in England. The most marked influences upon prices of farm produce in England and America have been exercised by the construction of railway lines to reach the wheat fields of India, which bring our farmers into competition with the Coolie labor of that country. All these causes combined have reduced the agricultural prices in England, but that is a question quite foreign to the matter under discussion in this House at the present time.

The hon. gentleman (Mr. White) wants to know if we did not consider ourselves largely to blame for the slow settlement of the North-West. I hardly know what the hon. gentleman means. Perhaps, he means to indicate that we have taken a course that is calculated to deter people from going to the North-West, and that we have sought to diminish the movement of population into that country. I do not think, Sir, that the North-West has better friends in this country than the Liberal members of this House, or friends who are more desirous of seeing the country prosperous. Of course, we have criticised freely various parts of the policy of the Government with reference to the North-West. We have criticised its land policy; we have criticised that colonisation policy which gave to speculators

land at \$1 an acre, for which the settlers were charged \$2 an acre. We have criticised the pasture lease grazing policy, which puts in the hands of cattle kings vast tracts of land, on which a settler is not allowed to settle, unless the cattle king gives his consent, and by which the settler is shut out from some of the best agricultural regions of the North-West. We have criticised the policy of the Government in regard to timber limits; we have criticised its mineral lands leases; and we have criticised its railway policy, by which vast sums of money are expended uselessly in that country. All these things it was our duty to do, and if these criticisms in any way had an unfavorable effect upon the settlement of the North-West, why, we cannot help it, and it is really the fault of the Government that they gave ground for criticism by their improper conduct, and not our fault that we criticised what we found to be objectionable in their policy.

The hon. gentleman (Mr. White) then proceeds to a criticism of Mr. Mackenzie's Administration—really he has covered a wide range in his speech to-night—and he says that Mr. Mackenzie and his colleagues accomplished practically nothing for the country. Did they not? They completed the Intercolonial Railway, they proposed to give to the North-West an outlet by constructing a road from Lake Superior to the Red River in Manitoba, and from the Red River to Pembina, to connect with the American lines; and further, as soon as the wants of the country required it, to continue the Canadian Pacific Railway west. They deepened the canals, they did various things that were beneficial to this country, and the best thing they did was to set an example of honesty and economy in the administration of the affairs of the country. Then, Sir, the hon. gentleman says that the hon. member for South Oxford (Sir Richard Cartwright) wrestled constantly with deficits during his administration of the financial affairs of this country. Let us look at that deficit question a little. If the hon. member for Renfrew (Mr. White) had examined the Public Accounts, I do not believe he would have said anything about deficits, and I rather think he would be disposed to let this matter rest. I have here a list of the deficits since Confederation, and during the five years my hon. friend, Sir Richard Cartwright, held office, the deficits were:

1875-76.....	\$1,900,000
1876-77.....	1,480,000
1877-78.....	1,128,000

or a total deficit for the three years of \$4,488,000. Now, are these the last deficits in our financial history, and did the deficits cease when the hon. gentleman left office? Let us see. The deficit was in:

1878-79.....	\$1,937,000
1879-80.....	1,643,000
1884-85.....	2,240,000
1885-86.....	5,834,000
1886-87.....	810,000

or a total deficit of \$11,365,000, as compared with a total deficit of \$4,488,000 during the hon. member for South Oxford (Sir Richard Cartwright's) incumbency of the office of Minister of Finance.

Mr. FOSTER. We will soon pull the deficit down.

Mr. CHARLTON. Oh, yes, you will pull things down.

Fault has been found with my hon. friend beside me (Sir Richard Cartwright) because he refused to raise the duties. Now, the deficits under his administration were due, not to extravagance, and not to mismanagement, but to causes entirely beyond his control. They were due to the world-wide depression which diminished the revenues of Canada, of the United States, of England, and of every country in the world, and my hon. friend knowing that this condition of things was temporary; knowing that when this depression passed away, the duties that were then being levied were ample to afford him all the revenue that an economic administration of the affairs of this country required, refused upon the pretext of scant revenues, resulting from this abnormal condition of things, to increase the burdens placed on the people. The revenue of the United States during this period of depression, and the increase of the revenue immediately after this period of depression, clearly show that my hon. friend's expectations would have been realised had he remained in office. The Customs revenue of the United States was:

1876.....	\$148,000,000
1877.....	130,956,000
1878.....	130,170,000
1879.....	137,250,000

Then the depression passed away and in 1880 there was a leap from \$137,000,000, the revenue of the previous year, to \$186,500,000; and in 1881, the Customs revenue of the United States was \$198,000,000 against \$137,000,000 two years before, and that without the change of a single item on the tariff list. That shows that there was a rapid advance in the collections from Customs in that country as soon as the depression passed away, and it warrants the impression that had the tariff remained as it was in this country, and had my hon. friend (Sir Richard Cartwright) remained in the position of Minister of Finance, the increase in the revenue of Canada, when the depression passed away, would have been ample for all purposes and would have left him a surplus instead of a deficit.

