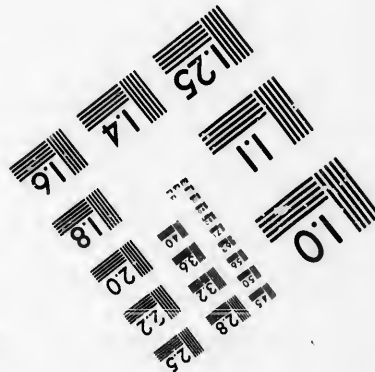
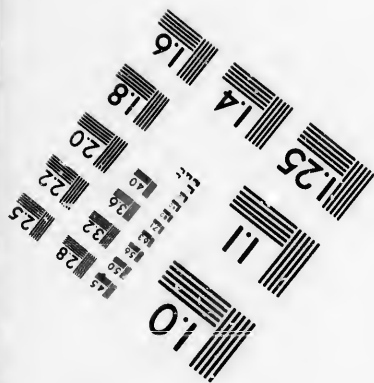
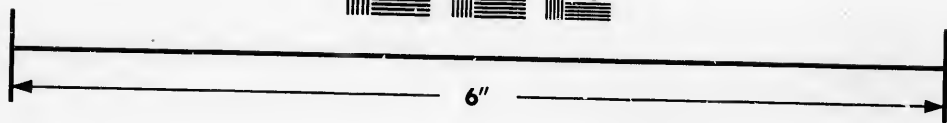
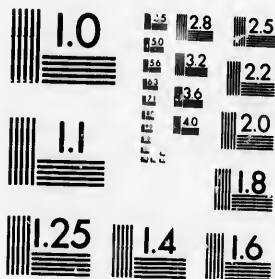


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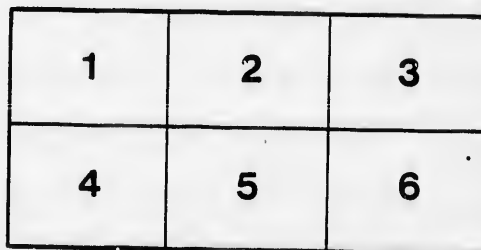
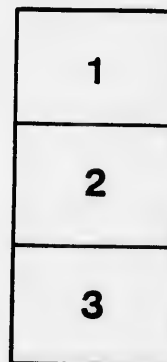
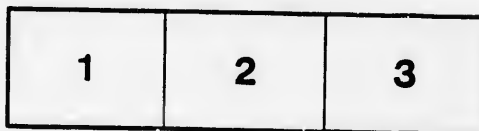
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THE SENATE

ON

THE TARIFF.

MAY 9TH, 1870.



OTTAWA:

TIMES PUBLISHING COMPANY, SPARKS STREET.

1870.

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DEBATE IN THE SENATE

ON

THE TARIFF.

SENATE.

OTTAWA, May 9th, 1870.

The SPEAKER took the Chair at three o'clock.

After some routine business, The Bill "to amend the Acts respecting Customs and Inland Revenue, and to make certain provisions respecting vessels navigating the Inland Waters of Canada above Montreal," was read a first time.

THE TARIFF

Hon. Mr. CAMPBELL moved that the Bill be read a second time at the next sitting of the House.

Hon. Mr. LETELLIER DEST. JUST said that he would move in amendment that the Bill be read that day six months, as he was convinced that it would be most inexpedient to pass a measure so contrary to the interests of the people of the Dominion. He was prepared to acknowledge that it was sound policy to interfere as little as possible with money bills which were sent up from the Commons; but, at the same time, he felt that when measures involving most important interests came up for consideration, it became the duty of the Senate, which was a sort of intermediary between the Crown and the people, to take care that they did not sanction any proceeding which would injuriously affect the public welfare. The measure before the House imposed a tax on breadstuffs and other articles of prime necessity, and it was obligatory on the House to consider it with great care before agreeing to its passage. The manner, indeed, in which it had been carried through the other branch rendered it more necessary for the Senate to consider it with great circumspection. Eleven out of thirteen members of the Government had agreed that the policy they had adopted was bad, and made a declaration to that effect in the House; but immediately afterwards it was found that their

views were reversed by two others of their colleagues. When it was seen that the same Government which propounded one policy in the afternoon, had a different one in the evening, it was time for every man who was anxious for the welfare of his country to pause and consider the character and effect of the measure, which had been brought forward and passed in the Commons under such extraordinary circumstances. Again, when it was found that the commercial cities of Quebec and Ontario had declared themselves most emphatically in opposition to the measure, there was additional reason why the Senate should interfere and save the country from the consequences of a policy which was so unsound. Breadstuffs—articles of prime necessity—were henceforth to be dearer, simply that the Government might raise a revenue of about eleven hundred thousand dollars; but surely some other means could have been devised to raise the amount without burdening the masses of the people. No doubt could exist in the mind of any one that all the money required could have been easily raised by imposing a small duty on the luxuries of life instead of taxing the necessities, which enter into the consumption of the labouring class. The House should also carefully consider the effect of the policy upon the manufacturing interests of the country. It was well known how many difficulties stood in the way of the establishment of manufactories in this country—that they were chiefly protected by the cheapness of the raw material. Now it was obvious that the moment a tax was imposed on the raw product, there was a discrimination against our manufacturing interests. Whether the measure was considered with regard to our manufacturing, our commercial, or our shipping interests, it must be recognized as embodying a policy most detrimental to the best interests of the Dominion; and he was convinced that the members of the Government themselves, were they to re-

veal their secret thoughts, would confess that he was right. He would acknowledge that the motion which he had made was of an extraordinary character, and if it had been practicable he would have preferred moving in another way. If he could have done so, he would have moved to amend the Bill, for he did not wish to deprive the Government of the means of meeting the public expenditures. Not being able to pursue such a course, he had chosen the mode customary in the House of Lords, and moved the six months' hoist. But it might be said what would be the result of rejecting a measure providing means of meeting the public expenditure. It was true there might be a difficulty, but it was one that could be removed by the Government. In the year 1856, the Supply Bill came before the Legislative Council of Canada, in connection with the question of the selection of the Seat of Government. The selection of the Seat of Government was one of the privileges of the Crown, but inasmuch as the Legislative Assembly had moved in the matter, the Council contended that they had the same right to be consulted, and decided finally that inasmuch as they had been overlooked they would refuse the Supply. The Bill was proposed for the first reading, and immediately afterwards, and previous to the second reading, it was moved that the House should dispense with the 19th Rule, and for reasons set forth in the Resolution declare "that it cannot concur in the Bill of Supply." The Bill was taken back to the Assembly, and the objectionable part of it repealed; and then it was returned to the Legislative Council, where it received the assent of the House. If it were asked what the Government could do if they were refused the means of meeting taxation, he would reply that they could pursue the course that was taken in 1856. They would take back the measure and amend it so as to make it conform with what was the sentiment of the House and country—nay, the sentiment of eleven members of the Government. If taxation was requisite to raise money, let it be imposed upon the luxuries of the rich and well-to-do classes of the people. The Senate should not hesitate a moment as to the proper course for it to pursue in the case of a measure which was notoriously obnoxious to all classes of the people of the Dominion, from one end to the other. If the Senate were to interpose its authority in order to prevent such injurious legislation being fastened upon the country, it would win the gratitude of the people. In any system of taxation for general purposes, each Province should be placed on the same footing. No section should be benefited to the injury of another, and yet that was

Hon. Mr. Letellier de St. Just.

exactly what the Bill was doing. In New Brunswick and Quebec the people were obliged to get considerable quantities of their coal, flour and wheat from abroad; instead of affording them facilities for doing so, the Government proposed burthening them with taxes on commodities which they required. The people of Quebec, Montreal, Toronto and other places in the Province of old Canada, were to have their fuel taxed, ostensibly for the purpose of benefiting a particular class in a single Province. Such a policy would only perpetuate sectional jealousies, and prevent the harmonious working of Confederation. If the Bill passed, he was persuaded that it would create an amount of irritation in New Brunswick that must lead to the most prejudicial consequences, and to show that he was not speaking without authority, he would refer to the representatives of the Province in the House, who, he felt convinced, would vote against the measure. Those gentlemen would declare that the policy in question was destructive of the best interests of the Province—subversive of the Confederation—and directly in the interests of the advocates of annexation to the American Union. In the other Provinces the consequences would be equally serious: trade and enterprise would be cramped and the people irritated; and under these circumstances he could not bring himself to believe that there could be found even a majority among the supporters of the Government prepared to sanction a policy which was so opposed to the true principles of economic science and antagonistic to the true interests of every section of the Dominion.

Hon. Mr. WILMOT followed, and said that he had no doubt whatever that the motion of the hon. member for Grandville was perfectly constitutional—entirely in accordance with the practice of the House of Lords as well as of the Council of the old Province of Canada. He had little hesitation in seconding the motion, from the fact that he knew that the Bill, as it had passed the other branch of the Legislature, would not meet with the approval of the people of the Province from which he came. He regretted that in almost all measures relative to Customs, he had been obliged to express opinions contrary to the Government of the day. The increase in the duties upon articles of necessity had naturally created a great deal of irritation in the Province of New Brunswick, and added to the dissatisfaction that had already existed there. In maturing a tariff, every care should be taken not to press heavily upon the masses, or embarrass trade and enterprise; and he must acknowledge that such would be the ef-

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fect of the present measure. If the Government had chosen to add two and a half per cent. to the *ad valorem* duties, they would have raised a large fund in a less objectionable way. But the new tariff imposed certain specific, in addition to the *ad valorem* duties; and merchants would have to make additional entries, and be subject to much trouble and inconvenience. It was the true policy to have a tariff of as simple a character as possible; but the present measure only complicated matters. The measure was called "a national policy," on the ground that it was intended to meet the policy adopted by the United States with respect to ourselves since the repeal of the Reciprocity Treaty. Looking at it even from that standpoint, he considered it unjustifiable. Before deciding on the measure, the Government should have considered more carefully whether it bore fairly on all interests and sections, and was not calculated to benefit one locality or class at the expense of the great majority. As respects the differential duty on salt, he had been under the impression that under the Royal instructions no such tax could be imposed. Gentlemen connected with trade were aware that coal was brought from Great Britain as ballast, and consequently could be procured by our manufacturers and others at a lower price than would otherwise be the case. If coal had been charged an *ad valorem* duty on the cost at the place of production, the duty would not have been felt, and it would have been able to compete with the coal coming in from the United States, where the cost is considerably higher. In whatever point of view he looked at the question, he was convinced that he was bound to vote for the rejection of the Bill. If it were rejected, he thought that the Government would have no difficulty in finding the means to meet their obligations, especially as the amount they required was very small. If the consideration of the question was postponed for another year, they might be able to mature a system which would meet with more general acceptance. As respects the duty on packages, he added, he was sure that it would cause a great deal of dissatisfaction among importers, on account of the complicated nature of the system. It must be considered, too, that the packages, although costing considerable at the place of shipment, were of little value at the place of arrival; and it was, therefore, manifestly unfair to tax such packages. For these and other reasons, he hoped that the Senate would agree to reject the Bill.

Hon. Mr. CAMPBELL replied that the Government, in his opinion, had some reason to complain of the course that had been pursued by the hon. member for

Grandville, especially in view of the manner in which public business had been conducted in that branch of the Legislature. The Government might have expected that if the hon. member had decided to pursue the usual course of making such a motion on the first reading of the Bill, he would have taken the opportunity of informing them of his intentions. He did not think that anything that had occurred during the present or previous session could warrant him in taking the course that he had and surprising the Government (laughter on the Opposition side).

Hon. Mr. LETELLIER DE ST. JUST did not suppose that the hon. member wished to attribute motives to any one.

Hon. Mr. CAMPBELL meant that the only interpretation that the Government could draw from the course of the hon. gentleman was that he wished to surprise them. It was not usual to make such motions until the Bill had come up for its second reading. However, the Government were quite content that the discussion should take place at that stage, though he did feel that they might well have been informed of the intention of the gentlemen opposite. The Government were quite prepared to defend their policy, and discuss it on its merits, in the confidence that it would receive the sanction and approval of a majority of the House. He did not think that the hon. member had fairly considered—and he hoped certainly that others would do so—the position in which he would place the House with reference to the Bill of Supply before them. Honourable gentlemen should remember that they were sent to the House, not merely for the purposes of the present Parliament, but to establish a system which, it was to be hoped, would last for ages; and that the example they were now setting would influence those who should occupy their seats hereafter. Under these circumstances the House should proceed with great caution and reflect, not simply on the results of their action for the moment, but with reference to the future legislation of this country. If it was really desirable,—and he believed it was—that there should be a second Chamber of the Parliament in this country, it became of great importance that the House should confine itself to strict constitutional practice and usage, and that it should not be diverted by any temporary reasons from the course that it ought to pursue with reference to matters which come especially within the purview of the other branch of the Legislature. Now he was of opinion that a Bill regulating the tariff was hardly ever rejected in the upper branch. Every one admitted that it could

not be amended, and, therefore, the hon. member had moved that it be rejected entirely. That was a course which had never been taken in the Parliament of Canada.

