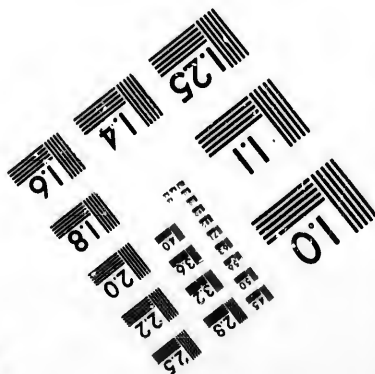
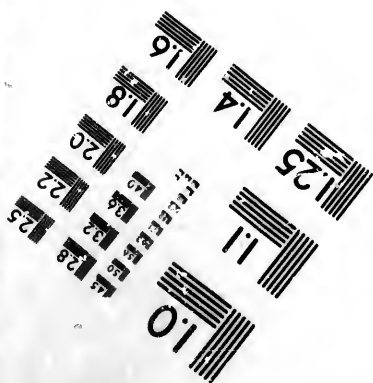
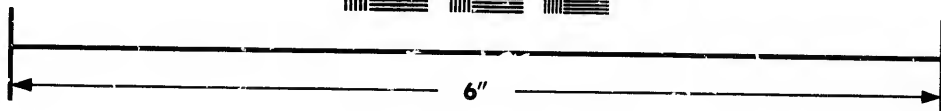
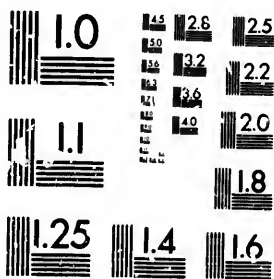


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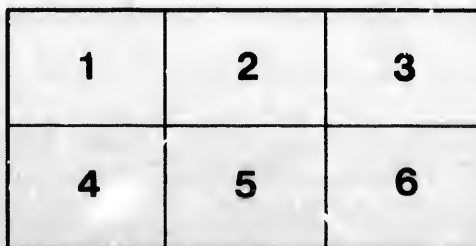
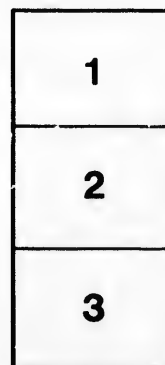
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SPEECHES
ON THE
DOMINION LICENSE ACT,
EXCHANGE BANK LOAN

AND THE
INDUSTRIAL and FINANCIAL POSITION of the DOMINION

DELIVERED ON 2ND, 5TH AND 6TH MARCH, 1885, RESPECTIVELY,

BY

MR. THOS. WHITE, M. P.

FOR CARDWELL

Montreal:
GAZETTE PRINTING COMPANY.

1885.

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THE DOMINION LICENSE ACT.

SPEECH BY MR. THOMAS WHITE, M.P.,

Delivered in the House of Commons, on Monday Evening, March 2nd.

On the evening of the 2nd of March, 1885, in the House of Commons, Mr. Bergeron, member for Beauharnois, moved for correspondence between the government of Canada and that of Quebec, on the subject of the working of the Dominion License Act. In the course of the debate on the subject, Mr. White, member for Cardwell, spoke as follows:—

Mr. WHITE, (Cardwell). The hon. gentleman, the leader of the opposition, has already announced that we are going to have an opportunity of voting on this question before the session is over, and I presume, therefore, there will be an abundant opportunity of discussing it at greater length before that time. But in the meantime, I desire to call attention to an error into which the hon. gentleman who has just sat down has fallen, in relation to the action of this house when the McCarthy bill, as it is called, was before us. The hon. gentleman says that by the amendment put into that act by the majority of this house, it was resolved to reserve to the Province of Quebec certain rights which it enjoyed before confederation, with reference to the issuing of licenses, and that when it was attempted to pass a similar motion in respect to the other provinces the same majority voted that down. It is as well to point out that these hon. gentlemen who talk so loudly of provincial rights and of the importance of leaving to the different provinces freedom of action in relation to this question of licenses ought at least to remember that the motion that they made with regard to the other provinces was a motion to destroy the action of the provincial legislatures in relation to this very question. (Hear, hear.) The difference between the province of Quebec and the other provinces was this, that before confederation in Quebec the municipal councils had the power of their own individual action, without the intervention of