My hon. friend from Renfrew (Mr. White) says that he is in favor of reciprocity on fair terms. What are fair terms, and what does he esteem to be fair terms? In my opinion the proposal made by my hon. friend (Sir Richard Cartwright) for unrestricted reciprocity, is a proposal for reciprocity upon fair terms, and anything coming short of that falls short of being such a proposal. If we ask the United States people to grant us a treaty of reciprocity that will enable us to sell to them exactly what we want to sell, and not enable them to sell to us anything they wish to sell, that is not reciprocity on fair terms. That is a treaty by which we secure a decided advantage at their expense. A true reciprocity treaty must permit us to sell to them the products of our labor, and permit them to sell to us the products of their labor; what they naturally want to sell. Anything short of this, falls short of being a true reciprocity treaty. But the hon. gentleman says in effect it is not a matter of much moment after all; it is a very trifling matter whether we get reciprocity or not; it is hardly worth looking after; it might be advantageous, if we could get it exactly as we wanted it—if we could dictate our own terms; but, if we have to go into negotiations with our neighbors, and give them some advantage as well as secure some advantage ourselves, then it

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is not a matter of much consequence; he does not know as we care about it at all. But, the hon. gentleman infers that the Liberals are still in favor of reciprocity, and I am sure his inference is right. I can assure the hon. gentleman that that is one of the principles on which the Liberal party stand, and on which they will appeal to this country; and with that principle they have victory written on their banners if ever they can reach the people of this country and place that issue squarely before them.

Mr. SPROULE. You did not work it very well in Haldimand the other day.

Mr. CHARLTON. When the Government have to distribute their boodle among 215 ridings, and cannot concentrate it in one, we shall not probably have the result we had in Haldimand.

Now, the hon. member for North Renfrew (Mr. White) tells us that the farmers are not burdened by protection—that the Government have considered his case and are about to give him protection. Well, Sir, if we are going to have protection, I think it is about time the farmer had his share; if there is anything that can be done for the farmer, in Heaven's name let it be done. When he is bleeding at every pore for the benefit of a lot of monopolies it is but fair that somebody should bleed for his benefit; it is a case of blood-letting all round. But I do not know as you can give the farmer much advantage by bleeding others. There may be something in the duty on meat for him—he may get one or two cents back in return for the dollars he is losing, but the whole thing taken together is a bad policy. I do not know that I need weary the House by referring, at greater length, to the remarks made by my hon. friend from North Renfrew.

The hon. Finance Minister the other night made a few statements, and took a few positions to which I wish to refer briefly. He told us that the increase of the public debt of this country was a wise arrangement, that we had got value for it, that it had been beneficial to us in every respect. He told us that the increase of the expenditure was also an act of wisdom. Well, I have great respect for the judgment of the hon. Minister of Finance, and I have great respect for him personally—greater respect, perhaps, for him personally than I have for his judgment in these matters. I doubt very much whether I can agree with him in the position he takes with regard to the benefit this country is likely to derive from the vast increase which has taken place in its public burdens. For instance, in 1867 the net public debt—I deal with that entirely, not referring to the gross debt—amounted to \$75,728,000; last June that debt had been increased to \$237,530,000, an increase of \$161,802,000. Now, how has this increase been applied? Have we got value to show for it? I suppose my hon. friend would say we have, but I shall be obliged to express grave doubts on that point. We have \$51,000,000 sunk in the Intercolonial, and if we had a true statement of the management of that road, I believe we should find that it is costing us not only the loss of the interest on that amount, but about \$1,000,000 more every year; so that certainly that is not a profitable investment directly, and I do not think it is a profitable investment indirectly. Then, we have about

\$70,000,000 in the Canadian Pacific Railway, including the \$10,000,000 worth of lands taken from the company when we settled with it the \$20,000,000 loan. I have the greatest respect for the promoters of that road. They were men of great enterprise and energy, and the construction of the road was a marvel in railway construction—a wonderful display of energy; but the action of the Government I do not think was politic or advisable under the circumstances. I do not think we required to push through that great work with such haste as we did. I believe that if the policy outlined by the Mackenzie Government—building the line first from Lake Superior to the Red River, with a branch to connect with the American roads for a winter outlet, and carrying the construction westward to the base of the Rocky Mountains, as the country settled—had been continued, by the time the line reached the Rocky Mountains, we should not have expended more than \$30,000,000 or \$35,000,000, and we should have had a paying road, which, given as a bonus, would have been more than sufficient to secure the construction of the remainder. By that policy, I believe, we could have saved from \$35,000,000 to \$40,000,000 and a land grant of 25,000,000 acres; we should have got the line as soon as the country required it; a better line, and by a better route; and we should have had a large population along the line when it was opened to furnish it with business. I believe the policy of this Government with regard to the Canadian Pacific Railway was a gigantic folly. I do not look at the question from the standpoint of the company, but I look at it from the standpoint of the Government and the country. Therefore, I do not think this great increase of the public debt was in the interest of the taxpayer of this country, or in any sense warrantable.

Then, the hon. gentleman tells us—and in this I agree with him—that we ought not increase the debt after 1892. I more than agree with him. I say we ought not to increase the debt after 1890.

Mr. FOSTER. That is what I said.

Mr. CHARLTON. We ought to stop increasing it now; it is already too large. The hon. gentleman tells us he expects a large surplus in the next three years. In that he may possibly be reckoning without his host. If the tariff policy of the Committee of Ways and Means at Washington, as embodied in the McKinley Bill, becomes the law of the United States, the hon. gentleman may find that his surpluses will dwindle away and disappear, and that deficits will take its place. He may find a condition of things among the laborers and farmers of this country, brought about in consequence of that American Tariff Bill, that will dry up the sources of revenue, and be more disastrous and lamentable than any condition we have experienced in the recollection of any hon. member of this House. Therefore, I fear that the hon. gentleman's anticipations with regard to a surplus in the next three years are not likely to be fully realised.