Hon. Mr. LETELLIER de St. JUST—I have just referred to such a case.

Hon. Mr. CAMPBELL did not consider it fully in point. Such a course was not followed either in the Parliament of Canada or in the Imperial Legislature. He had endeavoured to ascertain the practice of the British Parliament, and the only instance, of late years, where the House of Lords had interfered with the action of the Commons on a money Bill was in the case of the Paper Duty Bill, which was not a measure involving a general tariff, like that now under consideration. Why was it that the Tariff Bill was never rejected? Because it had been passed by the House of Commons,—the body which represented the people, and was specially charged with the imposition of taxation. Therefore, it was understood, that in accordance with the Constitution, the Commons had the exclusive right—and they had ever successfully vindicated it—to deal with such matters. Gentlemen who would look into the matter would find that after the measure in question was rejected by the Peers, Lord Palmerston reiterated in the strongest terms the exclusive right of Parliament to deal with such matters; and the result was that next session the same measure was adopted by the House of Commons and went to the Lords where it passed with the Bill of Supply. His hon. friend opposite had referred to the case that occurred in 1856 when the Legislative Council objected to the course pursued with reference to the seat of Government. In that case the Bill could be amended without difficulty, by striking out the item providing for the expenses of the seat of Government. But the same thing could not be done by the present Bill. It must be amended by supplying new items; and the result of the passage of the motion of the hon. member would be that the matter would have to be reconsidered in the House of Commons—that the members would have to be summoned from all parts of the country, and the session consequently indefinitely delayed, whilst a new tariff was introduced and all the usual forms proceeded with. He could not understand how gentlemen could deem it their duty on a question of such a nature to vote as the honourable gentleman's resolution proposed. The effect of the passage of such a motion must be to bring the Senate into collision with the other branch of the Legislature. He would call attention—for it was a case in point—to

Hon. Mr. Campbell.

the feeling that was exhibited, when an address came to the Senate asking that its clerk should be examined by a Committee of the Commons with respect to the indemnity and mileage of hon. members. That was considered a matter of privilege, and the House refused permission to allow its officer to be examined with respect to its accounts. Could it be supposed, then, that there would be no irritation in the Commons were the Senate to interfere with their action respecting a measure immediately within their purview, and of which they are traditionally jealous? Was it likely that they would recede from their position and allow themselves to be dictated to by the Senate in reference to a measure which must originate with themselves, and which is especially under their control in accordance with our constitution? He could not believe that those who wished to see the Constitution preserved intact and handed down to posterity, were ready to sanction any course which would create jealousies between the two branches of the Legislature, and jeopardize the harmonious operation of our legislative machinery. Therefore he would ask hon. gentlemen in view of the future, and the security and harmony of our Constitution, not to approve of a course which was revolutionary and calculated to bring the two Houses into serious conflict. With these remarks respecting the constitutional aspect of the question, he would now refer to the merits of the measure itself. It had been said that there were eleven members of the Government really opposed to the present policy; but the fact was, that there was no division at all in the Cabinet on the subject, and that the Government were a unit and had settled on their policy after grave deliberation and under the conviction that it was calculated to promote the interests of the whole Dominion. The question was necessarily attended with difficulty—it could not be an easy task to arrange a tariff satisfactory to the whole Dominion. If hon. gentlemen, who might hereafter find themselves members of a Cabinet, believed that they would be able to frame such a policy as would meet with universal approval, they would soon recognize their mistake. It had been the desire of the Government to frame a tariff that would embrace the interests of the whole Dominion. The leading idea was to protect the fisheries, and stimulate certain great interests in all the Provinces. We had been endeavouring for years to obtain a renewal of the Reciprocity Treaty, but all our patience and forbearance had been perfectly futile; and under these circumstances it became a

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matter for consideration whether it was not advisable to pursue such a policy as would keep our fisheries within our own control and stimulate commercial intercourse between ourselves. The Government finally adopted the present policy; and, gentlemen, when they objected to the duties on wheat and coal, and other items in the tariff, should remember that each and all were part of a general system. Difficulties arose, subsequent to the introduction of the new policy, and it was apprehended for a while that the sanction of a majority in the other branch would not be given to the scheme as a whole. Under such circumstances, and anxious to avoid a crisis at a very trying period in our affairs, the Government deviated somewhat from their policy for a time, but only to come back to it when they found it was fully in accord with the majority. It had been said by the hon. member opposite that the tariff proposed to tax breadstuffs and other necessities of life. Now he (Mr. Campbell) denied that coal was a necessary of life.

Hon. Mr. LETELLIER DE ST. JUST explained that he had said "Breadstuffs and other articles of prime necessity."

Hon. Mr. CAMPBELL replied that nine-tenths of the people were farmers who did not use coal in any shape, and to them it was not a necessary of life. Coal was used chiefly in manufactures—certainly in Ontario, and did not enter into the consumption of the general community in the upper Province. Now, if a duty on wood had been proposed, that would have been a tax on the masses. Honourable gentlemen coming from the large cities, knew perfectly well where the pressure on the question originated. Take for instance, his hon. friend from Toronto (Mr. McPherson) who was smiling in his usual magnificent way; he was at the head of a large establishment, which consumed large quantities of coal. The tariff might affect such an establishment in the city, but it certainly did not interest the rural constituency which he (Mr. Campbell) represented. Even in Toronto, the consumers of coal were exclusively to be found among the wealthy classes, and the same might be said of Ottawa, and other towns. But under any circumstances, coal was not an article of greater necessity than clothing or boots and shoes, and yet those articles were heavily taxed. It was only a few manufacturing establishments, after all, that had any real interest in the question of coal, so far as Ontario and the rural districts of Quebec were concerned. The arguments that had been adduced against other features of the tariff were equally fallacious. Did any one suppose that we were going to pay more for bread in conse-

quence of the insignificant tax on American flour and wheat? The majority of our people made their own flour, and could supply their friends in the Lower Provinces with all that they required. By encouraging the coal of Nova Scotia and the flour of Ontario, commercial intercourse would be encouraged between the two Provinces, and the Confederation necessarily strengthened. The Government had been led to understand that a very small duty would enable the coal owners of Nova Scotia to supply the Dominion with fuel. It was a wise policy to make one Province supply the wants of the other, and keep the Dominion as independent as possible of the Americans. During the rebellion in the United States, it would be remembered that the Government issued an order prohibiting the exportation of coal altogether.

Hon. Mr. McPHERSON—That was only anthracite coal, which cannot be got in Nova Scotia.

Hon. Mr. CAMPBELL—The prohibition might have been put on all kinds of coal; and it was wise to guard against such dangers in the future. All should unite in building up an Intercolonial Trade, and stimulating native industry. He had been told by a member of the Legislature that the result of the policy of the Americans, in the particular just referred to, had been to jeopardize the operations of a large establishment on Lake Erie, and the owner confessed that he would rather see a dollar a ton put on coal than be again subject to the same difficulty. The tax would soon be considered a blessing if it had the effect it was expected to have—of supplying our own coal to all parts of the Dominion. He found that the Americans imposed \$1.25 on bituminous coal, 40 per cent on the anthracite, 20 per cent a bushel on wheat, and wheat flour, 10 per cent on rye. Situated as the Dominion was, alongside of the United States, it was necessary to shape our policy with reference to theirs. He would not, however, dwell at any greater length on the question. He was himself most influenced by the constitutional aspect of the subject, and he implored hon. gentlemen, before voting for the amendment, to consider the consequences that would ensue by coming into collision with the other branch of the Legislature, and the effect of the example they would give to those who succeeded them in the Senate.

Hon. Mr. MILLER said he rose with some diffidence to address the Senate on the important question under consideration, after the very earnest and persuasive speech of the hon. Postmaster General. That hon. gentleman, from his ability and position,

as well as from his great personal popularity, deservedly possessed great influence with the House, and his high regard for him made it a very unpleasant duty to oppose him on the present occasion. But he believed as a representative from the Province of Nova Scotia, it was his duty to oppose the Bill before the Senate. Not only did he regret being obliged to assume a position of antagonism towards his hon. friend, but he was also sorry to be compelled to place himself in hostility to the Government of which the hon. gentleman was a distinguished member. Since he had the honour of a seat in the Senate, he had given the Government a cordial and unwavering support, even when in many cases, his convictions lent only a qualified approval to their acts. Coming as he did to this House strongly committed to the great experiment of Government, which, under Confederation, the Provinces of British North America were endeavouring to work out, and deeply interested as he was in the success of that experiment, he had felt it his duty on all possible occasions to give the friends of the measure his humble assistance. He had not yet lost faith, although many of its earliest advocates had, in the great scheme of building up on British soil on this continent a New Nationality under a sound policy and an economical administration of public affairs. If disaster were to overtake this great experiment, it would be in consequence of the incapacity of our rulers, and their want of wisdom in forcing on the country such vicious legislation as the Bill before the House. To that Bill he was decidedly opposed, as unsound in principle, and certain to prove unjust in its operation, and injurious to the best interests of the whole Dominion. But much as he deprecated the Bill itself, he would infinitely prefer the passage of a tariff a dozen times more obnoxious to the country, than that by any means this Senate should concur in the extraordinary constitutional doctrine laid down by the Hon. Postmaster General as to their power to deal with a measure of this kind (hear, hear). Against that doctrine he protested, and called on this House to protest in the strongest manner (hear, hear). He regretted to hear so high an authority as the hon. gentleman disputing the unqualified right of the House to exercise a deliberative judgment upon this Bill, and to reject it if they saw fit. He must tell the Hon. Postmaster General that this doctrine was contrary to all precedent, and it was necessary that it should be met and its fallacy exposed on its first assertion in this body (hear, hear). The privileges of this House in respect to Money Bills were at least equal to those of the House of Lords, and the Commons of

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England had invariably conceded to that branch of the Legislature the right to deal with such Bills, as a whole, either by assenting to or rejecting them. Disputes had from time to time arisen between the two Houses of Parliament in England during the last two or three hundred years as to the right claimed by the Lords to amend Money Bills—a claim which had now in practice been abandoned, but no dispute could fairly exist as to the absolute right of rejection of such Bills by the Upper House. May, a great authority on Parliamentary practice, said:—"The Lords were not originally precluded from amending Bills of Supply; for there are numerous cases on the Journals in which the Lords' amendments to such Bills were agreed to." Practically, he admitted this right of amendment had been abandoned, by the Lords, and he did not claim it for the Senate of this Dominion. But he did claim, and he was sorry to hear it denied or doubted in any quarter, that this House, under the practice and precedents of the House of Lords, possessed the right—the undoubted right—to reject this Tariff Bill, or any other measure emanating from the Commons. Were the Senate to adopt the position the Hon. Postmaster General asked them to take—to acknowledge that they had no right to deal with the question before it, then they would establish a precedent that would be quoted for all time to come against this body. (Hear, hear.) They would yield their right to exercise those functions which they ought to enjoy under the Constitution. In order to understand their true position, he would turn the attention of the House to the functions of the House of Lords in reference to Money votes. He might strengthen his position by old authorities, but would not go back further than the celebrated Conference of the Lords and Commons in 1671, on a question of this character. Then the Lords complained, in the language of their own Resolution, "that by a new maxim of the Commons a hard and ignoble choice is left to the Lords, either to refuse the Crown Supplies when most necessary, or to consent to ways and propositions of aid which neither their own judgment nor the good of the people can admit." Here evidently the right of alteration and amendment was contended for, and what was the answer of the Commons? "Your Lordships first reason is from the happiness of the Constitution that the two Houses are mutual checks on each other. Our answer is, 'So they are still, for *Your Lordships have a negative to the whole.*'" In contradiction to what had fallen from the Hon. Postmaster General, he asserted that until this day, the right admitted by the Commons in

that celebrated case has never been yielded on the one hand, or successfully questioned on the other. He challenged the honourable gentleman to cite an instance in which it had. Again, in 1689, when the Poll Bill was amended by the House of Lords, the Commons insisted it was a breach of privilege, and this was the language of their remonstrance: "The Lords cannot alter the grant proposed, or otherwise interpose in such a Bill than to pass or reject the same, without alteration or amendment." Could any admission of the right to reject be more clear or emphatic than these expressions, not of hasty action, but of solemn deliberation on the part of the Commons?