the ratepayers in any way whatever, to refuse licenses. The people of the province of Quebec, as represented in their legislature, had never repealed that law, had never modified it or altered it in any way whatever. They were satisfied with the law as it existed before confederation, and the proposal that was made by parliament when the McCarthy Act was brought in was simply that, inasmuch as the provincial legislature of the province of Quebec had in no way signified by its action a disposition to change the law as it existed prior to confederation, we ought not to interfere and override the law which they, for so long a time, deliberately permitted to remain undisturbed on the statute book. (Hear, hear.) But in the province of Ontario particularly, and I believe I am right in saying in the other provinces as well—certainly in Ontario—and the hon. gentleman's amendment having relation to all the provinces had therefore relation to Ontario among the others—the local legislature had, by its act, signified its disapproval of the law as it existed before confederation. The province of Ontario had adopted a new law, and what these hon. gentlemen wanted us to do was this, that we should, by this Act, set up our judgment as against the modifications of that law adopted by the province of Ontario, and that we should go back to the law which that province, by its own legislature, having the power as it then supposed, to legislate for itself, had set aside. (Cheers.) I can understand the hon. gentleman saying that we were doing that under the McCarthy Act, that we were changing the law under the McCarthy Act; but if we were, there was no proposal by those hon. gentlemen that we should include the provisions of the Crooks Act, the provisions of an Act which Ontario had itself adopted, but there was a proposal that we should set aside the decision which Ontario, in its legislature, had adopted as applicable

to the province itself, and substitute a different state of things—a state of things they had voluntarily set aside. (Hear, hear.) That was the distinction between the two cases, a distinction every hon. gentleman who looks fairly at it will realize, and which justified the action of this Parliament, even from the highest standpoint of provincial rights, in confirming legislation which had never been interfered with by the legislature in the province of Quebec, and at the same time refusing to set aside the action of the provincial legislature in Ontario, modifying and changing the law as it prevailed before confederation. (Cheers.) Then the hon. gentleman has told us that the privy council had declared that the Crooks Act is absolutely legal, and that the Supreme court have practically confirmed that decision. The Supreme court have done nothing of the kind. They have confirmed, to some extent, that decision; but they have declared that there are portions of the Mc-Carthy Act which are legal and constitutional. (Hear, hear.) They have declared, for instance, that the right to issue and control wholesale licenses belongs to this parliament, leaving us to determine what are wholesale licenses. We know that in the different provinces the term "wholesale licenses" has an entirely different significance. In some places a pint is considered a wholesale license. Do honorable gentlemen opposite pretend to say we have the right to deal with the selling of liquor by the pint? That is not what is meant by the people of the province of Ontario when they talk of wholesale licenses. (Hear, hear.) There, a wholesale license is a wholly different thing, and therefore we are left, by the decision of the Supreme court, with the whole question worse confounded than when it went to the Supreme court. One cannot read the reports of the discussion which took place before it, and the remarks of the learned judges when the argument was had before them, without realizing that they felt that they were embarrassed by the two decisions, which some of the learned judges did not hesitate to declare were entirely contradictory—the case of Russell against the Queen, and the case of Hodge against the Queen. And, in neither of these cases, as far as a layman can read them—and I profess to discuss them only from a layman's standpoint—did the question arise on the point of trade and commerce. In the Russell case we were told that it was a matter of peace, order and good government, and that it therefore belonged to the Dominion to

legislate on the subject. In the Hodge case, we were told that it was a matter of peace, order, and good government, and that therefore it belonged to the province. (Hear, hear.) Precisely on the same ground, the regulation of the sale of intoxicating liquors was declared to belong to the province and to the Dominion. I see the hon. the leader of the opposition laughing. The hon. gentleman, in his mightiness, may laugh, but this house will recollect that, from the time this question was first discussed in this parliament, the hon. gentleman has not had the courage to express his own individual opinion upon it. (Cheers.) He has told us what were the opinions of the courts; he has told us what this court has said and what that court has said; he referred us, in former debates, to the decisions of Mr. Justice Ramsay, if I rightly remember, and to the decisions of other learned judges on the subject. But his own opinion we remain as ignorant of to-day as we were the first day he rose up to speak on the subject. (Hear, hear.) We know, however, that this very question of the constitutionality of the Crooks provincial license law, of the place where the authority rested to deal with the question of the regulation of the liquor traffic, has been a subject of discussion and controversy almost ever since confederation. Before the conservative party went out of power in 1873 it was a subject of discussion. After that government went out, and, if I mistake not, when the hon. gentleman himself was the minister of justice, his deputy minister, a man of eminent ability, a man whom we could not retain in the public service of this country because we could not pay him enough—and everyone will regret that we could not retain him, because he was a man of eminent ability, I refer to Mr. Lash, in a report he made to council in relation to an Act of the provincial legislature of Ontario, expressed grave doubts, that hon. gentleman (Mr. Blake) being his chief at that time, as to the powers of that legislature to pass a law conferring upon a municipality in the Muskoka district, I think it was, or in some of the unorganized territories, the power to deal with these licenses. (Cheers.) We know that the late Mr. Bethune, a man of great parts, a man whose eulogy, if I mistake not, was pronounced as a lawyer and a Christian gentleman by the leader of the opposition, when sitting in the local legislature of Ontario, and speaking on this question even from the ministerial side of the house, in relation to a measure introduced by his own leaders in that house, held