Then the hon. gentleman alludes to a prediction which he says I made in 1879, of a reversal of the protective system in the United States, and a breakdown of the same system in this country. Well, perhaps, I have only put the realisation of that prediction at too early a date,

It is my belief that the next presidential election in the United States will see the triumph of the Democratic party, which in the last presidential election had a large majority in the popular vote. The Republican party to-day only holds the House of Representatives by a very narrow majority, and they hold the Senate also by a small majority. So that a slight reversal would give the majority in Congress to the Democratic party again, and there is evidence of a very rapid progress of free trade ideas in the United States. There is evidence that the farming population of that country are becoming aroused to the true condition of things, and that the operatives in manufacturing centres are becoming free traders. This was indicated by the gains made by the Democratic party in the last election in the State of Connecticut and in other manufacturing centres. We shall see within a few years a breakdown of the protective system in the United States. A highly respectable element among the Republican members of the House of Representatives favor tariff reform and a sweeping reduction of duties at this moment.

The hon. gentleman lauded the National Policy as having been the means of calling into existence new industries—of having in fact been the means of creating the manufacturing industries of Canada. We often hear this assertion made, and I wish upon this occasion emphatically to deny it. I believe that if the tariff of my hon. friend (Mr. Mackenzie), of 17½, had not been repealed in 1879, but had been continued until the year 1890, we would to-day see a healthier state of manufacturing industries in this country, a healthier development of those industries, and a development ample for the wants of the country. I am warranted in this assertion by the extent of their development in Canada, first, under the tariff of 15 per cent, and later under the tariff of 17½ per cent. It is not contended, for it cannot be, that manufacturers commenced in this country from the operation of protection and were not in existence before. Why, Sir, in 1871, we had \$77,904,000 of capital invested and 187,942 men engaged in manufactures in this country, and the products of these industries in 1871 reached the value of \$221,619,000. And all this business was called into existence under a tariff of 15 per cent.—a strictly revenue tariff and a very low revenue tariff. In 1881, we had a capital invested in manufacturing industries in this country of \$165,302,000, and 254,935 hands engaged in them, and their products amounted to \$309,676,000; and very little, if any, of this development can be claimed as due to protection, because the protective tariff was not passed until 1879, and there was no time for it to produce any perceptible effect so soon as April, 1881. I assert, therefore, that in Canada, under a revenue tariff, and a very low revenue tariff, we had, in 1871, manufactured in this country, \$221,000,000 worth of products, and, in 1881, \$309,000,000 worth, showing a rapid development between 1871 and 1881 under a purely revenue tariff policy. It is an insult to the intelligence of men understanding this question for any one to stand up here or anywhere else and assert that the present policy of the Government has been the cause of the existence in Canada of the manufacturing industries we have.

Then we come to the question of the burdens im-

posed by this debt. Our net debt of \$237,530,000 imposes a per capita charge of \$47.50, taking the basis of 5,000,000 population, which I believe is more than we have. The gross interest last year was \$10,148,931, but we received interest to offset this on investments of \$1,305,392, leaving a net interest on our public debt last year of \$8,843,539, or \$1.76 per head. Now, there have been some allusions made to the United States. The President of the Council enforced his arguments by such allusions and so to some extent did the Minister of Finance. The hon. member for North Renfrew (Mr. White) followed their course, and I shall, imitating the example set by these hon. gentlemen, draw a contrast, as regards the amount of debt and per capita expenditure between this country and the United States. The debt of the United States on the 30th June last was \$1,050,034,000, or a per capita charge, taking the basis of 40,000,000 inhabitants—which I believe is less than the actual population—of \$16.67, against a per capita charge in Canada of \$47.50. Our debt obligation is threefold greater per head than that of the United States, and the interest on the public debt in the United States amounted to \$41,001,484 last year, or a per capita charge of 65 cents against a per capita charge in Canada of \$1.76. These are suggestive facts. They are facts it is well for us to pause and consider. If we owe three times as much as the United States per head, if we are paying three times as much interest per head, that is not a satisfactory condition of things. The burdens of the country are too great, because we necessarily come into direct competition with the United States, and to have a fair chance in the race we do not want to be encumbered to a greater extent than they are. The nation that has the lightest debt and the lightest burden is the nation that has the best chance to succeed in the race of progress. If we were to treat the United States debt on the same basis as we do our own; if we were to deduct from the amount of their debt the assets of the country in the form of securities held, we would take from that debt the Pacific railway debt due to the United States, which is said to be perfectly good, and which amounts, principal and interest, to more than \$120,000,000. If we did this, it would leave the debt of the United States last June at \$930,000,000, or \$14.76 per capita, against \$47.50 in Canada.

I come next to the question of Customs taxation, and a comparison of the relative burdens under this head in the two countries. Our Customs taxation last year was \$23,726,783, or a per capita charge of \$4.74, on the basis of 5,000,000 inhabitants. I shall not make a comparison between the Excise taxes in the United States and in Canada, because it would take more time than is necessary, and because the Excise tax is a voluntary tax. The Customs duties are an involuntary tax, the people are obliged to pay it, but no man is obliged to contribute one cent to the Excise duties. It is a purely voluntary tax. The Customs tax then of Canada amounted to \$4.74 per head last year. In the United States, the Customs revenue was \$223,832,741, or a per capita charge of \$3.55, so that we paid in Customs last year \$1.19 more per head than the people of the United States, or a

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difference in their favor in the matter of Customs taxation of 33 per cent.