Hon. Mr. CAMPBELL.—Can you cite a case in which this right has been exercised in modern times?

Hon. Mr. MILLER could cite many cases in proof of his position. In 1758, a Bill to repeal the duties payable on tallow imported from Ireland, having been sent to the Lords from the Commons, was rejected by that House. In 1671, a Bill for the imposition of duty on foreign commodities was also rejected by the Lords. But coming to more recent cases, in 1789, a Bill for placing a duty on cocoanuts, which had received the sanction of the Commons, was thrown out in the Upper House. In 1807, a Bill for imposing certain duties on malt was rejected by the Lords. In the same year a Bill to abolish payments to officers of Customs in Ireland was disallowed without remonstrance. A Bill passed the House of Commons in 1811 to suspend for a year the duty on corn-wash for the distillation of spirits in England. That was a Bill of great importance, involving revenue to the amount of one million and a half of pounds, and underwent a long discussion in the Commons. In both Houses the ministers took an active part in the debates. Yet the Bill was rejected by the Lords, and no complaint was made on the part of the Commons. On the contrary, when the Chancellor of the Exchequer introduced a few days afterwards a Bill to provide for the loss of duties; he said, "I introduce this Bill in consequence of the rejection of a Bill by the other House." (Hear, hear.) He would not trouble the Senate with further cases, until he came to the remarkable Bill for the repeal of the paper duties in 1860.

Hon. Mr. CAMPBELL.—What I mean to say is, that my hon. friend cannot cite me a case in which the Lords have rejected a Tariff Bill.

Hon. Mr. MILLER.—Perhaps not, but why? The necessity for doing so could hardly have arisen under the practice of

the House of Commons prior to 1860. (Hear, hear). What was that practice? The hon. gentleman is as well acquainted with it as any member of this House. He well knows that in the Parliament of England, until very recently, most of the Bills of Supply and Taxation related to specific commodities. Previously to 1860, a great portion of the revenue there was raised by Acts imposing duties, so to speak, in detail. Separate Acts were passed placing duties on different articles, any one of which, if obnoxious, could be rejected by the Lords, without endangering the whole fiscal policy of the Administration. If therefore an unjust or objectionable tax were proposed to be imposed by the Commons, it would come before the Lords, not in the Tariff Bill, but usually in a separate Bill to be considered on its own merits. Nearly all debatable taxation was introduced in that way, every item had to stand or fall by itself. Hence the reason why no necessity had occurred of rejecting a Tariff Bill. But the right claimed and exercised, the principle involved in the rejection of any money Bill, applied to the Tariff as a whole, as well as to the Tariff by items or parts. The reverse of this proposition was too absurd for argument (Hear, hear). In this country our practice had been different. Our Tariff Bills included nearly all descriptions of taxation and supply. The Minister of Finance gave no opportunity to Parliament of passing on specific items, apart from the general policy of the Government. All we could do was to reject the whole Bill, if we considered it contained items of unwise or unjust taxation. Our right to do this should not be doubted, and must be settled and admitted (hear, hear). Would it be said that while under the practice and precedents of the House of Lords, we had the right to reject Tax Bills in detail, we had not the right to do so when the substance of such Bills came before us in the aggregate form of a Tariff Bill?

The Hon. Postmaster General told the Senate that this was the first time since its creation on which hon. gentlemen were asked to pass a resolution such as that before the House, and he warned them against the precedent their decision would establish, and the example it would set. He would earnestly reiterate the warning of the hon. gentleman. He begged to remind the House that they were, to some extent, called upon to establish a precedent, and in the words of the Hon. Postmaster General, set an example for future imitation (hear). What were that precedent and that example to be? A servile surrender of their undoubted rights or an unequivocal assertion of them? That was the issue the Postmaster General

had placed before the Senate, and those who supported him must adopt the degrading doctrine he propounded. For his part, he should prefer that this body should cease to exist rather than endorse such a doctrine. Was it not more than a farce to ask a deliberative Assembly—that body which occupied the highest position under the constitution—to deliberate where it was contended they had no right to deliberate—but simply, under the fiction of deliberation, to re-echo the wishes of the other branch, and perform no functions of their own? If the Senate were intended as a check on the popular branch, as a guard to the different sections of the Dominion, especially the smaller ones, it would be most unwise and suicidal, they would be deposing themselves from the high position they should occupy, were they to say that they had no right to reject such a Bill as the one now before them. Therefore he agreed with the Postmaster General that the course the Senate would now pursue would be considered as a precedent in the future, and it was most important, it should not be such as would hereafter be cited as limiting their functions. He would especially press this point on hon. gentlemen representing the smaller Provinces in the Confederation. In the constitution of this Senate the weaker Provinces were guaranteed a protection against the encroachments of the more powerful communities of the Dominion. In the House of Commons, Ontario or Quebec can easily over-ride the wishes of Nova Scotia or New Brunswick on any question. In the Senate the case was very different, for here the smaller Provinces united could always resist unjust legislation. It was essential to the interests of these Provinces that their representatives in this House should control the imposition of taxes and the granting of supplies. The large representation of the Maritime Provinces in the Senate was given for the purpose of acting as a check on the more powerful members of the Confederation in the other branch of the Legislature. Of what value would this check be, if they yield up the great right and privilege of controlling taxation and the expenditures of the Government? (Hear, hear.) New Brunswick and Nova Scotia should, therefore, guard the privileges of this Senate with a jealous care, as in it they may always find a safeguard against injustice or oppression. He feared he was wearying the House on this question. (No, no.) But after the speech of the hon. Postmaster General he felt it should be fully discussed, (hear, hear.) He had alluded to the great case of the Paper Duties Repeal Bill before the British Parliament in 1860. If the

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House would indulge him, he would quote the opinions of some of the eminent men who took part in the debate on that question, as to the privileges of the Upper House in relation to Money Bills. The great speech of that occasion, in favour of those privileges, was made by Lord Lyndhurst, then in his eighty-eighth year. In an exhaustive argument, that great authority used this language:—"I take leave to say that there is not an instance to be found in which the House of Commons has controverted our right to reject Money Bills. Over and over again, I repeat it, nothing can be found in the Parliamentary Journals, or in any history of Parliamentary proceedings, to show that our right to reject Money Bills has been questioned." Lord Montague, who followed in the discussion, and who in a powerful argument moved the rejection of the Bill, said in reference to the speech of Lord Lyndhurst:—"After my noble and learned friend's speech, I do not think that any one will be disposed to question the full and unqualified right of the House, admitted by high authorities, and sanctioned by uncontradicted practice, to deal with any Money Bill, as a whole, either by accepting or rejecting it." In the same debate Lord Chelmsford expressed himself as follows:—"We are all agreed as to the privileges of the two Houses of Parliament with respect to Money Bills. We are agreed with reference to Bills of Supply and Taxation, that your Lordships have, at all events, the power to reject them. You have, to some extent, admitted you have no power to alter Money Bills." Lord Derby used language to the same effect, and he could quote Blackstone and other high authorities in support of the constitutional right of the Upper Branch of Parliament to deal, as a whole, with all Money Bills. He was only surprised that in the face of such authorities the leader of the Government in this House would dispute the privilege for which he contended. But controverted as it was for the first time, he considered the argument should be fairly and fully met and answered (hear, hear).

He would now say a few words with respect to the merits of the measure itself which had been heralded as a portion of a great national policy. The framers of the policy had certainly been fortunate in their selection of a name, whatever might be its shortcomings in other respects. No doubt they felt that unpleasant things were best concealed under a specious name. He, for one, was not ready to accept the policy of the Bill as a true national policy. Inasmuch as it might be intended to operate against the Americans, it could more properly be called a retaliatory policy, and as such it was ridiculous.

In that point of view, it was really worse than no policy at all. If the Government had brought down a measure adequately protecting our coal and agricultural products, then it might with some propriety be called a retaliatory, if not a national policy; but he was prepared to show that the present scheme was entirely useless as a means of protection, and could only be serviceable as a means of taxation. It was proposed, in the first place, to levy 50 cents a ton upon coal coming into the Dominion. Every gentleman who knew anything of the trade of Canada was well aware that above Montreal the 50 cents would not be sufficient protection to the coal of Nova Scotia; and therefore American coal would continue to be brought into the country, and the consumers would be obliged to pay the tax themselves without any benefit to our coal interests. If the people of Ontario were desirous of paying that tax, of course they were at perfect liberty to do so; but he thought from the expressions of public opinion in that Province, the majority of the gentlemen representing it in the Senate would not be disposed to favour the imposition of that duty. It had been said by the hon. Postmaster-General that coal did not go into actual consumption among the poor; and although that might be, to a large extent, true, yet it was well known that when coal rose in price, wood also increased in cost, correspondingly (hear, hear).

Hon. Mr. CAMPBELL—To some extent, perhaps.

Hon. Mr. MILLER—Its cost would increase considerably in the large cities. Therefore, the price of wood was to be raised during the long winter months, when it was an article of prime necessity alike among the rich and poor, and without any benefit to the coal interests of Nova Scotia. He would then ask if the House was prepared to sanction a policy, which was to raise revenue in a way that would bear most unfairly on the poor people of this country. He did not think such a course was worthy of being called a national policy. If it went into operation, before a year passed by, it would be condemned from one end of the Dominion to the other. Now how was this policy to benefit Nova Scotia; what was the Nova Scotia coal to find a market? Fifty cents a ton will not send their coal above Montreal. Could they even compete in Quebec for the supply of that locality? He thought not. In Quebec, the average price of English coal was 20 shillings a chaldron, or 13 shillings and 4 pence a ton, and the market was now altogether supplied from England. At 2 shillings and 6 pence a ton, the whole cost

would be 15 shillings and 10 pence, or say 16 shillings; but Nova Scotia coal could not be put into the market at less than 20 shillings, and, therefore, it could not enter into competition with the English article. It was true that some enterprising gentlemen in Montreal had invested considerable capital in the Nova Scotia coal mines and might succeed by their influence, and business connections in introducing a small quantity into Montreal, but it could not be much. It would, therefore, be seen that this great concession to the coal interest of Nova Scotia amounted to nothing, but on the contrary, it was calculated to excite odium against that Province in the other sections of the Dominion. He also objected to the duty on rice, which is an article of luxury among the poor fishermen and labouring classes, and ought not to be taxed. It was an article that the Legislature of Nova Scotia had always hesitated to touch for the reason he had just given, and the duty would certainly be considered of a most objectionable character in the Maritime Provinces. As respects the duty on flour, it was understood to be a sort of compensation to Ontario for the duty on coal. Why was there no compensation to Quebec and New Brunswick? Last year the people of Nova Scotia imported something like 160,000 barrels of American flour and 60,000 barrels of corn meal, the duty on which would amount to \$50,000 a year. These were articles that entered into the consumption of the people generally, and yet they were to be taxed under the great "national policy." Even supposing 20,000 tons of coal could be sent this year into Ontario and Quebec in consequence of the protection of this tariff—and he doubted whether such would be the case—it would be only a few capitalists and monopolists that would receive the benefit, whereas the flour duty would fall on all classes; and for that trifling advantage to the coal owners the people of Nova Scotia would have to pay \$50,000 in duties on breadstuffs alone.

Hon. Mr. MITCHELL—A large portion of that flour was Canadian sent through in bond.

Hon. Mr. MILLER undertook to say that he knew something about the trade of Nova Scotia, and that he was quite correct in his statement. Some Canadian flour might have come from Boston, but the larger proportion certainly was American.

Hon. Mr. MITCHELL said that his hon. friend was misinformed.

Hon. Mr. MILLER—If the hon. gentleman would look at the trade returns of Nova Scotia, when a duty was imposed on American flour, he would find that he (Mr.

Miller) was borne out by the facts. Previous to the Reciprocity Treaty, there was a duty on flour, and after the repeal of the treaty it was re-imposed. His conclusions were drawn from the returns of these periods.