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the gravest doubt whether they had the power to deal with this question. This is not, and this ought not to be a question to be bandied about simply for party purposes, as a political shuttlecock, but is a question of serious political import in regard to which gentleman as eminent as any on the other side of the house who have expressed their opinion—and that, of course, excludes the leader of the opposition—have expressed either grave doubts or an absolute certainty of conviction, that the local legislature could not deal with the matter. (Cheers.) What is the position in which we stand to-day? Everyone admits that the decision of the Supreme court is not a satisfactory decision, that it does not fairly settle this question, that it does not really determine the position in which the local legislatures and this parliament relatively stand to-day. I may say here that, for my part, I do not believe a legislative union possible in this country, and that I would not desire to see it attempted. I believe we have the very best system of government, by which the local legislatures have full control over local affairs. But we are acting under a constitution which, being a written law, must, like all written laws, be subject from time to time to controversy before, and to settlement by, the legal tribunals, just as the constitution of the United States has been as to some of its clauses subject to controversy before the courts, for years after its adoption. We are under a constitution which ensures their rights to the provinces. When the court of final resort decides upon them, and they become a settled part of the constitution, those rights are confirmed to the provinces, and they can exercise them without the possibility of this parliament interfering with them. (Hear, hear.) And the one feature, it seems to me, which is in favor of pro-

vincial rights—not, as I say, as a matter of party shibboleth or party clap-trap, but as having regard to the well-being of this constitution and its proper observance—is the surety the provinces have, and the confidence they may feel, in the fact that the courts can interpret the constitution above the action of this parliament or of the provincial legislatures; that we are, in fact, subject to that interpretation, and are ready to bow to it when the interpretation is finally given. Hon. gentlemen speak of provincial rights. Do they remember that when they were in office Acts were disallowed; that more were disallowed, if you leave out the repetition of disallowance by the conservative government in connection with Manitoba and the Streams bill, while they were in office, than during the whole time the conservatives have been in power? (Cheers.) Do they recollect that an Act which has since been declared to be within the competency of the legislature of Ontario—I mean the Escheats bill—was disallowed by a minister of justice of their own, who is to-day a judge of the Supreme court? No, sir; this question of provincial rights, which is raised now for mere party purposes, will settle itself, as many other questions have settled themselves. We will find our constitution settled by continued—and in the nature of things they must be continued—interpretations and decisions of the highest courts upon it; and, when those decisions are given—and in this question in its present position it is most desirable that the highest decision should be given—then we can go on, this parliament and the provincial legislatures respectively, each confident in its own ability and power to legislate within its own sphere, and for the benefit of the constituencies which elect it. (Loud cheers.)

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THE EXCHANGE BANK LOAN.

SPEECH BY MR. THOMAS WHITE, M.P.,

Delivered in the House of Commons, on Thursday Evening, March 5th.

The following is the report from *Hansard* of the speech delivered by the member for Cardwell on the resolution of Sir Richard Cartwright censuring the government for having made an advance to the Exchange Bank :

Mr. WHITE (Cardwell) was loudly cheered on rising. He said : Mr. Speaker, we are having, to-night, a very remarkable illustration of that kind of wisdom which comes after the event, and which is generally, according to the proverb, considered a very cheap commodity. [Hear, hear.] The hon. gentlemen who have addressed us, from the hon. member for South Huron (Sir Richard Cartwright) down or up, as they may prefer to the hon. leader of the opposition, have taken the ground that, because of certain circumstances which have since occurred in relation to the management of this bank, the loan made to the bank at a time when it was in difficulties ought to be condemned; and they have laid down this general proposition, that any act of a man's life which he may, upon reflection, or because of the results which have flowed from it, regret having been committed, must, by the fact of that regret, be open to censure. Now, Sir, it seems to me that that is a proposition which the hon. leader of the opposition himself would hardly like to have applied to his own life and conduct. We know him to be a gentleman of very high personal character. We know him to stand, in his own estimation and that of his friends, upon a pedestal far above that upon which ordinary mortals are permitted to stand. We know that, reading the commentaries as to his position in this country, with which we are favored by the press and by hon. gentlemen opposite, when, with bated breath, they venture to refer to him at all, he is one of those favored gentlemen who never make a mistake; that he is one who never in all his lifetime committed anything which subsequently he