In the matter of expenditure, our expenditure last year, chargeable to the Consolidated Fund, was \$36,917,834, or \$7.30 per head. In the United States, the ordinary expenditure last year was \$281,996,615, or \$4.47 per head, making a difference of \$2.83 per head in favor of the United States, or our expenditure was 62 per cent. greater than that of the United States—comparing the ordinary expenditure of the United States with the expenditure chargeable to Consolidated Fund in Canada. But if we take the Consolidated Fund and the expenses chargeable to Capital Account last year, amounting to \$45,700,960, we have a total expenditure per head in Canada of \$9.14; and if we take the expenditure in the United States, corresponding to our Consolidated Fund and Capital Account, we find an expenditure of \$387,050,000, or \$6.14 per head, showing that the total expenditure in the United States last year was \$3 per head less, or 48 per cent. less than the total expenditure in Canada. Then we have the fact that, in this total expenditure in the United States of \$387,050,000, which I place against our Consolidated Fund expenditure of Canada, the former amounting to \$6.14 per head and the latter to \$9.14 per head, there is no less than \$105,033,443 of a surplus which went to the reduction of the debt of that country and to rest, while we had no reduction of the debt, but on the contrary an increase of \$2,998,000.

It may be claimed, and truthfully claimed, that this is scarcely a fair comparison, that we have in our Consolidated Revenue Fund expenditure an item for which the United States has no corresponding expenditure, and that is the subsidies which are paid to the Provinces, which would correspond with the expenditures of the State Governments in that country to which the United States Government does not contribute a dollar. I recognise the force of that contention, and I will make a comparison deducting that amount. Taking the Consolidated Fund expenditure at \$36,917,834, and deducting from that the provincial subsidies of \$4,051,427, we have a net expenditure of \$32,866,407, or an expenditure per head of \$6.57 against the ordinary expenditure in the United States of \$4.47 per head, and still we have an excess of \$2.10 per head in Canada as compared with the United States after leaving out of account the subsidies, or 47 per cent. more than the ordinary expenditure in the United States.

A comparison which is still more interesting and suggestive is that of corresponding items. Taking the United States ordinary expenditure to be \$281,996,615, we may deduct from that the pension list, \$87,624,779, the military list \$44,435,270, the navy list, \$21,378,819, and we have a total of \$153,438,858 to deduct from the total ordinary expenditure, leaving an expenditure for all other purposes except reduction of debt, of \$128,557,758, or an expenditure per head of \$2.04. Treat our own expenditure in the same way. From the total of \$36,917,834 expenditure on account of Consolidated Fund, deduct subsidies to Provinces \$4,051,427, militia \$1,323,551, mounted police \$829,701, and pensions \$116,029, making a total of \$6,320,708, it leaves a balance of expenditure amounting to \$30,597,126, or an expenditure per

head of \$6.11 against an expenditure in the United States for substantially the same purposes of \$2.04, or an excess of expenditure per head in Canada of \$4.07, or 200 per cent. more in Canada than in the United States when these items are left out. These are comparisons which are not only unfavorable but are alarming. They show our recklessness. This is a young country. When we expend in every Department and in every way more than an older and richer country, when we add three times as much per head to our debt, and expend three times as much, after eliminating these charges, it must suggest serious reflections to those who take a look at the future.

Let us for a moment look at the expenditure of this country now, and at the expenditure of the United States at various times in its history. The expenditure in the United States in 1810, when it had a population of 7,239,000, was \$10,280,000. In 1820, when the population was 9,633,000, the expenditure was \$18,285,000. In 1830, when the population was 12,866,000, the expenditure was \$15,142,000. In 1840, when the population was 17,069,000, the expenditure was \$24,314,000. In 1846, with a population 20,000,000, the expenditure was \$27,201,000, or \$10,000,000 less than our expenditure with the population we now have, theirs being four times as great, while their expenditure was only two-thirds of what ours is now. The first time when the expenditure of the United States reached the present expenditure of Canada was in 1847. In 1860, with a population of 31,443,000, their expenditure was \$63,200,000. After that date we have not a fair comparison, because the war commenced and great drains were made on the treasury of the United States, but up to 1861, the comparison between the expenditure of the United States and that of Canada is startling. It is startling to see that a country with twenty million people should expend only two-thirds of the amount expended by a country with five million people.

The most interesting point of my case to-night is that which I am about to refer to, and that is the measure of the burdens of taxation. An ordinary person would say we pay \$23,756,783 in Customs duties a year, and that is the measure of our burden. It is not so. That is only a part of the cost of the goods. The wholesale merchant assesses upon that his profit of say 20 per cent. The retail merchant buys the goods and assesses his profit of 25 per cent. on the duty, and 25 per cent. on the profit of 20 per cent. made by the wholesale merchant which forms an item in the cost to the retail dealer. When the goods reach the consumer, they cost him \$1.50 for every dollar which the Government receives. But, not to be accused of exaggeration, I will say that the cost to the consumer is only 40 per cent. extra instead of 50 per cent.; and in that case, the consumer pays \$33,197,496 for the goods from which the Government has only received duties amounting to \$22,726,783. But is that all? No; there is still a more serious charge. Every dollar's worth of goods manufactured in this country costs, within a fraction, as much more than the goods could be imported for as the amount of the duty. That is what is called incidental taxation. Mr. Springer, a Congressman in the United States, who is a recognised financial authority, made a careful calculation as to the amount of incidental taxation paid by the people in that country. The

result of that was that he estimated that the people of the United States paid \$539,000,000 more in the year the calculation was made than they would have paid for the goods if they could import them free of duty, while the amount of the Customs receipts that year were \$200,000,000; in other words they were paying two and a half times the amount of the Customs taxes in the form of incidental taxation due to the higher prices of domestic goods than the same article could be imported for if free of duty. I will assume that we are not doing as badly as that—though I fear we are—but that the incidental taxation, the enhanced cost that we have to pay over that which would have to be paid if those goods were imported free is only one and a half times the amount of the Customs duties, and that gives us an incidental tax of \$35,589,000, and it makes the measure of the burden of taxation on the people in consequence of the tariff which imposes a scale of duties realising \$23,726,783, and including the 40 per cent. wholesale and retail dealers profits on the duty cost of goods of which I have already spoken, a total of \$68,786,496, and it is probably more, or \$3 that the people lose for every dollar that the Government gets. Can you conceive of a more wasteful system, or a more absurd system? Is it any wonder that the people of this country are poor, that business is depressed, when the Government adopt a policy that takes \$3 out of the pockets of the consumer directly and indirectly, that it may get one dollar into its coffers? Our total exports last year were \$89,189,000. It took three-quarters of this total volume of exports to pay the losses, direct or indirect, sustained by this country through this absurd policy.