Hon. Mr. LETELLIER DE ST. JUST—The duty was imposed for the purposes of revenue.

Hon. Mr. MILLER—The argument was then used that by imposing a duty on American flour, we might facilitate negotiations with the United States for a renewal of the Reciprocity Treaty.

Hon. Mr. MITCHELL—That will be one of the effects of the present duty.

Hon. Mr. MILLER—The argument has been totally dispelled by the facts of the case for the past five or six years. He also had strong objections to the duty on agricultural products. It was likely, if the Bill became law, that a proclamation, in accordance with the original resolutions—which might be fairly presumed to foreshadow the intentions of the Government—would be soon issued to put certain agricultural products under the ten per cents. Although the duty on flour and corn meal would be a very serious tax on the people of Nova Scotia, it would not in a large section of the Province produce so much discontent as this provision of the Bill, should it go into operation. A large portion of the people of that Province were engaged in mining, fishing, and maritime pursuits. The people of a large section of the Gulf and Atlantic sea-board depended to a considerable extent upon Prince Edward Island for certain necessaries. In the fall of the year, vessels leave many of the numerous ports of Nova Scotia, and proceed to P. E. Island, where they get cargoes of oats, potatoes, &c. These vessels bring back their cargoes, and the entries show—and they are not always made—a very large import of agricultural products. If the people along a large section of the sea coast were to find that this agricultural produce was to be taxed, as one of the results of Union, they would naturally feel deeply irritated; and the consequence would be that the harmonious working of the Confederation must be delayed. Such a tax was unjust in principle, and vexatious in its operation, and calculated to do more to produce dissension than any other system of taxation that could be devised—more irritating even than the postage on newspapers or the stamp duty. Under these circumstances he had a right to assert that the measure was not a national policy. It was a policy that would bear most unjustly on the labouring classes. It was not such a policy as would draw forth the sentiment

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that was expressed by a British statesman when he hoped his name would go down to the future as having given bread to the poor, "unleavened by unjust taxation." This Bill would not only leaven the bread of rich and poor with the bitter leaven of unjust taxation, but it would impose taxes on nearly all the prime necessities of life. Did such a result deserve to be dignified with the name of a "National Policy?" He might be told that taking it in connection with other matters of legislation, it might be considered a national policy; but he was not able to appreciate such an argument. The protection of the fisheries had nothing whatever to do with the question. Our fisheries were as much our property as our soil, and should be equally protected from the encroachments of foreigners. It might with the same reason be argued that the expenditure of \$200,000 to meet the anticipated Fenian raids, was a part of the grand national policy of which gentlemen opposite were so fond of declaiming. The one was as much a portion of the fiscal policy of the country as the other. If the measure went the length which it should, if it met American products by the same duties imposed on our commodities in American markets, then there might be some reason for supporting it, but to say that such a tariff as the one proposed would ever lead to reciprocity was nothing else than an absurdity.

Hon. Mr. MITCHELL—Then the hon. gentleman's objection is that we do not go far enough. Is it so?

Hon. Mr. MILLER—If they had imposed a duty on coal sufficient to protect the Nova Scotia product in Hamilton or London, he would feel proud to support it.

Hon. Mr. MITCHELL—Would it not do to send it to Toronto?

Hon. Mr. MILLER—He did not believe that any duty could be put on American coal sufficient to be of service to Nova Scotia, with justice to Ontario. It should be recollected that our manufacturing interests in this Dominion had claims on this Legislature. If we could not protect them, we should not crush them out of existence. This assumed protection to Nova Scotia coal would bear heavily on these enterprises. The prosperity of this Dominion must to a large extent depend on the growth and success of its manufactories, but you are striking a heavy blow at them by this Bill. He supposed, however, it was all right, because it was a "National Policy." He would not detain the House any longer on the merits of the Bill as he rose chiefly to speak to the Constitutional aspect of the question. In conclusion, he would say that the country was looking anxiously to

the action of this Senate on the question before it. Should the House be met by the argument—that it should not bring itself into collision with the other branch? Could they be influenced by any intimation of that kind? Should they hesitate a moment as to their proper course when public opinion pointed so unmistakably to it? He believed if hon. gentlemen were true to the interests they represented—if they rose above party considerations, and those other influences susceptible of being exercised in this House, and rejected this Bill, they would win for themselves the gratitude of the people from one end of the Dominion to the other. The Senate had a duty to perform to the country and to themselves, and that was to protect the interests of the people, and, at the same time, to assert and vindicate their own rights and privileges.

Hon. Mr. McPHERSON said that he was impelled by a strong sense of public duty to assume a position of hostility to the Government on the important question under consideration. At the outset, he must say that he had been as much taken by surprise as any other member of the House by the motion of the hon. member for Grandville; for he had expected that the amendment would have been moved when the Bill came up for its second reading to-morrow. Such a course would be more in accordance with the usage of the House; but now that the subject was fairly brought up, he was obliged to deal with it. It was his intention to move an amendment to the amendment, to the following effect:—

That all the words after "That" be left out and the following inserted:

Resolved,—“That in the opinion of this House, by subjecting to duty of Customs as proposed in the said Bill—breadstuffs of any kind, or rice, coal and coke, salt, or any of the “natural products” enumerated in schedule C of the present tariff (31 Vic. chs. 7 and 44), and which at present are admitted into Canada, free of duty—a principle would be introduced, that would be partial in its operation between the Provinces constituting the Dominion, that would distribute the burden of taxation unequally and vexatiously amongst the people, that would injuriously disturb trade, and tend to engender sentiments of sectionalism and disunion in the minds of the people of Canada.”

He regretted exceedingly that it was his duty to oppose the second reading of a Bill of such importance as that under consideration. He was fully conscious of the responsibility of rejecting a measure coming from the other branch and intended to meet the public expenditures; but he

did so under the conviction that any other course would be antagonistic to the best interests of the country. It was not sufficient for members to give a simple negative to the Bill—he thought all should put their views on record. The gentlemen who opposed the measure were not actuated by factious motives, but by a high sense of public duty. All the propositions in the amendment he had just read could be easily sustained. He believed it to be exceedingly unsound to impose a duty on coal and breadstuffs, or any natural products that were now free. He acknowledged that there was difficulty in framing a tariff that would be acceptable to all the people of the Dominion; but certainly it would have been an easy task to mature one that would be more just to all sections than the measure before the House. If it had been the object to devise a tariff that would set one Province against another—that would create and perpetuate sectional jealousies and antipathies, the Government had certainly succeeded. Breadstuffs were to be taxed to please the people of Ontario; but he believed it was a great injustice to the agriculturalists of Ontario to suppose that they were prepared to accept such a tariff, or that it would be a protection to them. The market where their surplus produce was disposed of fixed the price of the whole, and the duty could not be of any positive advantage so far as the price of their breadstuffs was concerned. Then, the duty would be a great obstruction to trade all throughout the country, which should, in accordance with the true principles of commerce, be left as unrestricted as possible. Not only would the tariff be worthless to the people of Ontario, but it would be most burthensome to the other sections—to the fishermen and the great masses of the people of Nova Scotia and New Brunswick as well as of Quebec; for it was a well known fact that a large quantity of breadstuffs were yearly taken into the latter Province from the United States. Then, as a part of this great “national policy” a duty was imposed on foreign coal, as a means of propitiating the people of Nova Scotia. Nova Scotia, New Brunswick and Quebec were taxed to satisfy Ontario—Quebec, Ontario, and New Brunswick were to be burthened to please a minority in Nova Scotia! Nothing could be more calculated to create dissension and disturb the harmonious working of Confederation than such legislation. The Hon. Postmaster General had said that he (Mr. McPherson) was connected with an establishment which consumed large quantities of foreign coal, and therefore it was natural that he should not favour that part of the tariff. Now he would say in reply

that that establishment would not be affected by the policy to the extent of a single dollar.

Hon. Mr. CAMPBELL—Hear, hear.

Hon Mr. McPHERSON—The proprietors would collect the duty for the Government, but their customers would pay it. It was quite true that the tax would be burdensome to all manufacturers in the country, and make it more difficult for them to compete with the foreign producer. As respects the establishment referred to, it only turned out railway iron, and he must take that opportunity of saying that when it was proposed there should be no duty on that iron, he did not oppose the proposition, for he had never allowed himself to be influenced by his private business in legislating for the whole country. He believed that a protective duty was unjust, and could not be supported on true principles. He was also convinced that there was nothing more illogical than that incidental protection which some said was one of the objects of the measure. The object of a tariff was revenue, and in order to protect manufacturers sufficiently it was necessary to interfere with the revenue. The duty on coal, notwithstanding what the Postmaster General said, would be a very serious tax upon the poor, in the cities. The increase in the price of that article would be really \$1 a ton, and it must react upon the cost of wood. He considered it a most unsound principle to diminish the number of articles on the free-list, as it was done in the present case. The policy of this country hitherto had been to follow the example of England, and to raise the revenue from leading articles and increase the free list as much as possible. The Finance Minister had acknowledged that he did not expect to receive much revenue from the duty on coal, breadstuffs, &c., and probably he was right. That hon. gentleman seemed to have reserved himself for the duty on salt, as he made special reference to it. That was a most objectionable tax, for salt was an article that was consumed by every man, woman, and child; but because, forsooth, some deposits had been found in Ontario, the Dominion was to be taxed. The Finance Minister had said that "there was a gigantic monopoly on the other side of the line, and it was simply a question whether the infant manufacture of salt in this country was to be put down by persons who, without any regard whatever to what the cost of it might be, would crush in some way or other that manufacture." That monopoly had existed for a great many years in the state of New York. Now, he had taken some trouble to ascertain the price of salt for a number

of years; and he found that it was \$1.50 per barrel in 1863; \$1.60 in 1865; \$1.75 in 1866-7, when the taxes were so high in the United States; \$1.65 in 1868; \$1.50 in 1869—the prices in the month of May of each of those years. So last year the price of the article had fallen to what was actually its normal cost. He was not able to find any evidence that the Canadian enterprise was being crushed out; but even were it so, would the House sanction an increase in the cost of the article, amounting to 25 cents a barrel, which would have to be paid by the consumers. Was the House ready to subsidize every little enterprise that might be established in this country, without reference to the masses of the people? The whole amount of capital invested in the salt interest at Goderich could not exceed \$100,000; and if it was the wish of the Government to encourage that interest artificially, it was better to give it a direct subsidy than to increase the cost of the article by a tax on the consumers. The same argument would apply to the coal of Nova Scotia. If it was the intention to encourage monopolists at the expense of the people, then let it be done directly out of the consolidated fund, and we would soon know what it would cost. Referring to the tariff in other respects, he was exceedingly surprised to see how many things were taken out of the free list besides those to which he had been referring:

"Animals of all kinds, except such as shall be imported for the improvement of Stock, which shall be admitted free of duty, under regulations to be made by the Treasury Board, and approved by the Governor in Council. Green Fruits of all kinds, Hay, Straw, Bran. Seeds not classed as cereals, Vegetables including potatoes and other roots, Plants, Trees, and Shrubs."

It was most objectionable to tax any of such things, and he was surprised how the Government could attempt to defend the impost. Fruit trees and vegetables—of a better description than we can grow—ought not to be taxed, more than animals imported for the improvement of stock. The more the tariff was considered, the more clearly would its injurious effects be seen. The clause in reference to packages was most cumbersome, and had been copied almost verbatim from the United States tariff. The effect upon the cheaper goods was to increase their cost beyond the higher priced goods which are less bulky and come in packages which are not dear in proportion to the contents. That provision would make a difference of more than 5 per cent. in the price of the cheap and more bulky articles which are used in nine houses

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out of ten; and such goods as were used by the wealthy classes would be comparatively little affected. The duty on coarse, bulky cheap goods might range from 20 to 25 per cent. This must be considered a discrimination against the poor that was most objectionable and ought not to be sanctioned by the House. All the duty that the merchant paid, whether on goods or packages, or back charges must be put on the goods and collected from the customer. He did not object to the duty on tobacco, for he thought stimulants of all kinds like luxuries were fair subjects of taxation. The Finance Minister need not have had any difficulty in raising all the money that he required, in a much less obnoxious manner than was proposed in the Bill. He proposed to increase all duties three quarters of one per cent, and from this source he estimated he will receive \$425,000. There would have been little objection to his making the increase of duties one and one half per cent, which would have yielded according to his own estimate \$850,000. This with the estimated increase of revenue from tobacco of \$300,000, would give a total additional amount of \$1,150,000, being \$50,000 more than he estimated would be received from all the additional duties imposed by this Bill—\$50,000 more than he asked—He suggested that as the easiest plan of raising all the revenue that might be required. If the public interests were to be jeopardised by accepting the amendment he proposed, he might hesitate to press it; but he knew that if the Tariff were rejected no inconvenience need arise. He had no doubt that the Banks would purchase a large amount of Dominion Notes in the course of the year. He did not imagine that the Government cared as to the source from which they would receive the requisite revenue. The money received for Dominion Notes would be used like any other revenue to pay debts.