could in any way regret; and, that therefore, the ordinary rule which applies to ordinary mortals, that an act performed in perfect good faith and at a time when, as everyone believes, it is not only not censurable but commendable—I am laying down a general proposition—does not apply in his case; and that, therefore, should the result turn out to be not precisely what was expected, it is to be condemned, and the person who committed it is to be censured. [Cheers.] I do not think, in this particular case, we can take into account, as circumstances which ought to be known to the Finance Minister, which he had the opportunity of knowing when he made those advances, the events and circumstances which have since been made known in connection with the management of this bank; and I propose, before I get through with the very few words I intend to address to the house, to establish this to the satisfaction of this hon. house. There are two propositions laid down in the resolution. The first is, that an advance made to a bank in difficulty is censurable; and the next is, that where a bank has applied to have its capital reduced, that alone ought to put the government on its guard, and no further consideration or loan should be given it. These are the two propositions affirmed in the resolution. Now, the hon. gentleman, the leader of the opposition [Mr. Blake], made reference to an antecedent case, one that occurred in this country immediately after confederation, when an hon. gentleman, who occupied at that time the position of Finance Minister, and whom the leader of the opposition described as very much more able than the present Finance Minister, retired from the government on a question arising out of a proposed loan to a bank.

THE COMMERCIAL BANK CASE.

It is worth while looking for a moment at

the statement made by that hon. gentleman, when he made his explanation on the floor of parliament; and I think this house will agree with me, that whoever is entitled to bring in this motion of censure, it is certainly not the hon. member for South Huron [Sir Richard Cartwright]. What do I find, according to the statement of Sir Alexander Galt, who gives the history of that whole transaction. He says:—

“The first intimation which I received in reference to the Commercial Bank being in danger was from my hon. friend (Mr. Holton). I was at the time on a visit on public business to the Treasurer of Quebec.”

And I am bound to say that when I heard the son of that hon. gentleman (Mr. Holton), the gentleman who succeeded him in the representation of Chateauguay, a gentleman for whom, personally, I have the very highest respect and whom I am very glad to count as a personal friend—when I heard him laying down the doctrine that no loan should be given to a bank which is in difficulties, I was reminded of the fact that the very first suggestion that came to the government in 1867, in relation to the Commercial Bank, came from the honored father of that hon. gentleman, who went to the then Finance Minister and urged him strongly to advance to that bank a loan from the government, in order to save it from difficulty. [Cheers.] Sir Alexander Galt went on to say:—

“On my return to Sherbrooke I found a telegram from Mr. Holton, informing me he desired particularly to see me on public business, and wished to know where he might do so.”

I wish to call your attention, Sir, to the fact that Mr. Holton was at that time a director of the bank; that he stood, in relation to the Commercial Bank, in precisely the same position as that in which Mr. Greene stood to the Exchange Bank, and when he came to the Finance Minister of that day he came in precisely the same character and on precisely the same mission as did Mr. Greene to the present Finance Minister in this city a short time ago; and when one reflects upon the language which the leader of the opposition ventured to use with reference to Mr. Greene's visit, when he suggested that the Finance Minister should have said to Mr. Greene: Sir, you are a personally interested party; I will have nothing whatever to do with you; your visit to me is practically an impertinence—

Mr. BLAKE—No.

Mr. WHITE. Go about your business, and I will enquire into this matter. When one remembers that language applied to Mr.

Greene, and then remembers that Mr. Holton stood in relation to the Commercial bank in precisely the same position and came with the language I am about to read to the then Finance Minister, and came, I venture to say, if it had been the hon. member for West Durham (Mr. Blake's) case, with the entire approbation of the hon. member for West Durham, one has an opportunity of knowing the difference it makes on which side of the house an hon. gentleman happens to be seated. (Cheers):

“I replied, I wished him to come to Sherbrooke, which he did by the first train. He then informed me that the business on which he desired to see me related to the Commercial bank, which, owing to the partial but continuous and continual withdrawal of deposits, was, in the opinion of the directors, getting into a position of a serious danger—and that he was desirous of submitting the case to me, that I might, if I thought proper, bring the matter before the government, and obtain a deposit of public moneys, in order to give the bank an additional reserve as a security for their meeting their engagements.”

That was the proposition made by the late Mr. Holton, when the Commercial bank was in difficulties. His first thought was to obtain from the government an advance in order to strengthen the reserves of the bank and enable it to avoid the difficulties. This statement goes on to point out that Sir Alexander Galt suggested some difficulties in the way, but he proceeds to say:

“However, at the desire of the directors of the bank, and particularly of its president, Mr. Cartwright—

Who, for the purposes of this discussion, I may assume to have some relation, at a separate, to the hon. member for South Huron (Sir Richard Cartwright) (loud laughter and cheers).

“I consented to accompany them to Kingston, for the purpose of myself submitting the case to Sir John A. Macdonald ascertaining whether his views would differ in any material respect from those which had been expressed by Mr. Cartier and myself.”