Now, we come down to the question of the increase of the debt, and I wish to compare the percentage of the increase in that debt with the percentage of the increase in the population of this country, just to allow the hon. gentlemen who have charge of this matter to realise where they are going to, and how fast they are going there. We had a net debt, as I said, in 1867, of \$75,728,000; last year it amounted to \$237,530,000, or an increase of \$161,802,000. The debt was 314 per cent. greater on the 30th June last year than it was 22 years ago. In 1867 the population was 3,371,000; supposing it was 5,000,000 last year, the increase was only 1,628,000, so that the population increased by 48 per cent. while the debt increased by 313 per cent., the increase of debt was almost five times greater than the increase of population. Is not that a nice showing for the Finance Minister to make, that the Government is increasing the debt five times faster than the country's power to pay has increased? Why, any business man whose agent would manage his affairs in that way, would turn him out, he would get rid of him as quickly as he could, and he would not stand upon the order of doing it.

The expenditure chargeable to Consolidated Fund in 1868 was \$13,486,000, in 1889 it was \$36,917,000, an increase in 22 years of \$23,431,000; it was 274 per cent. greater in 1889 than it was in 1867. The increase was 171 per cent., against an increase in the population of 48 per cent.,—a nice showing! What do you think of a body of men who would manage the affairs of the country in such a way as to increase the debt nearly five times faster than population increases; and increase the expendi-

ture over four times faster than the population? I should think the Minister of Finance would take credit to himself and say that the management of affairs had been satisfactory, that the increase of the debt was quite commendable, that the increase of the expenditure was just the thing, I should imagine that he would say so.

We will next take the Customs account. Here we have another beautiful illustration of the thrifty management which the Minister of Finance congratulates himself upon. In any other country in the world such a Government as we have would have been turned out by an overwhelming majority years and years ago; they do not deserve public confidence. Any man who would manage business in such a way would be called idiotic, he would be sure to go to ruin. In 1867, the taxation, from customs, was \$8,578,000; in 1888 it was \$23,826,000, an increase in 21 years of \$17,148,000, it was 276 per cent. greater in 1889 than it was in 1868, an increase of 176 per cent. in those 21 years against an increase in population of 48 per cent. The increase in taxation was four times faster than the increase of population. Brilliant management! No wonder, I repeat again, that the Finance Minister congratulates himself and the country on this brilliant achievement. I should imagine that his judgment was scarcely as reliable as it ought to be, and I think I am warranted in saying that I have a higher regard for him personally than I have for his financial judgment.

Mr. FOSTER. That will grow.

Mr. CHARLTON. If the hon. gentleman means the expenditure no doubt it will grow; it has been growing; it has a thrifty growth. We are growing right on towards ruin, there is no question about that. No man can gainsay these deductions, they are unmistakable. There is an undue increase in the debt, an undue increase in the expenditure, and an undue increase in the taxes. Any Government or any party that would justify this recklessness is unworthy the confidence of the people of this country. What is the effect of all this when we enter upon the race of competition with the United States in seeking to obtain immigrants, when we are placing before intending immigrants what we have to offer to induce them to come here? Is it likely to secure their settling in this country when we tell them that our debt is three times greater per head than that of the United States? Is it likely to secure their confidence when we tell them that we are increasing the debt five times faster than we are increasing our population? Is it likely to secure their confidence when they know that we are increasing the expenditure four times faster than we are increasing our population? Is it likely to draw them to us when we tell them that we are increasing the taxes four times faster than the population? Why, we have not the inducements to draw them here, we cannot get them to come here. Not only do we fail to get immigrants to come here, but our own people are forsaking us, and the result is that we have fear for the future, and the consequence is a great exodus of people fleeing from the wrath to come, realising that the country is going to ruin, and they are bound to get out of it. Now, Mr. Speaker, what does the hon. member for South Perth (Mr. Hesson) say?

Mr. HESSON. The people will let you know what they think about it.

Mr. CHARLTON. The Government has taken care of my hon. friend; I do not think the agricultural depression affects his sons very much who have snug government positions in the North-West.

Now, I am coming to the consideration of the agricultural depression. We have reported from the Ways and Means Committee of the United States House of Representatives a tariff law, and its provisions are a little startling. We had hopes that the rumors that reached us were not well founded, but the result, if the Bill reported becomes law, is worse than our fears. Let us scan some of the provisions of the Bill, and I will first refer to the article of eggs. This article has been free of duty for a good many years, and an enormous trade has grown up, amounting to \$2,135,000 last year. This tariff proposes to impose a duty of 5 cents a dozen on eggs, which will nearly wipe out the trade. The Minister of Customs says "Humph." If he was engaged in the hen business, I think he would have good reason to say "humph." We have a duty of \$30 a head on horses—not 20 per cent., but \$30 per head—a specific duty that my hon. friend is so fond of. That will be a dead shot. Then we have a specific duty of \$10 per head on cattle; that is a dead shot too. There is a specific duty of 30 cents a bushel on barley. It is only worth 45 to 50 cents in Canada now, and 20 cents more duty will bring it down to 25 or 30 cents a bushel. There is 25 cents a bushel on potatoes, a duty of \$4 a ton on hay. Your own Provinces, Mr. Speaker, is interested in that trade. The duty at present is \$2, and \$4 will be disastrous. There is a duty of 6 cents per pound on butter, and 1 cent a pound on fish, and so on through the list.