Hon. Mr. MITCHELL did not deny that money so received would be expended, but what would be the effect upon capitalists? Would they not hesitate to advance money to a country whose debts were paid in that way?

Hon. Mr. McPHERSON—The hon. gentleman could not deny that the proceeds of Dominion Notes would be expended as revenue. Pursuing the subject under consideration a little further, he must say that the action of the Government in another place had been such as to fetter that House. The Budget should not be a strictly party question, but in consequence of the course taken by the

Government, in changing their policy and subsequently going back to the original propositions, they made the question one of confidence or non-confidence, and prevented the House of Commons freely exercising their judgment on the subject. In this connection, Mr. McPherson referred to the opinions of eminent British statesmen, to show that a Budget should not be considered in a purely party aspect, and went on to say that if the Tariff under consideration had been discussed with perfect freedom in the House of Commons, it would not now be so unpalatable. The Senate, however, was not fettered by such considerations as prevailed in the popular branch, and could deal with it, free from party bias, and with a strict regard to the great interests involved. Two years ago, when the Criminal Laws came up from the Commons at a very advanced stage of the session, the Senate refused to consider them; but there was not a word said about such a proceeding affecting the stability of the Government. The Senate, in the case of the Tariff, was called upon to exercise its impartial judgment, especially as it was a body representing particular sections or Provinces which were unfairly dealt with in the Bill.

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

AFTER RECESS.

The Senate resumed at eight o'clock, and the debate on the tariff was continued.

Hon. Mr. McPHERSON—Before the House adjourned he had argued that, instead of taxing the people, for the sake of benefiting a few monopolists, it would have been a wiser policy to have subsidized the latter directly out of the public revenues. It was well known that the majority of the owners of the mines of Nova Scotia were not residents of the country, and therefore any benefit shown to them would not be a benefit to the great mass of the people of Nova Scotia. Therefore, it would be seen that the tariff, so far as it touched salt and coal, was only intended to benefit monopolists to the injury of the great mass of the people. Many indirect evils would be found to proceed from the operation of the tariff. A large number of the vessels that come every year from the United Kingdom for timber were freighted with coal instead of ballast. Whatever they got for it went in reduction of the freight charges of the Canadian product; and it necessarily followed that any tax that increased the freight must diminish the profit of the Canadian dealers. The inland shipping of Ontario would also be injuriously affected inasmuch as a large number of vessels were now en-

gaged in carrying American coal. He did not think the tax would be operative, but if the expectations of the Government were realized, then the result would be as he had stated most injurious to our marine. Another interest in Ontario would also be affected by the salt duty, and that was the Lake Fishery. The ocean fisheries would not be touched inasmuch as the salt used in curing the fish was allowed to come in free from Great Britain and her Possessions; but there was no such protection afforded to the inland fisheries. Yet this was called a great 'national policy' which was to protect all interests and please all sections, and lead to the renewal of Reciprocity with the United States. If the last argument was correct, then the tariff would destroy itself; but what was more absurd than to suppose that an additional taxation of ourselves to the amount of two hundred thousand dollars was going to have the effect of forcing the Americans to renew free trade with Canada? If it was true that a mutual interchange of our products would be the best for both countries, we should receive all that we required from them untaxed, in other words at the lowest possible rates for ourselves (hear, hear). What could be more illogical than to say to the Americans—"If you will not untax what is consumed by your people, we shall impose a tax on what is consumed by our own." If we could make the Americans pay the taxes, then there would be some reason in the arguments of gentlemen opposite; but so long as we pay them ourselves, there could be nothing advanced in favour of the tariff. Before recess he had stated that the course he was pursuing was influenced by a high sense of public duty; and he had no hesitation in urging the Senate to adopt the amendment which he had laid before it. If money was wanted, he imagined that the Government would have no difficulty in devising such a tariff as would be more acceptable to the House and country than that now under consideration. He believed that if the Government had adhered to the changes they had made on a memorable afternoon, a few days ago, in the House of Commons, they would have acted more wisely; for the tariff, so amended, would have been less objectionable than the present measure, which was unpopular from one end of the Dominion to the other.

Hon. Mr. MITCHELL—No, no.

Hon. Mr. McPHERSON The hon. gentleman would soon see how many members from his own Province would support him on the question. (Hear, hear). Public opinion was unmistakably opposed to the measure; he had not seen a newspaper of

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any mark or influence that was fully in favor of it. The Local Legislature of Nova Scotia had unanimously expressed their dissent from the policy. In the election shortly to come off in that Province, no candidate he was assured was likely to present himself, and pronounce in favour of the new tariff. In New Brunswick and Quebec, the press was as a unit against the measure. Under these circumstances, a great responsibility devolved upon the Senate in dealing with a Bill of so important a character. No doubt could exist as to the perfect right of the House to dispose of the question in the way proposed; and in this connection, Mr. McPherson quoted from Todd, and other authorities on British Parliamentary practice, in support of his argument. Not only were British precedents in favour of the right of the Senate to deal with such a subject, Canada could afford examples in the same direction. In 1859, the Legislature was sitting at Toronto, and the question of the removal of the seat of Government to Quebec arose. The Government pledged itself to the Legislative Assembly to remove the Government to Quebec, but the Council was opposed to such a removal. No item on the subject was placed in the estimates—the Government simply pledged itself on the question. Hon. Mr. De Blaquiere moved, seconded by Hon. Mr. Allan, that the Council "feel itself called upon to declare and resolve in defence of its undoubted and unquestioned rights, as a co-ordinate and co-equal branch of the Legislature, and as the only means of preserving its independence, that it will not take the question of Supply into consideration, &c." The motion was carried, and among the names constituting the majority on that occasion, there was one which would be considered as of great authority—and deservedly so—the Hon. Mr. Campbell, the present Postmaster General (laughter).

Hon. Mr. LETELLIER DE ST. JUST—That was "revolutionary!"

Hon. Mr. McPHERSON—At that time Chancellor Vankoughnet took the ground that the Postmaster General assumed now. Mr. Campbell then said that the responsibility rested on the Government and not on the House. It was right to assume that the hon. gentleman took the correct view in 1859 rather than in 1870. The Bill was postponed, and the extreme step of stopping the Supplies was taken, but a few days afterwards the Government had an addition of strength by the arrival of members, (laughter) and the measure passed by a majority of two. The only debateable ground now, in fact, was whether the Sup-

ply Bill could be amended in the Senate. So far as he was individually concerned, he had no other desire except to enhance the usefulness of the House, and enable it to win the respect and gratitude of the people throughout the Dominion.

Hon. Mr. SANBORN said that no doubt the Government felt themselves so strongly entrenched that they did not consider it necessary to use any arguments in reply to those which had been advanced in behalf of the amendment. The constitutional right of the House to deal with the question had been so fully maintained by reference to the practice of the House of Lords and the old Legislative Council of Canada, that he need not dwell on it at that time; but there was another argument on which less had been said, though it appeared to him as forcible as any that had been adduced. The Confederation was formed upon certain principles which were fully enunciated and discussed. Some persons advocated the continuance of the elective principle with respect to the formation of the upper branch of the Legislature; others contended for the nominative principle. Those who sustained the latter view took the ground that the representative character of the House was not unlike that which existed formerly—that its members were nominated by a responsible Government, by those who represented the people. It was contended that the members of the House would possess a representative character, although they would be necessarily more conservative than the more popular branch. These views were sustained in the discussions on the subject by those who held a high position in the country. He found in the debates on the Confederation scheme a report of a speech delivered by Hon. Mr. Campbell, in which that hon. gentleman said: "In Upper Canada, as had been stated lately by an hon. member, the population has increased very rapidly, and would probably go on increasing in a much larger ratio than that of Lower Canada, or the other Provinces, and if the Legislative Council were elective, the time might come, when the people of that section would fancy themselves entitled to an increased representation in the Council, and commence to agitate for it. They might object to the fishing bounties paid to the Lower Province, to the money expended there in fortifications, or to something else, and claim a representation in the Council, more in accordance with their population, to enforce their views and in view of such contingencies the delegates from those Provinces conceived it would not be safe to trust their rights to an elective House." In those remarks, the Hon. Postmaster General re-

cognized the principle of Provincial representation. The Senate was bound not to take into consideration any measure, which would affect injuriously the interests of any particular section. Further on, the same hon. gentleman said: "And if that was considered necessary in a country so compact together as the United States, how much more would it be proper in a Confederation, some of the sections of which were separated from each other by long narrow strips of land, or wide estuaries, with small representation in the popular branch, and looking chiefly to their equality in the Upper Chamber for security for local rights and interests, and institutions." Nothing, then, could be plainer than the principle laid down by the Postmaster General, that the representative principle was applied to the Senate. If he was correct at that time, it necessarily followed that he was now in correct in saying that the House had no right to reject that which might be injurious to the several Provinces. When the constitution was formed, the preponderance of representatives enjoyed by Ontario and Quebec over Nova Scotia and New Brunswick was very great, but it was wisely provided that the three sections of the Dominion—the Maritime Provinces, and the two Canadas—should be equally represented in the Senate. In this way, the Lower Provinces received a countervailing influence in the upper branch, in order that their interests might be protected. The Minister of Justice, speaking on the same subject in the House of Commons, laid down the doctrine that "the man put into the Upper House is as much a man of the people the day after, as the day before his elevation." According to the British constitution the King, Lords and Commons, formed the three branches of Parliament. The Lords represented themselves, the Commons represented the people, or in theory the people themselves assembled to deliberate on what was necessary for their interests. Now the Senate was in an entirely different position from the Lords. The members of the Senate had no separate estate to maintain—they represented, in a secondary degree, the people, for they were appointed by those who were responsible to the people. That position was supported by the highest constitutional authority in Parliament—by one whose opinions on such subjects were entitled to the highest respect, even by those who might differ from him politically,—at a time when the Legislature was discussing the details of the Constitution for the Confederation. In the same debate the Hon. George Brown said:—"The desire was to render the Upper

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House a thoroughly independent body—one that would be in the best position to canvass dispassionately the measures of this House, and stand up for the public interests in opposition to hasty or partisan legislation." Then in the British North America Act itself, the 18th clause read: "The Privileges, Immunities and Powers to be held, enjoyed and exercised by the Senate and by the House of Commons and by the members thereof respectively, shall be such as are from time to time defined by Act of Parliament of Canada, but so that the same shall never exceed those, at the passing of this Act, held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the members thereof." That clause did not make the distinction that the privileges and immunities of the Senate should never exceed those of the House of Commons, but placed that body on an equal footing with the other branch, and provided that its powers might be extended by an Act of our own Parliament. That fact showed clearly that it was contemplated to constitute a Senate which would be of equal power to the Commons, though its powers would be perhaps exercised with more moderation and discretion. The fact that the name of the Upper branch had been changed to that of the Senate was very significant. The history of the world showed that the idea which the term conveyed was that the Senate had higher duties and responsibilities than even the Legislative Council. In the course of the present debate it had been clearly demonstrated by honourable gentlemen opposite that the House of Lords had undoubtedly the power of rejecting even a Supply Bill. It had also been clearly demonstrated, that not merely a tax which came within the Supply, and which was minor in its character, but the Supply Bill itself had been directly rejected by the late Legislative Council. The present Postmaster General had himself recognized the constitutional right of the House to deal with the question by his own recorded vote in the old Council. It was certainly proper that a measure imposing taxes on the people, should emanate immediately from a body, directly representing and understanding the wants of the people; but in the present case, the Senate was called upon to express an opinion as to the propriety of the burthens to be imposed on the country. Such a right should, of course, be exercised with great care; and the question now arose, whether the Senate would be justified in exercising that right. In answer to that question, he would refer to the state of things in the