Then we have the statement of what occurred, and then we have this further statement:

“I then went down from Montreal, accompanied by Mr. Cartwright, the president of the Commercial bank, and the other gentlemen who were then acting on behalf of that institution. I saw Mr. Angus, the manager of the Bank of Montreal—Mr. King being then in England—and expressed to him the hope and desire of the government that that bank would, so far as was consistent with its own safety, and on the deposit of satisfactory securities, extend such assistance to the Commercial bank as would meet the exigencies of the case.”

I think I hear hon. gentlemen opposite saying that is precisely what we have been urging the government should have done in

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this case—that it should have gone to the banks. Let us see a little further what happened. Mr. King at first showed a disposition to grant this assistance on the part of the other banks, he having come back from England, where he was. Sir Alexander Galt says :

"I would prefer postponing any decision as to the course I would recommend the government to take, until the following day; I wished to have their sanction to communicate to Mr. King the information which had been conveyed by them to me, and they agreed to this." They went on to consider, and this is a point of some little importance :

"We considered, moreover, the effect which would probably be produced on the country if the failure of the Commercial bank became a fact. We looked into the condition, so far as the published statements enabled us to do so, of all the various banks of the country, compared it with what it had been at previous periods, and considered what effect, according to the best of our judgment, the failure of the Commercial bank, coming unexpectedly on the country, would have. The conclusion which Mr. King and I arrived at was, that it might be fraught with very serious disasters indeed."

Then he goes on still further :

"After, as I have said, several hours of very serious consideration on these points, I came to the conclusion, and it was acquiesced in by Mr. King, that the best course to take under the circumstances was this: that the government should take the responsibility of coming to the assistance of the bank, and that it would be well for me to submit the case to the government, with a recommendation to give assistance to the amount of half a million of dollars."

Now, there was a recommendation that the government should come to the assistance of the institution, but some members of the cabinet still thought that the banks should assist, and we find a letter, and a rather remarkable letter, from Mr. King, showing, finally, the reason why the bank would not assist, and showing also the kind of management under which that bank labored at that time, and from which it failed, and, I think I may say, the responsibility in connection with that management rests largely on the hon. gentleman who moved this resolution. (Cheers.)

SIR RICHARD CARTWRIGHT. And of the hon. member for Carleton (Sir John A. Macdonald), another director.

MR. WHITE. The hon. member for Carleton was a member of the government at the time.

SIR RICHARD CARTWRIGHT. And a brother director and solicitor of that bank.

MR. WHITE. He was a member of the government at the time, with a great deal to

attend to in connection with public matters; and, if he erred at all, it was probably in placing too much confidence in the gentleman who was the president of the bank. (Cheers). Now, what said Mr. King?

"I believe that the difficulty of the bank has been rendered more imminent by an unwise expansion of its discounts within the last few weeks, upon the unsatisfactory plea of rendering assistance to others when its own life was in danger."

So, according to Mr. King's statement, after agreeing that practically some assistance might be given to this bank, we find him writing a letter to the Finance minister, withdrawing all offer of assistance, on the ground that, after the bank was in difficulties, at the very moment the president was travelling about with the Finance minister, for the purpose of getting assistance for it, its manager was playing ducks and drakes with the interest of the bank, by extending loans right and left for the purpose of saving other institutions while its own life was in danger. (Cheers) :

"I think it extremely improbable," said Mr. King, "that the bank can obtain assistance from any other quarter than the government, as I should most strongly advise my directors not to increase the amount this bank has already advanced to the Commercial bank, with the knowledge of the government, for the reason that I believe all assistance will be in vain if there is not a peremptory contraction of their loans."

Well, did the hon. member for South Huron, the Mr. Cartwright who was the president of that bank, say: Since these banks will not assist us, since Mr. King declares that any assistance will be helpless and hopeless to relieve us, let us close our doors? Not a bit of it. He still travelled about with the Finance Minister; he still, in the face of that letter, stating that the bank would not assist the Commercial Bank, urged upon the government of the day to advance this half million of dollars to relieve that bank from difficulty, and so to prevent, probably, a commercial disaster in the country. (Cheers.) I am bound to say, in the face of that record of the hon. gentleman, in connection with that bank of which he was president, and for whose failure I fear he was as much responsible, to say the least, as any other gentleman connected with it, that it hardly lies with him to move the resolution of censure which has been moved to-night. So much for that precedent. (Cheers.)

AID TO OTHER BANKS.