Now, I said a while ago that I was going to allude to the provocations that this country had given to the United States, inviting this very policy that has been adopted partly by way of retaliation, and partly for the purpose of throwing a tub to the agricultural whale of the United States, in order to pacify it. We have first as a provocation the fisheries question. I have no doubt the old treaty of 1818, that denies to a fishing vessel of the United States any of the usual courtesies which are extended to other mercantile vessels, that does not permit such fishing vessels to come into port for food of anything but wood and water, that does not permit it to supply itself with any tackling or to replace anything lost in case of distress, and the enforcement of these regulations have produced bad feelings. There is a party in the United States that takes this ground with regard to our fisheries. They say these fisheries were acquired by the joint action of Great Britain and the thirteen colonies, that the thirteen colonies had a proprietary right in those fisheries, and that contention, it is well to remember, was recognised by Great Britain up to 1818; and, further, they say that the provisions of that treaty are antiquated, and the more that common sense and courtesy and good neighborhood prevail with respect to commercial relations, the more antiquated and exasperating becomes an enforcement of those provisions. This state of things has provoked irritation and friction in the United States. That country grants to us the bonding privilege. Our railroads, the Grand Trunk and

the Canadian Pacific Railway, carry products through the United States without interference, bonded in their cars to New York or Boston or Portland, or any of the other seaports which their lines or connections reach, while we have denied to the United States the privilege of sending fish in bond through Canada. This is another ground of serious friction and trouble. Then we have created the grievance of differential canal tolls, in violation of treaty stipulations, by giving a drawback of 18 cents a ton on the 20 cents a ton collected on the Welland Canal to all vessels bound for Canadian ports. Then we have refused to meet the overtures of the American people with respect to reciprocity. A resolution was passed in the House of Representatives, last year, offering us the olive branch. We might at least have exercised equal courtesy, and have passed a resolution providing that the Governor in Council might appoint commissioners to meet commissioners appointed by the United States in accordance with the offer of the House of Representatives, to enter into negotiations with respect to this subject. We would not have needed to consent to anything we did not wish. But this Government did not entertain the proposition. It was bound to maintain its dignity, and it would not deign to meet overtures from 65,000,000 of people and treat them with the same degree of courtesy with which they treated us. No, we would not have reciprocity. We had too many men like the President of the Council, who thought it would be disastrous to have reciprocity, and did not want it even in natural products, and so we refused to meet those overtures; and, accordingly, the United States feel that they have received, in a certain sense, an insult from the Government of Canada. Then we had the export duty on logs, a miserable little exaction, which is worthy of a Barbary state or a South American Republic, but not worthy of an enlightened Anglo-Saxon state, a miserable little half-penny affair which produces irritation. Last winter a very large and influential delegation representing the entire lumber trade waited on the Government, a delegation kept altogether apart from politics, which demonstrated to the Government that the removal of this duty was necessary in the interests of the country. This delegation pointed out that the removal of this duty would probably result in the removal of the lumber duties by the United States; but the Government refused to surrender this income of \$30,000 or \$40,000, and this gives the lumber interests of the United States a lever to use against the lumber interests of this country. What is the state of the log trade? We imported from the United States from 1885 to 1889 logs to the value of \$6,750,000, \$4,675,000 of which went down St. John river from the State of Maine, and we exported to the United States logs to the value of \$1,958,000. We, therefore, imported more than three times as many as we exported. There was no export duty on the logs of the value of \$6,750,000 coming from the United States into this country, but we must impose an export duty on our paltry exportation, to create irritation and show our utter incapacity to deal with questions of international comity. The result is, that we see the lumber duties have only been reduced 50 cents per M., and before the various deputations are through, probably the duty will be back to \$2, with some provision as to the export

duty that will prove disastrous to this country. In all these respects we have adopted a policy calculated to produce irritation, and we have produced irritation, and the result will be that this country will suffer disaster.

The National Policy, we were assured, when it was adopted in 1878, would result to the advantage of the agricultural interests of the country; and I wish to make a comparison between the prices of the leading agricultural products on 1st October 1878, about the time the Mackenzie Government surrendered office, and 1st October last year. The figures are as follows:

FARMERS' PRICES.

	Wheat.	Barley.	Rye.	Peas.	Oats.
Oct. 1, 1878...	\$1.10 to 1.24	50 to 65	63c.	70 to 73	36 to 38
do 1, 1899...	0.81 to 0.90	40 to 50	52 to 53	53 1/2	00 25 1/2 to 27

I think the farmers were deceived in regard to this policy benefiting them. We see the result in this great decline of prices, or at least we see that prices have fallen greatly despite the National Policy.