House of Commons. If the question had not been made one of party, the tariff would never have come up in its present obnoxious shape to the Senate. When the Supply Bill came up in the British Parliament, it was never the practice to treat it as a strictly party question, involving the fate of the Ministry. Two or three adverse votes might be given against the Government, but the House would not necessarily consider them as votes of want of confidence. The Government, however, had said, to their supporters, that unless they assisted them in passing the measure, obnoxious though it was, another set of men would probably come into power. So unpopular and unjust was the measure considered, that the Government were only sustained by a bare majority on the motion against the duty on breadstuffs. The Postmaster-General had positively declared that the Government was a unit on the question, but no one could surely believe—especially after certain occurrences in the Commons—that the Cabinet was by any means satisfied with a measure which was raising such a cry of dissatisfaction from one end of the Dominion to the other. Now it was often said that when an individual was assailed on a particular point on which he knew himself to be vulnerable, he invariably insisted upon being relieved from even the shadow of a suspicion. It was impossible to ascertain how the Government could be a unit on the question, when they had one policy before, and another after, dinner. If they could be considered a unit under such circumstances, it must be by a species of legerdemain, which could not be understood with reference to other associations of individuals. As respects the merits of the measure itself, he must confess it was most burthensome to the people. Luxuries, used by the well-to-do classes, were fair objects of taxation; but the policy—the great "national policy"—imposed duties on the poor and labouring classes of the people. It was urged that the coal duty was a matter of little importance, except to those who lived in cities; but it had been urged, with truth, that when you raised the price of one description of fuel, you necessarily enhanced the value of all others. In many localities of Quebec, there was a very great scarcity of fuel—that indeed was one of the causes of emigration from certain districts of that Province. Those who travelled over the country to St. Hyacinthe would see that the country was as bare of fuel as were the prairies of the North West. When the Postmaster General said that the duty on breadstuffs would not alter the price of a loaf of bread, it was obvious that he had not studied the science to which bakers applied

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themselves. He (Mr. S.) had found that when there was the slightest rise in flour, the bakers were painfully alive to the fact; and he had no doubt that the effect of the duty would be to put a cent on a loaf, without any reference to the actual tax on the whole barrel. The Postmaster General did not appear inclined to be influenced by the opinion of the cities; but in that respect he certainly differed from his colleague, the Finance Minister; for if the Banking Bill showed anything, it was that the great Banking interests of the large centres of population were consulted. Certain sections were affected injuriously by the Bill—especially the Province from which he came. The tax on coal would notoriously weigh heavily upon the population of Quebec. The same people would also suffer in the article of breadstuffs, for they were obliged to import Indian corn and flour from the United States. No doubt, the Minister of Marine felt that the Province of New Brunswick would suffer by the Bill. That hon. gentleman gloried in being a Liberal, but if that term was to mean anything, it should be applied to one who espoused the rights of the people, and under such circumstances, he would surely rise above all party considerations and assume that attitude which he must feel in his heart was due to him as a friend of the people, and a representative of New Brunswick (hear, hear). It was only necessary to read the organs of public opinion in that Province, and to see the position of the majority of its representatives in either branch, to conclude that the tariff must be most odious to the masses in that section. It was customary with certain gentlemen to call the measure a "National policy," and to defend it on the ground that it would bring the Americans to their senses and restore Reciprocity to us. Such an argument was so purely absurd, that he would not waste any time in discussing it at length. The policy of imposing taxes on fuel and food, which were necessities of life, could not be for a moment defended on any substantial ground; it was a policy neither in the direction of free trade nor of protection. He had great faith in fostering a manufacturing industry, because he believed that farmers in the vicinity of manufactories, were directly benefited; but the effect of the present measure was to burthen all classes and confer benefit on none. In conclusion, he would merely say that party considerations should not prevail in the Senate—whatever position hon. gentlemen might take could not affect the stability of the Government. The duty of the Senate, under the circumstances, was clearly defined, and that was to g

against any unnecessary burthen being imposed upon the people of the different sections of the Dominion; and if hon. gentlemen failed to respond to the public opinion of the country, they would be recreant to the high trust reposed in them. (Hear, hear.)

Hon. Mr. REESOR said that he did not wish to detain the House for any time, but he was unwilling to allow the vote to be taken without having given expression to the reasons which influenced him in the course he was about to pursue. At the outset he must express his regret that the Government had not given more reasons why the House should support the Bill under consideration. No doubt could exist in the minds of any one that the Bill was unpopular from one end of the Dominion to the other; and certainly a measure which gave so much dissatisfaction ought to be sustained by sound argument before the Senate was asked to pass it. It was not a national policy in any sense of the term, for if it were such, such formidable opposition to its passage would not have arisen in every section of the Dominion. It was urged that the duty on wheat was an act of justice to the farmers of Ontario; but there was a very large quantity of surplus produce raised in that Province, and its value was regulated by the price in the foreign market—whether that market was in Montreal or South America, and could not be affected by the tariff. If we imposed a duty on American wheat and flour, the consumers would have to bear the burthen. But there were other considerations that should not be forgotten. If we allowed the produce of the far West to come through Ontario, as it had been doing for a number of years, then we were fostering a most lucrative commerce. Fifteen millions of bushels of American wheat passed through the hands of Canadian merchants last year. It might be said that there was a drawback on that merchandize, if it was intended for export; but it was well known that the very fact of the existence of such a duty must create annoyance, and cramp that trade, now so profitable to Canada. He could not understand how the Government could sanction a policy which did not benefit any great interest in the country, but on the contrary must react injuriously upon the farming community which was deeply interested in the development of all our commercial and manufacturing interests. In nine cases out of ten, American coal was used in manufacturing establishments throughout Ontario, and the tax upon them would be very considerable in the course of a year. It had been said by the Hon. Postmaster General that the duty on coal was only borne by the

manufacturing establishments; but it was well known that whatever increased the duty that the manufacturer paid necessarily enhanced the price of the article which he had for sale. Take, for example, railway iron. The duty would necessarily interfere with any contracts that firms might have made of late. Parties engaged in constructing certain railways in the West applied to a certain firm to supply them with the iron. The price was named, but it was too high. The same parties had now agents in England to see if they could there get their iron cheaper. Was it fair to throw difficulties in the way of such enterprises? A manufacturing interest should be encouraged, inasmuch as it brought additional consumers into the country, and stimulated the agriculture of the Dominion. He did not object to a little incidental protection to manufactures, but that protection was in no way afforded by the measure before the House. The duty on the coarse grains was particularly objectionable. It was well known that corn was the only coarse grain brought in from the United States, and inasmuch as it did not enter into competition with our own produce, the farmers of the West were not benefited by the duty. He was aware himself that within the past year thousands upon thousands of bushels of corn had been brought from the United States. Not only would the distilling and manufacturing interests be affected by the tariff—the shipping interest would also feel it. A drawback might be allowed on corn exported, but why throw difficulties in the way of our merchants and manufacturers? Under these circumstances, he was convinced that if the Senate had ever been called upon to interfere with the legislation of the country, it was in the case of a measure which bore unfairly on particular sections, and could not be justified even by those who were endeavouring to fasten it upon the people.

Hon. Mr. ROBERTSON said that he was unwilling to give a silent vote on the measure which had already been so fully and ably discussed. It was certainly one of the most important questions that had come up for consideration since the commencement of the Union, and he regretted that he was obliged to give a vote on it adverse to the Government. He felt it was the duty of the Senate to rise above party feeling and deal with the question in accordance with the true interests of the country. The constitutionality of the course proposed to be taken by the opposition to the measure had been thoroughly stated, and it was not necessary that he should go over that ground on the present occasion. Looking at the general features

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of the measure he must say that its effects upon the interests of the different Provinces, and ultimately upon the Confederation itself, would be of a most serious character. The Bill gave very general dissatisfaction, and would continue to create an irritation that it would be very difficult to allay. Instead of endeavouring to stimulate the manufactures of the country, the Government had adopted a policy which hampered them. An indirect tax was put on manufactures, not only by the duty on coal, but by the duty on breadstuffs which enter into the consumption of the labouring classes. If that should be the case,—and no one could doubt it—then there should be no hesitation whatever on the part of the Senate, as to the propriety of rejecting the measure. So far as public opinion had expressed itself, it was most unequivocally against the adoption of so injurious and unjust a policy. He saw no force in the argument that the duties would have the effect of renewing more liberal trade relations with the United States. If he remembered aright it was understood that the negotiations on the subject of Reciprocity terminated some time ago, but since the tariff had come up it was said there was a greater chance than ever of obtaining Reciprocity. The whole amount of duties on American products was estimated at \$200,000; and would any one assert that the Americans were going to give us a renewal of reciprocity on that account. They would only enter into reciprocity when they considered it was for their interests to do so; and it was absurd to talk of coercing them. If we chose to put a duty on goods necessary for our own consumption we would also have the privilege of paying it. Looking into the question of the coal duty, the House would see how unfairly it would operate. If you would take the article of gas coal, it would cost from 35s. to 40s. a ton in Glasgow, and the duty upon that would be about 6 per cent, *ad valorem*. Steam coal, at the shipping ports, was 6s. or 6s. 3d. a ton, and the duty on it would be 33½ per cent. Common house coal was 9s. a ton, and the duty upon that was 24 per cent. American house coal cost, on the average, \$3.75 of our present money, and the duty on it would be 13½ per cent. Anthracite coal last year was \$7.50 at the lowest price at the nearest shipping port to Canada, and the duty on it was 6½ per cent. Now it would be seen that whilst we would pay 33½ per cent *ad valorem* on the coal imported from Great Britain, we would only pay 6½ per cent on the coal imported from the United States. Therefore a differential duty, to all intents and purposes, was im-

posed against the English coal to the extent of 26 or 27 per cent.; and yet, that was called a great national policy. It was certainly very extraordinary to hear the Postmaster General say that the duty on coal would not be felt outside the cities, and there only by the wealthy people.

Hon. Mr. MITCHELL wished to ask the hon. member if he was not aware that the largest importation of coal was used in the cities, and that the rural districts had no interest in the matter.

Hon. Mr. ROBERTSON—Would the hon. gentleman say that if the importation of coals was stopped, it would not generally affect the price of fuel?

Hon. Mr. MITCHELL—If the entire importation were stopped, it would affect, but not seriously, the price of wood. The rural districts, however, would not feel it; but, under any circumstances, the tariff did not preclude the importation of coal.

Hon. Mr. ROBERTSON—It was quite certain that the Nova Scotians could not supply the people of the West with coal.

Hon. Mr. MITCHELL—The argument urged by the steamboat proprietors for taking off the canal tolls was—If you take them off, we will obtain all the protection we require, and with the return freights, we can make our business pay. There was every reason to believe that there would be an additional consumption of Nova Scotia coal by means of the duty.

Hon. Mr. ROBERTSON—That fact showed clearly that the Dominion was paying a subsidy to the Nova Scotia coal owners at that time. He was not unwilling to give a little incidental protection to manufacturers, although he was a free trader in principle. The present measure, however, would only tend to increase the expenses of the labouring classes engaged in ship-building, or other manufactures. He knew that it added to the expense of ships to have a quarter of a dollar imposed on flour. He could not understand on what grounds that tax could be supported; for it burthened the poor, and was declared by the Ontario millers to be no protection to them. The object was to tax one Province for the benefit of the other. New Brunswick had to pay duties on breadstuffs and on coal, under the delusion that it would benefit the millers of Ontario and the coal owners of Nova Scotia, and she had to bear this burthen as one of the advantages of being a section of the Dominion of Canada. The people of that Province were promised equal justice when they entered the Confederation, but certainly there was no justice in the Bill before the House; and he was positive it would lay the foundations of discord. He asserted, without fear of

contradiction that the men who were most anxious to accomplish the union were now the most bitterly opposed to it, on account of the legislation of the Canadian Parliament, and the manner in which the Confederation was being worked out. The Hon. Minister of Marine and Fisheries might well move uneasily in his seat, for he knew that the assertion respecting the state of things in his Province was perfectly correct, and that there was no doubt the feeling would increase in intensity unless there was a change for the better in Dominion legislation. Under such circumstances it seemed to him that the Senate had ample reasons for adopting the amendment before the House. The effect of the Bill might be simply stated as setting one section against another, and exciting jealousy and prejudice from one end of the Dominion to the other. It was impossible to look into the details of the Bill without seeing that most disastrous results would follow from its operations. The mode of assessing the duties was certainly of a most extraordinary character. Three-quarters per cent. additional was put on all articles that pay 15 per cent. *ad valorem* on which, according to the Finance Minister, \$425,000 was expected to be raised. Ever so many entries would have to be made at every Custom House, and the staff of officers would have to be increased; for it would be impossible for the ordinary clerks to spare the time requisite to make the calculations that would be demanded by the Bill. The same statement was applicable to merchants engaged in large business, and having frequently to make entries. It was impossible to predict accurately the amount of confusion and trouble that must arise under the Bill. The stipulations with respect to packages was most annoying. There was not a man in the Dominion, who had anything to do with the importations of wines, and was obliged to pay for the casks. The cask was included in the price of the wine or brandy. Section Eight of the former law was now repealed, and a most extraordinary section substituted in its place, which he must confess, he could not thoroughly comprehend.