Then, as to the other proposition laid down in this resolution, what is it? It is that,

where a bank has reduced its capital, where a bank has come to parliament and got its capital reduced, the fact of that reduction should prevent the government from coming to its assistance; or, in other words, that, when once a bank reduces its capital it is practically no longer worthy of public confidence. That is substantially the proposition we are asked to affirm by the resolution now submitted to this house. What do I find? The Merchants Bank, the successor to the Commercial Bank, got its capital reduced, the act reducing it being assented to on the 16th April, 1878. The hon. gentleman was finance minister at that time. What did he do? I find that, in July, 1877, the public deposits in that bank were \$54,843; I find that, in January, 1878, they were \$83,434 and I find that in May, 1878, immediately after the reduction of the capital of the bank, he had increased the public deposits in that bank, which practically amounted to a loan to the bank, to the amount of \$216,497. [Cheers.] I only give two illustrations, but I venture to say that we might go through every bank and find that the same thing practically occurred in every case. We had a statement the other day from the manager of the Federal Bank, that already the government of the day have had sufficient confidence in the future of that bank to renew their relations with it and to make deposits in it. If that be the case, we ought to have these gentlemen moving a resolution to condemn the government for putting money in a bank which is at this moment before parliament for an act to reduce its capital. I venture to say that they will do nothing of the kind. I take the Ontario Bank, whose bill was assented to on the 17th May, 1882. I find that, in February of that year, after the notice had been given for the reduction of capital, the Ontario government, whose careful management I presume hon. gentlemen opposite will not venture to impugn, had on call in that bank \$94,794.28, and on deposit to be drawn after notice \$300,000. I shall not read all the figures, but so these deposits continued in that bank, as an assistance to that bank undoubtedly, as government deposits by the government of Ontario, in spite of the fact that the bank was applying, that it obtained and after it obtained the reduction of its capital.

THE ONTARIO BANK AND POLITICS.

The hon. member for West Durham tells us that the Ontario Bank never was a political bank, that he never knew it to be a political

bank. Well, that is rather a remarkable thing. I have here a letter from the president of that bank, which undoubtedly has some influence in the particular district where he was. It was dated Bowmanville, 17th January, 1874, rather a remarkable time, for, if I remember rightly, the elections took place on the 20th of the same month. I speak from memory.

An hon. Member—The 30th.

Mr. WHITE—Yes, the 30th of that same month. Here is the circular letter:

"DEAR SIR.—Although I am not disposed to oppose Mr. Gibbs on personal grounds, in the approaching election, still, as one who has labored long and hard to promote the interest of Canada, I now ask my friends to support men who will support the present government, for the following reasons:—

"Because many of the men forming the present government are my personal and esteemed friends."

[Hear, hear.] That is a very good reason, though it is not a banking reason:—

"Because, if the present government is sustained, I will be able through them to get justice for our party in needful appointments and otherwise."

[Loud laughter.] In view of the fact that every gentleman who either recommends the exercise of patronage or is the object of patronage himself, is charged with being corrupt, it is rather remarkable that the president of this bank should have made the fact of getting needful appointments and patronage one of the reasons why the customers of the bank should support the opponents of Mr. Gibb. But here is a stronger point still:

"Because, if they are sustaining our bank, and other Ontario banks, and through them the country will have the use of the government surplus until required."

[Cheers.] And then follows.

"May I ask you to give my old friend, Mr. Cameron, your candid and honest support."

(Cheers.) This is written by the president of the bank which the hon. leader of the opposition declares had never been a political bank. His guilelessness in reference to everything of this kind causes him not to know that Mr. Simpson had ever been a political friend. (Laughter.) I find that Mr. Simpson was not wrong in his anticipation of what would happen, and that the bank returns, as they came down afterwards, showed a steady increase of deposits, not simply from the government here, but from the Ontario government as well—deposits on call, not on interest at all, showing that he did not at all misunderstand the character of his friends for whom he

was acting, in the issue of that circular, when he told them that his bank and other banks—although the other banks did not fare so well—that his bank would get the advantage. Now, Sir, that is not the only case. [Cheers.] I find here another circular that was issued—a more important one, in some respects, because, important as the president of a bank is, and especially such a president as was our good old friend, Mr. Simpson, one who understood the knack of mesmerising in batches, and who explained it to the court on a memorable occasion—the manager of a bank, the gentleman who comes into direct contact with the customers of a bank, may be said to be even a more influential person. And what do we find? Here is a circular letter, dated from Oshawa, in January, 1874, to this effect:—

“MY DEAR SIR.—We are very largely interested in the success of the present government, as their continuance in power will add largely to the success and prosperity of the bank.”

[Loud cheers.] Not of the country, but of the bank, in this case. The president was a cunning old fox, who understood how to throw in a word or two about the country and all that kind of thing, but the manager knew exactly what he was required to do, and therefore he put the matter in plain English:—

“And through them, of the business people of the community. Our president, the hon. John Simons, is calling upon our friends to give us a hand for Mr. Cameron.”