It is said that a farmer down in Western Ontario died lately, and some spirit medium professed to say what happened after his death. He had gone to market and sold his little crop of wheat for 81 cents a bushel. He had gone to his storekeeper, and finding he had only sufficient money to pay one-half his bill, he gave his note at six months for the balance. He had saved a little money for the absolute necessities of life, and he made a few small purchases. He bought a dollar's worth of sugar, and he found that between the government and the refiner they took 50 cents of the dollar he expended. Then he wanted a felt hat for his little boy, and on it there was a duty of 25 per cent. which, with the profits of the wholesale and retailer on the duty, brought its cost to 37 per cent. more than it should be. He bought a few nails to fasten a few boards on his barn, and on them there was a duty of a cent a pound and the profit of the merchant on the duty was half a cent, making the amount one and half a cents more than they could have been purchased under free trade. He bought a razor, and that was taxed 25 cents. Then he looked at some glass goblets for his wife, but as the duty was 30 per cent. they were beyond his resources. Then as to binding twine he found when he came to settle his bill for that article that it cost 25 per cent. more than should have been charged, in consequence of the duty, and he tried in vain to figure out how the Government had benefited the farmer in that matter. He wanted a cloak for his little girl who was attending Sunday school, but he found a duty on it of 7 1/2 cents a pound and 20 per cent. *ad valorem*, and the cloak was beyond his wealth. Next he bought some yarn for his poor old mother-in-law to knit two pairs of stockings for herself, and on that there was a duty of 7 1/2 cents per pound and 20 per cent. He looked at some kid gloves as his daughter was about to be married, but he could not reach them as the duty was too high; then he bought a sheet of paper to write his will on, and he paid a tax of 35 per cent. on that. He went home, and when he came to think over matters, he got gloomy, and he made up his mind that this world, with its combines, rings and monopolies, preying upon the producer, was no world for the farmer to live in, so he took that 25 per cent. razor, and he went out to the barn and committed suicide. We have the rest of the transaction only through the spirit medium, and I do not know whether

it is true or not, but it is represented that the farmer went to Hades, and his Satanic Majesty met him and took him kindly and cordially in. He put him into a chamber where there were a great many Conservative politicians and Conservative editors, who had died in their sins, but the farmer did not feel at home there. Then he moved him to a place where there were a couple of deacons and a number of election agents, who had met together in a Conservative caucus to devise means for carrying the County of Haldimand and had not been allowed to live out half their days, but he did not like that association, and he went next into a place where there were a number of doctors and lawyers, but there he did not feel at home either. Then the Devil came around and asked him what he wanted, and said to him: "What are you?" and the other replied: "I am a farmer." "Where are you from," said the Prince of Hades? "I am from Canada," he replied, and "Who did you vote for?" enquired his Satanic Majesty.

Some hon. MEMBERS. Charlton.

Mr. CHARLTON. No; he would not have been punished if he did that. "I voted for Sir John A. Macdonald and the National Policy," was what he said; and the Devil said: "Why did you do that?" "Well," said the farmer, "I did that under the impression that it was going to raise the price of produce." "Oh," said the Devil, "then come along, I have a place for you;" and he took him to another large room, a thousand feet long, three hundred feet wide, and a hundred feet high, with lines stretched across it and a great number of people hung up, and the farmer said: "What does this mean?" "Well," said the Devil, "these are Canadian farmers who voted for Sir John A. Macdonald and the National Policy, under the impression that it would raise the price of grain, and as they are too green to burn I have hung them up to dry." Now, Mr. Speaker, the class of farmers who will be too green to burn after the next general election is, I believe, growing small. They are beginning to realise that all these promises were fallacious, and they are not going to take the assertions made by the friends of the National Policy as law and gospel hereafter.

We have heard something to-night about depression in the United States, and the hon. the President of the Council told us last night, that the trouble with the world was we had not had any war lately; that we had, in fact, lived under the calamitous condition of a long period of peace, and that if we could only have a little blood-letting, the Conservative party would be, perhaps, in a better condition, and the country as well. He told us there is a plethora of production, that everything is out of joint, and that there is as much depression in the United States as there is in this country; in fact he said that there is more depression in the United States than here, and that it would not be safe to have intimate relations with that country, as we might be troubled with depression as they are, and suffer from the evils under which they labor. Well, Sir, if there is anything the matter with business in the United States, if land in Vermont, right in the centre of the protected region is only worth \$5 an acre, as the hon. gentleman asserts, he neglected to say it was barren mountain pasture land, and if the further you go from the manufacturing centres, the better the price you get for land, I

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do not think it works very well as an argument in favor of protection. If depression exists in that great country, as he represents, it does not reflect very great credit on the policy that he recommends as a panacea for all the evils of this country. The fact is, that there does, to some extent, exist depression in the United States, but depression exists to a greater extent in Canada, and that fact is sufficiently shown by the movement in the exports of this country to the United States, and to other markets. Naturally, we sell to the United States that which we can find a better market for there than elsewhere, and although matters may be depressed there, yet there are a great number of the productions of the soil and of the forests of this country that find their best market in the United States. The duty imposed upon these various articles reduces their price to the purchasers here, to about the extent of the duty, for the reason that the production in the United States is so much greater than the imports from this country, that a small quantity, comparatively, going in, has little effect on the prices of the great mass there. If this was the exclusive source of supply, of course the consumer would pay the duty, but as we export but little compared to the great mass of the productions of that country, the duty is deducted from the price we receive. Now, Sir, we find our best markets in the United States for a number of important productions, and during last year the following statement will show the value of a list of articles which we exported to the United States, as compared with the value of the same articles which we exported to Great Britain:—

	Exported to United States.	Exported to Gt. Britain.
Eggs.....	\$ 2,159,725	\$ 18
Horses.....	2,113,782	26,975
Sheep.....	918,334	303,009
Poultry.....	110,793	1,127
Hides, &c.....	454,103	7,070
Wool.....	216,918	470
Barley.....	6,454,693	3,838
Beans.....	405,534
Hay.....	822,381	84,610
Malt.....	105,183
Potatoes.....	192,576	245
Planks & boards.....	7,187,101	158,443
Total.....	\$21,141,035	\$585,885