"8. The value for duty, of goods on which an *ad valorem* Duty of Customs is imposed, imported into Canada by sea, shall be the actual value of such goods at the last place at which they are purchased; and the value of such goods for duty if imported from the United States by land, or by navigation, shall be the actual value of such goods at the last place at which they are purchased for importation into Canada, and whence they are directly conveyed, without change of package, to Canada; and whatever be the country from which

the goods are imported, or in which they are purchased, such value shall be ascertained by adding to the value of such goods at the place of growth, production, or manufacture, the cost of transportation, whether by land or water, and of shipment and transshipment, with all the expenses included, from the place of growth, production, or manufacture, to the place where the goods are purchased, and if they are purchased in the United States, then to the place whence they are directly conveyed to Canada as aforesaid,—and such value shall include also the value of any box, case, sack, package, or covering of any kind in which such goods are contained, and all export duties on such goods, and all costs and charges incurred prior to their purchase.”

No one could comprehend the actual meaning of such a clause. How was one to get the value of goods at New York? Such a clause might well puzzle any merchant. He was sorry to see that the Government had been under the necessity of adopting the most obnoxious part of the Tariff in the neighbouring States. It was almost impracticable to get the information asked for in that vexatious clause. Did it mean that a man buying a case of silks in New York would have to go and find its cost in China, or wherever it was manufactured, and trace every step that added to its price before it reached him? Take again the case of a bale of German cloths. One man might go to Berlin and purchase his cloth, and besides the value of the invoice he would have to state every shilling he might have to pay until he got it to its destination. Now suppose another person should purchase precisely the same class of goods in Liverpool; when he would present himself at the Customs he would be met by the officer with the remark, “What is the cost at the place of production?” He might reply, “I cannot say, for I bought the case in Liverpool;” but the officer would tell him, “You must furnish me with all the charges until the case got to Liverpool.” The actual result would be that he would pay the charges on that cloth as far as Liverpool twice over. He must confess he could not see how such intricate, if not impossible, entries were ever to be made; and yet the measure was called a “national policy.” It was certainly the most incongruous production that he had ever met with in the course of his business experience. As respects the cost of the packages, it must be admitted on all hands that it would fall on the consumers. If a duty had to be imposed, why not put it immediately on the goods themselves, rather than on the packages. It was simply because the Government did not wish to acknowledge they

Hon. Mr. Robertson.

were increasing the duties to 18 or 20 per cent., that they brought forward such a policy. It would have been far preferable to have imposed additional duties directly than to have devised such an annoying and cumbrous mode of raising money. No one certainly was prepared to refuse the Government permission to raise all the money they required in a legitimate way, but what he and others objected to, was the system adopted. If two and a half per cent. additional had been put on all the *ad valorem* goods, they would have actually raised more money than they asked for, and saved trouble and annoyance. The value of the packages, commercial men said, could not be estimated with reference to the value of the contents. The more bulky and cheaper goods came in heavy packages. As respects tobacco, it must be remembered that it was the luxury of the poor man, just as the rich man's luxury was a cigar or Madeira. Coming to another branch of the subject, he would mention that he saw it stated that Nova Scotia paper would be received at the Customs and Inland Revenue departments in New Brunswick at two and two thirds per cent discount in payment for duties. He presumed that this was to be a concession to New Brunswick to make up for the abandonment of the resolutions by the Government for the assimilation of the Currency.

Hon. Mr. MITCHELL.—The Government were the servants of Parliament, and Parliament had allowed the question to remain over for the present.

Hon. Mr. ROBERTSON.—The Government promised to deal with the question, and then ignominiously backed down at the dictation of the members from Nova Scotia. Now 2½ per cent upon \$5 was 13½ cents; the discount on Nova Scotia money was sometimes as low as 3½, but that depended on the rate of exchange, and the average was 3 per cent or 15 cents—so the concession was no such great boon after all to New Brunswick merchants. It must be considered, too, that in exchanging the money so collected considerable expense would be incurred. In fact, it was impossible to consider the present fiscal legislation of the Dominion in any point of view without seeing how cumbrous, expensive and unfair it was to the mercantile interests of the country. For such reasons, he believed the Senate was bound, by a deep sense of obligation, to the people of the Dominion over whose interests it was bound to watch, to express its emphatic protest against the measure under consideration, and relieve the country from the burthens which, if it was allowed to pass, it would impose upon all classes.

He had no hesitation whatever in giving his vote against the measure, inasmuch as it could not affect the position of the Government, and no great inconvenience need arise from the passage of the amendment. He was assured that the people, from one end of the Dominion to the other, would be exceedingly gratified if hon. gentlemen would consent to postpone the Bill. The resolution clearly expressed the wish why the Senate should take the course they were asked to pursue, and he was convinced that none other was open to those who were influenced by a desire to promote the true interests of the people. [Hear, hear.]

Hon. Mr. ALLAN said that he knew the House was becoming impatient, and he had no desire to prolong the discussion that night further than was necessary to place his views on record. He must say, at the commencement, that there had been no agreement between the hon. member for Grandville and other gentlemen on the same side of the House, to take the Government by surprise. He did not suppose that it would be unfair to that hon. gentleman if he were to say that if the amendment were to have the effect of bringing about a change of administration, it would not be a cause of dissatisfaction to that hon. member; but he (Mr. Allan) must say that he was convinced that hon. gentleman had not brought forward his motion in a purely party spirit. So far as he was individually concerned, he could assure the House that he had no other object in view except the deferring of a measure which he believed to be most undesirable. It had always been his pleasure to support the Government on all measures on which he could conscientiously do so; and, as regards the gentleman who led the administration in the House, he (Mr. A.) had great reluctance in assuming an attitude of hostility to him above all others. The present, however, was one of those cases when he ought not to be influenced by purely personal or party considerations. It was not necessary for him to say much about the constitutionality of the proceedings, after the remarks of the hon. gentleman who preceded him; but there was one passage in Todd's "Parliamentary Government," to which he would call particular attention. Mr. Allan read a quotation from the authority in question, in elucidation of his argument, and then went on to say that there was no doubt that the Senate was justified in expressing an independent opinion on a question of such a character as that under consideration. Indeed, a case in point had already been mentioned—the vote taken in 1859, in the old Legislative Council, on the motion moved by the Hon. Mr. DeBlacquièrre, and which he

had the honour of seconding and supporting in company with the present Postmaster General. (Hear.) Without dwelling further on a point on which he was convinced there ought not to be a doubt in the minds of any one, namely, the constitutional right of the House to take the course the resolution asked it to pursue—he must briefly refer to the merits of the measure itself—of that "National Policy," of which they lately heard so much. As a British Canadian, he was very desirous of building up a strong nationality in this part of the continent, but he must frankly admit that he could not see how the Confederation was to be strengthened by such a policy as that before the House. What he understood by a national policy was one which was essentially for the good of the country. Such a measure should be considered carefully and conscientiously in accordance with what were believed to be the true interests of all sections of the Dominion. With respect to the protection of the fisheries, he was prepared to support the Government in guarding the rights and interests of our fellow subjects in any part of the Dominion; but that question was very different from one which could only perpetuate jealousies between the different sections, instead of creating harmony and cementing the Union. The argument that such legislation could ever tend to reciprocity was too absurd. Was it possible that four millions of people could coerce thirty-eight millions into the adoption of a particular commercial policy? He was strongly opposed to the measure, because he believed, in the first place, it was obnoxious in principle. He had no desire to see the doctrine of protection revived in Canada, and more duties imposed than were absolutely necessary for the purposes of revenue. For that reason he objected to the measure, especially as the principle having been once allowed, it was not easy to recede. Then he objected to the policy, because it would not answer the purpose which its promoters claimed for it. Any incidental protection it might afford to any particular interests—and it was doubted if any would really be given—would not compensate for the great injury that would be done to the shipping and commercial interests of the country by driving into American channels a large trade that had hitherto passed through Canada. In speaking on the question, the Postmaster-General appeared to consider it a matter of indifference what the opinions of the cities might be; but the House was hardly likely to agree with him that it should not listen with respect to the wishes and sentiments of the large centres of intelligence, whence

information radiated to all parts of the country districts. When, therefore, it was seen that in the great centres of industry the measure was most emphatically condemned, the House had most powerful reason for rejecting it without the least hesitation. (Hear, hear). He acknowledged that if, by the imposition of the duty, it was possible to compel the manufacturers of Western Canada to use Nova Scotia coal, it would be satisfactory; but no one who was conversant with the subject but acknowledged that they could not be supplied from that Province. Nova Scotia coal, he was assured, had been tried over and over in the furnaces of the large manufacturing establishments, but not with satisfactory results. No matter what the duty might be, the proprietors would be obliged to use the American anthracite coal. Then, again, consider the effects upon the poorer classes of the population. It had been asserted that so far as the great body of our people were concerned, the taxes would not affect them in any way whatever, but he could not agree with that opinion. In the first place, he must state it as a fact that coal was being extensively used among all classes, owing to the increase in the price of wood—even in the large benevolent institutions they were obliged to use it altogether. Every one was aware that the destruction of the forests was going on most rapidly in every part of the Dominion, and the price of wood was annually becoming higher; and there was no doubt whatever that the moment the additional taxation came into operation the result would be to add to the price of fuel. If the effect of the measure would be to encourage intercolonial trade, it would be an argument in its favour, but his idea of the best means of effecting so desirable an object was to increase the facilities of intercourse between the different members of the Union—to improve our canals and extend the railways throughout the Dominion. During the past season, the steamer *Her Majesty*, had made regular trips between Halifax and the upper ports, but she could only go down to Montreal half laden, in consequence of the limited capacity of the canals.

Hon. Mr. MITCHELL.—She always got her full cargo at Montreal.

Hon. Mr. ALLAN.—The results, however, were far from profitable to the owners.

Hon. Mr. MITCHELL.—Had been told by the owner of the boat, Mr. Chisholm, that the result of taking off the canal tolls, would be to give a margin for profit, and that if the propeller had not been

wrecked, he would have made a good season.

Hon. Mr. ALLAN went on to say that although he felt it to be a grave responsibility to vote for the amendment, yet he was compelled, for the reasons he had given, to support it. He believed that the measure was in itself inaugurating a mischievous system of legislation—that it would not encourage Intercolonial trade—that, on the contrary, it would interfere most seriously with many valuable branches of industry throughout the Dominion to which coal was indispensable—that it would press most heavily on a large class who were obliged to use it on account of the scarcity and expense of wood. Under such circumstances, there was no other alternative open to him as a member of the Senate, entrusted with the responsible duty of guarding the interests of all sections, than to vote against the passage of a measure which was likely to operate so injuriously upon all classes in the Dominion.