Signed by Mr. Holland, who was at that time manager of the Ontario Bank, and that was the bank that the hon. member for West Durham says he does not believe ever was a political bank, in fact, he knows it was not. [Laughter and cheers.] He says that he never read these particular letters; of course the hon. member's reading is of an entirely different class. Now, sir, as to this matter, I have shown that as far as precedents are concerned, at any rate, the hon. gentleman, to use the common phrase, has not a leg to stand upon in the motion which he has proposed, and the only question with which we have to do, practically, here, is this: had the government reasonable ground to believe, when they made this advance, or gave this deposit, that the effect would be to enable the bank to tide over its difficulties, and to enable it to hold its own, and, in that way to avoid the difficulties which might occur in the event of a suspension of a bank at that time.

WAS THE LOAN JUSTIFIABLE.

The hon. gentleman, the leader of the oppo-

sition, has spoken of the small effect of the failure of this bank, at the time it did fail, and he has done me the honor to make special references to myself, as having a remote connection with a particular newspaper from which he read a remarkably good article. Now, I want to point out to the hon. gentleman, that the conditions of the bank, and the condition of trade in relation to it, in the month of April, was a very different thing to the condition in the month of September. There is no doubt whatever that in the month of September those conditions had so far changed that the bank failed without any serious effect upon the commerce of the country, or upon other institutions. But what was the position in April of that year at the time the directors came up to Ottawa? The hon. gentleman is good enough in this, as in all other discussions, to drag in the National Policy. He is good enough to tell us that we had promised prosperity and well-being to this country, and that there could be no depression, no difficulty, and no necessity for aiding the bank. But we know that at that time we were passing through a period—not of legitimate commercial depression owing to difficulties arising from legitimate commercial operations—but we were passing through difficulties arising from the insane spirit of speculation, as it looks now, and as it looked to level-headed people then—although I am bound to say there were some people who were not level-headed at that time, in relation to particular transactions—but there was a wide spread spirit of speculative transactions, especially in connection with our great Northwest; and the failure of the boom, as it was called, in the Northwest, made men feel that they might be on the verge of a serious crisis that would result disastrously to the welfare of this country. This was the condition of things at that particular period. It was then, Mr. Speaker, that the failure of even a small bank like the Exchange Bank, taking place in the presence of the failure of that boom in the Northwest, when men who had gone in there expecting to be millionaires came out practically paupers—it was at that time that this application was made and that the government had to face this difficulty. [Hear, hear.] To say that five months afterwards, when men had come to feel that, after all, this difficulty was not going seriously to effect the welfare of the country, when, as Mr. Smathers fairly pointed out, the effect even of a bank failure had been discounted, and the difficulty would not be so great as it might have been,

coming in the midst of this practical crisis—to say that at that time the effect of a failure of a bank was not disastrous, is a proof that it would not have been disastrous at the earlier period, is simply to ignore the condition of things at the two periods respectively. Now, sir, what was

THE POSITION OF THE BANK?

The hon. member for North York [Mr. Mulock] told us that their reserves were almost exhausted. He says that if any body had looked at the position of the bank, and seen how little gold and Dominion notes they had in reserve, and compared that with the liabilities which they might at once be called upon to meet, they would have said the bank was not in a safe condition at all, but in a condition of hopeless bankruptcy at that time. Why, sir, the hon. gentleman knows this, that the specie reserve and Dominion notes of no bank in Canada would enable it, at a moment's notice, to meet the calls to which it is liable at any time. The strongest institutions in the country are enabled to meet their liabilities from their reserves, or from their Dominion notes, it presented on one day, although they are happily abundantly able to meet them by their loans as they come in. But in this case, it was because the reserves were small, it was because their reserves were being exhausted, that they came to the government, that they wanted assistance to tide them over their difficulties, until they could collect the money that was owing to them, and in that way meet all the obligations that they had incurred; it was precisely because their reserves were getting exhausted that it was necessary for the bank to come here. Had its resources been stronger, had there been sufficient gold and notes in the vaults of the bank to enable them to do what the hon. member for North York thinks they ought to have been able to do, that is, to meet all their liabilities the moment those liabilities were called for, and in the event of those liabilities being called for suddenly, why, sir, there would then be no necessity for their coming here at all. [Cheers.] But what was the position? When I tell you that after the fall of the bank, that after the doors were closed, at a meeting of creditors, a statement was submitted by Mr. Campbell, of whose ability there is no doubt, who stands so high that at this moment, while there have been discussions in Montreal amongst the creditors in relation to the other liquidators, all concur in leaving him there as a liquidator—a statement was submitted, I

say, by Mr. Campbell to those creditors, declaring, on an examination, a tolerably careful examination, so far as he could make it, within the two or three weeks he was there, that there were still sufficient assets to meet the claim of every creditor, you will agree with me that no examination of the books such as could be made at the time by an officer of the government would likely have shown the condition of things which was afterwards developed. [Cheers.] The unfortunate fact was simply this: the bank was undoubtedly badly managed. The unfortunate fact was, that the system of book-keeping was such that many of the bad debts and losses, which have since been shown, have only been discovered in books apparently hidden away, which even so skilful a banker as Mr. Campbell was unable to see. And so the consequence was that he was in a position to come down to the meeting of creditors and declare, after the bank had closed its doors and when he had made that examination for the special information of the creditors, that the bank was solvent at that time and was able to pay all the claims of its creditors. [Hear, hear.] What was the further fact?