This would show that the movement in these articles is nearly forty times greater to the United States than to England, for the simple reason that for all of these articles we find our best markets in that country, and if the duties were removed from these articles our market would be so much the better there. We have, therefore, a very great advantage to derive from the removal of the duties. In addition to these articles I have specified, we have exported last year fish, various kinds of lumber and other commodities amounting to sufficient to make our exports to the United States last year, \$43,500,000. Upon this vast volume of exports, our direct interests lead us to desire that the duties may be removed, for if the duties were removed, that market would be better, the prices would be higher, and the prosperity of the country would be greater. Our trade with the United States is greater than with any other country; greater than with England, although we enter the English markets without any Custom house restrictions, while in the United States market these vexatious restrictions are calculated to reduce trade. Last year our trade with the United

States, Great Britain and all the world was as follows:—

Aggregate trade—	
United States.....	\$ 94,059,844
Great Britain.....	80,422,515
All world.....	198,882,614
Exports—	
All countries.....	80,189,167
United States.....	43,522,404
Great Britain.....	38,105,126
Imports for consumption—	
All countries.....	109,673,447
United States.....	50,537,440
Great Britain.....	42,317,339

These figures prove conclusively that we must trade with the United States, that we will trade with the United States, that even tariff walls cannot prevent us from seeking our natural customers; that, in spite of all the restrictions placed on our trade, we export more to the United States and import more from the United States than any other country in the world, even Great Britain herself.

Now, to show what would be the effect of reciprocity on our trade, let me for one moment refer to the result of the reciprocal trade relations which obtained from 1854 to 1866. Our exports to the United States in the first year after reciprocity amounted to \$10,473,000, while in the last year of reciprocity they amounted to \$39,950,000, an increase of 280 per cent. in eleven years; and now, twenty-three years after, our exports to the United States have only risen to \$45,500,000, an increase of only about \$3,500,000 in the 23 years, against an increase of nearly \$30,000,000 in 11 years under reciprocity. These figures tell their own story; there can be no doubt what the result of reciprocity of trade between these two countries would be.

I will not detain the House by showing the advantages which would result to the various lines of trade from reciprocity; I will just refer to one branch of the subject. My connection with the Mining Commission of Ontario brought forcibly under my consideration the great advantages which would result, not only to Ontario, but to all sections of the Dominion having mining resources, from free trade with the United States. For instance, the only coal fields on the Atlantic coast from Florida to Greenland are in Nova Scotia. The consumption of bituminous coal in the New England States and in the Atlantic seaboard cities of the United States amounts to from 12,000,000 to 15,000,000 tons a year; and with free trade Nova Scotia could, in all these markets, compete with the bituminous coal brought from the interior of Pennsylvania, and the paltry export trade of about 63,000 tons which was the amount exported by Nova Scotia last year, could be increased indefinitely. Would that not confer great advantages on Nova Scotia? Then the iron foundries of the New England cities and other seaboard cities in the United States would supply themselves from the unlimited iron ore beds in Nova Scotia and New Brunswick. Those Provinces would receive enormous advantages from the removal of the duties on iron ore and coal. Then, along the shores of Lake Huron and Lake Superior, in the Province of Ontario, we have the finest structural material in the world. Marble, granite and freestone quarries are situated along the lake shores, where vessels of any draft that can pass through our canals could

load. The United States last year used \$25,000,000 worth of structural material, and the great cities on the lakes used a large amount of this structural material. From these quarries Chicago, Milwaukee, Detroit, Cleveland and Buffalo could be reached with the utmost ease. The stone could also be sent down the Erie Canal to New York, Brooklyn and Philadelphia, with only one transfer from lake vessels to canal boats. A trade of millions of dollars a year in building stone would spring up in place of the paltry trade of \$43,338 last year, only \$10,812 of which was from Ontario. Then, if the duty, amounting to \$5 a ton on the copper contained in copper ore were removed, I do not say that smelting works would be erected in Canada, but we should ship thousands of tons of copper ore every year to the smelting works of the United States. A similar trade would spring up in iron ore. The trade of the Lake Superior region in iron ore amounted last year to 7,000,000 tons—long tons, as they are called, of 2,240 lbs., and we have only shipped 60,259 tons from the whole Dominion, 24,329 tons only of which was from Ontario. We have as good iron ore on our side of the great lakes as the United States have on theirs, and there is no reason why we should not participate largely in this immense trade; it is only protection that shuts us out. Western Ontario, projecting like a wedge into the United States, brings the cities of New York, Buffalo, Albany, and many other great centres of population in

the Northern States to our doors. We possess unlimited advantages for supplying them with everything we produce, and we are only prevented from enjoying these advantages by the tariff wall which exists between the two countries. Yet the hon. member for North Renfrew (Mr. White) considers it of very little consequence for us to adopt the policy which ran up our trade with the United States from \$10,000,000 to \$40,000,000 in the eleven years from 1854 to 1866. It is perfect folly that these hon. gentlemen talk. Here we are, with an increase of 18 per cent. in our population in the last decade against an increase of 30 per cent. in the population of the United States, although we received 60 per cent. more immigration proportionately than they received. We have lost of the population of this country over 3,000,000 souls directly and indirectly in consequence of being debarred from our natural market by hostile tariffs; and the Government are provoking an aggravation of the evil themselves by moving in the very direction that will call down on their heads the disaster threatened by the proposed tariff legislation at Washington. I tell you, Sir, these are matters for grave consideration. The faults and follies of this Government, their mistaken policy, their recklessness in management, their refusal to seek that which is best for this country, and which this country must have, will result in their defeat, I believe, and I hope, when they next go to the country.

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