Hon. Mr. LOCKE said that the question had been so ably argued by his hon. friend and colleague from Nova Scotia (Mr. Miller,) who had clearly proved the constitutional right of the Senate to deal with the question, that it was not necessary he should delay the House with any prolonged observations on that part of the subject. It had been urged with force that they were now entering upon a new era in the history of this country, and that the example the Senate might set would be considered a precedent for the future. He thought the House had a perfect right to establish such a precedent as would clearly define its authority as a body performing responsible functions under the constitution of a Dominion, which was to become a great nationality according to the promoters of Confederation. As respects the tariff itself, he must say at the outset that the duty on coal would not be considered a concession to the majority of the people of Nova Scotia. The coal interest was confined to Pictou and Cape Breton, and the tax, if a benefit at all, could only protect a minority of the population. Whilst making a concession to the coal counties of Eastern Nova Scotia, the bread of the people in the West, was to be taxed. The Western Counties traded cheaply with the United States. At the end of the fishing season, vessels left the western ports for the United States, where they disposed of their cargoes of fish and returned with flour, rye and cornmeal. Only once in the history of Nova Scotia had the coarse articles of rye and meal been taxed. Rye could not be procured in Canada on the same terms as in the United States, and the

Hon. Mr. Allan.

same remark applied to corn meal to a large extent. Rice was also a commodity essential to a large class of the population—it was the luxury of the fishermen and poorer people. The man who was not able to buy any other article of luxury used rice—even the schooners when they went to the fisheries took large quantities with them. The Minister of Marine and Fisheries was perfectly well aware that meal was an article of prime necessity, not merely among fishermen, but especially among lumbermen. He would next refer to the article of tobacco, which was already taxed largely; it was the poor man's solace—absolutely necessary for his comfort when he returned home after a hard day's toil; but now he had to pay upwards of 100 per cent. more for the luxury of smoking his pipe. The duty on packages was very troublesome and unfair. The cask, for instance, in which molasses came might be worth \$5 in Cuba; but when it reached Nova Scotia its value was not more than 75 or 80 cents. In the fisheries, such casks were used to some extent for butts, but otherwise they were useless, and would have to be broken up for fuel. No where, except perhaps in the United States, was it usual to resort to the absurd expedient of charging a duty on packages. It had been well pointed out by the hon. gentleman from St. John (Mr. Robertson) that the Eighth Section would lead to great trouble and inconvenience, inasmuch as it was almost impossible to comply with its provisions, and under any circumstances it would require additional clerks in every large mercantile establishment, and in Custom Houses as well. Yet this measure, so perplexing and burthensome in its details, was called a great national policy. Some called it a "retaliatory policy," but before it could be entitled to that name, we would have to impose duties on American products equal to those they imposed on our own. The measure afforded no concessions to Nova Scotia—unless it was a concession to tax seven-eighths of the people for the benefit of one-eighth. Indeed, it was most questionable—in fact, it was positively denied—if the duty would operate beneficially for the coal producers themselves; but even under any circumstances it was a wrong policy to tax the many for the advantage of the few, (hear, hear.) The true principle, which should be at the bottom of all legislation, was to leave the people at liberty to buy where they can purchase the cheapest and sell in the dearest market. He had no doubt whatever that it was practicable to raise any money that might be required for the public expenditures by some means which would not operate unfairly on classes or sections of the people. For

instance, additional revenue could more satisfactorily be raised by making a slight increase on the *ad valorem* duties from 5 to 15 per cent. He thought, after having given full consideration to the subject, that it was the wisest course for the House to reject a measure which was creating such wide-spread dissatisfaction, and relieve the country from the irritation and annoyance which would certainly arise from its passage.

Hon. Mr. SKEAD said that he felt somewhat diffident in rising to speak on the question before the House at that late hour of the night, but he could not give a silent vote. The tariff had been before Parliament for a month—it had been thoroughly discussed in the House of Commons and in the public press; but nevertheless he had not seen a single petition from the farmers in Ontario complaining of its probable effects. It was true the cities of Montreal and Quebec objected to the measure.

Hon. Mr. ALLAN—The people have with reason thought that the objectionable features of the measure would be struck out.

Hon. Mr. SKEAD was not denying that Toronto, which the hon. member represented, was opposed to certain features of the tariff. He was not himself altogether satisfied with the measure, but nevertheless he had confidence in the Government, and believed that they had devised the best measure possible under all the circumstances. They were obliged to raise additional revenue, and the only way they could do it was by imposing such duties as would be distributed over all sections. He doubted very much whether it was advisable to add to the fifteen per cent duties at the present time. As a representative of a lumbering district he was opposed to a tax on timber, and it was probable that the Government would be obliged to resort to such a step, should they not be allowed to pass the present measure. He had been, he must confess, much surprised at the statement of the hon. member from Halifax (Mr. Miller) that English coal could be bought so much cheaper than the Nova Scotia article in the Quebec market.

Hon. Mr. MITCHELL said that it was a mistake to say that any ship would bring the coal simply as ballast.

Hon. Mr. MILLER had made his statement on the best authority.

Hon. Mr. SKEAD was of opinion that unless the Nova Scotia dealers produced coal cheaper, they could not expect to get the Canada trade.

Hon. Mr. MILLER remarked that they could not get it under existing circumstances.

Hon. Mr. SKEAD said that it was obvious to him that the national policy would work to the advantage of the country if it was properly carried out, and he believed it to be the duty of the representatives of all sections to assist it; and under any circumstances, if it did not operate beneficially, it could soon be repealed. It was a wise policy, at the present time, to direct all our legislation towards the object of creating trade between the several Provinces constituting the Dominion. The present measure was a step in that direction, and was therefore an experiment worthy of trial. The Senate should also bear in mind the fact that if it rejected the Bill before it, it would subject the House of Commons to much inconvenience, by delaying the progress of public business, and keeping members for some time longer from their homes and private affairs. He was not prepared to assume the responsibility of bringing the two Houses into collision with each other, at a time when it was so desirable to bring the public business to a close. In conclusion, he must observe that he was desirous of seeing every Custom House on the frontier abolished, and free trade established between Canada and the world. Direct taxation was, after all, the true principle of meeting public expenditures; but whilst the country was not prepared to adopt such a policy, he had to take things as he found them, and he would therefore vote for a measure which had been matured by the Government as a means of raising the revenue to the amount required for the public exigencies.

Hon. Mr. BOURINOT said that before the House divided, he felt it necessary to make a few remarks on the very important question which had already occupied so much time. He regretted that the members of the Government, and those who were ready to support them on the question, had not thought it advisable to explain more fully the reasons why the House should give its assent to the measure. He for one, would not apologize to the House for assuming a position which he felt he was called to assume by a sense of the duty he owed to the country. (Hear.) It was his undoubted right, as a member of the Senate, to act independently of Ministers, and he would not hesitate to exercise it on the present occasion. When the measure was brought up in the House of Commons, by the Government, he was in the city of Halifax, and in frequent intercourse with the leading men engaged in trade and interested in the coal mines of the Province; and not one of those he met expressed his satisfaction with the

Hon. Mr. Skead.

tariff. The coal owners said they did not want the duty of 50 cents, inasmuch as it would not be protection to them in the Canadian Market. They all thought that there was a disposition on the part of the United States to agree to amend their tariff so far as coal was concerned, and that there was every probability that the prohibitory duty would be abolished or so lowered as to allow the coal dealers of Nova Scotia to send their product into the American Market with profit. It was well known that public opinion in the United States was tending to the adoption of a more liberal commercial policy towards Canada; and under the circumstances it was believed in Halifax that the policy pressed in the Canadian Parliament by certain prominent gentlemen was unsound, and not calculated to benefit Nova Scotia in the end. It was clear that the natural market for the coal of Nova Scotia was the United States, and that it would go there despite the duty imposed on it. Many of the vessels now engaged in the trade brought back flour and meal, instead of ballast, and now it was proposed to tax those commodities which the people always considered they should receive free. Such legislation was in itself calculated to burthen the very class which it was intended to benefit, and showed a want of foresight on the part of those who had matured and forced it on the country. He was confident that the insignificant duty in question would never create trade between Canada and Nova Scotia—if trade should ever spring up between East and West, it must arise from natural causes, (hear, hear)—not from such artificial and unnatural expedients as now proposed. It was out of the question for Nova Scotia coal to compete with the British coal, which, as it had been before observed, was brought in as ballast. The best house coal sold at Sydney for about 10s. a chaldron, and for \$1.75 at the new mines, and the freight to Quebec would cost nearly as much. Then the various charges that had to be incurred in going up to Montreal, were so large at present, that the coal trade could not be made profitable. The policy was unsatisfactory in whatever point of view it might be considered. It was in no way calculated to build up a "new nationality," but was certain to perpetuate a spirit of rivalry and sectionalism that might lead to most serious consequences in the future. He was not prepared to admit that a great favour had been conferred upon Nova Scotia by a concession which could not benefit even the interest it was intended to assist; but under any circumstances, he protested, as a representative of that Province, against the adoption of any measure that would create

ill-feeling between different sections. As respects the argument that was used by the opposite side—that the effect of rejecting the Bill would be to bring the Senate into collision with the other branch—he did not see much force in it. The Senate had a perfect right to pursue that course which its members should deem most in accordance with the public interests, and even should they differ from the House of Commons he was convinced there was enough liberality in that body to prevent any difficulty arising. He regretted that he had delayed the House, but he could not refrain from expressing his opinion on the question, though he knew that his hon. friends who had preceded him had exhausted the subject. He had no hesitation as to the vote he would give that night, for it would be influenced by the desire to act for the interests of the whole Dominion; and those interests, he was convinced, would be best subserved by rejecting a measure which would operate most unsatisfactorily.

Hon. Mr. WARK said that he had been prepared to hear many diverse opinions expressed on the subject under consideration, but certainly he had never expected to find such unanimity. It was stated that it was the intention to benefit Nova Scotia and Ontario, and yet it was most surprising to see members from those sections rising, one after the other, and expressing themselves opposed to the measure. The effect upon New Brunswick was clearly to legislate her out of the Union. The people of that Province had to pay taxes on flour and corn meal for the benefit of Ontario, and on coal for the benefit of a section of Nova Scotia. He need hardly tell the House that it was not possible to force trade out of its natural channels, and that the policy in question would therefore fail in that respect. He had been always in favour of extending the canal system of the Dominion, and in that way facilitating trade and intercourse between Canada and the world. Every effort should be made to remove every barrier that prevented the St. Lawrence being the great highway between the West and Europe. The Maritime Provinces would be the carriers of that trade, and therefore he wished to see every facility afforded to its extension. Those Provinces had the means of building ships cheaply, and manning them efficiently. It had been frequently said that the effect of the American system of protection had been to drive their ships from the ocean; and yet it was now proposed to commence the same system which, according to the best authorities, was operating so injuriously to American commerce and enterprise. He regretted that he was forced to acknowledge that the

legislation of the Dominion had so far been detrimental to the interests of New Brunswick; but the opposition that the present measure met with in that Province was conclusive evidence of that fact, and justified the course he was now taking.

Hon. Mr. LETELLIER DE ST. JUST said that the Postmaster General, in the remarks he had made at the commencement of the debate, had attempted to influence the House by a style of argument that might be called in French, *quelque chose de specieux*. The House was told that the effect of throwing out the Bill would be to create a collision between the two Houses, and that much delay and inconvenience must arise from such a course. Now, referring to the proceedings of the Legislative Council in 1859, he found the Postmaster General agreeing with the sentiments in the resolution that was adopted—sentiments directly contrary to those which he had expressed that afternoon. Now that hon. gentleman was not prepared to assert the rights and privileges of the Senate; but in 1859 he assented to the declaration, “that the Legislative Council feels itself bound, in defence of its unquestionable rights as a co-equal branch of the Legislature, and as the only means of preserving its independence not to take the question of supply into consideration.” Now he (M. de St. Just) argued that the motion which he had moved was precisely similar in effect to the one which he had just read as having received the support of the Postmaster-General. He did not think the Government could fairly declare they had been taken by surprise—if the Telegraph were to be brought up to give evidence on the subject, (laughter,) he thought the reverse would be shown; and he must certainly take that opportunity of congratulating the Government on the satisfactory results that had arisen from the use they had been making of the useful agency of circulating information to their friends.

The members were then called in and the House divided on Hon. Mr. McPerson's amendment, which was lost by the following vote:—

CONTENTS:—Hon. Messrs. Allan, Blake, Bourinot, Chaffers, Christie, Cormier, Dickson, Guevremont, Hamilton (Kingston), Leonard, Leslie, Letellier de St. Just, Locke, McClelan, Macpherson, Malliot, Miller, Olivier, Reesor, Robertson, Sumborn, Simpson, Wark, Wilmut.—24.

NON-CONTENTS:—Hon. Messrs. Aikins, Armand, Benson, Bill, Bureau, Burnham, Campbell, Chapuis, Crawford, Duchesnay, E. H. J.; Dumouchel, Holmes, Kenny, Lacoste, McCrea, McDonald, McLelan,

McMaster, Matheson, Mills, Mitchell, Renaud, Ross, Ryan, Seymour, Shaw, Skead, Wilson.—28.

The question then being put on Honorable Mr. LETELLIER DE ST. JUST's motion in amendment, the same was also resolved in the negative.

The question being put on the Honorable Mr. CAMPBELL's motion, viz.: "That the said Bill be read a second time at the next sitting of the House," the same was resolved in the affirmative.

The House then adjourned at midnight.

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