POSITION OF THE DIRECTORS.

The directors have been referred to here almost as if they were a band of robbers, as if they were men who came here to plunder the country. They, unfortunately, are the heaviest losers. They held, as the leader of the opposition has told us, more than one-half of the entire capital of the bank. Certainly one would say that that was a ground for security rather than a ground for doubt, as to the management of a bank. And what is the further fact? That so shrewd a business man as Mr. Buntin—and those who are acquainted with him know him to be a shrewd business man; he was a director of the bank, and presumably knew how things were going on—on learning, on his return from England, that a loan had been obtained from the City and District Savings Bank to the amount of \$250,000 on the collateral security, if one may use the term, of the directors themselves, he had such confidence in the soundness of the bank and of its ability to pay all its debts, and to pay its stockholders as well, that he actually proposed, though not obliged to do so, to become a party to that loan. So we have this extraordinary fact in relation to this matter, that the directors of the bank who were there, who possessed a daily knowledge of what was going on, were so thoroughly convinced of the soundness of the bank and

that its difficulties were merely temporary, the result, simply, of a bear movement on 'Change, that they were ready to risk their own individual fortunes in connection with that institution. [Cheers.] The hon. member for North York [Mr. Mulock] has told us that this bank had failed before and had closed its doors, and he told us that it had taken, as manager, a gentleman who knew nothing of banking, who had had no banking experience, and who never should have been in that position. I can appeal to the hon. member for Chateauguay [Mr. Holton], that the directors of the bank, previous to that first failure, included in their number some gentlemen, who certainly were not conservatives, and who were eminent and leading business men in Montreal. One was Mr. James Crathern, one of the shrewdest business men of the city, and another was Mr. Thomas Caverhill, and so confident were they, when they were directors, that they actually risked their own money in making the stock good on a reduction of the capital taking place, and they did that which, I believe, no directors have ever done in relation to a bank in this country, either before or since. Then as to Mr. Thomas Craig. He was well known in Montreal. I do not know whether he was trained in a bank, but he was recognized as a clever business man; and the gentleman who pressed his appointment on his brother directors was not his brother-in-law, the member for Montreal West [Mr. Gault], not Mr. Ogilvie, Mr. Buntin or Mr. Greene, but it was Mr. James Crathern, a political opponent, and a gentleman who, as I have said, is as shrewd a business man as there is in Canada. It was Mr. Crathern who urged his appointment, and his opinion in regard to that gentleman is certainly as good as that of the hon. gentleman for North York [Mr. Mulock], much as we may esteem his judgment of human nature. Under those circumstances, when the directors came to Ottawa they came here precisely as other bank directors had come. Why had we no resolution of censure in the case of the Consolidated Bank?

CONSOLIDATED BANK AND SIR FRANCIS HINCKES.

We know what happened in regard to that bank. We know that the bank had as its president a gentleman who, from the time he came into this country, in 1836, down to the time he left it, in 1855, was the financial model of the liberal party in Canada—I mean Sir Francis Hincks.

Mr. BLAKE—Hear hear.

Mr. WHITE, (Cardwell)—The hon. gentleman says, hear, hear. All I can say is, that Sir Francis Hincks then was inspector-general of the government in which the hon. gentleman's father was solicitor-general and supported in 1848-49 until he left parliament.

Mr. BLAKE—No.

Mr. WHITE (Cardwell)—Does the hon. gentleman say no?

Mr. BLAKE—The hon. gentleman's observation was that Sir Francis Hincks had the confidence of the liberal party up to the time he left Canada, in 1855.

Mr. WHITE, (Cardwell)—So he had

Mr. BLAKE—I differ with the hon. gentleman.

Mr. WHITE (Cardwell)—Then all I can say is, that the hon. gentleman is splitting straws in a manner unworthy of him. It is quite true that a section of the liberal party, from 1851 to 1854, opposed him. It is quite true that a section at that time thought a coalition between the liberals and the conservatives would be a good thing; that a section of the party endeavored to defeat him; and that to that end in Huron they supported Mr. Cayley against Mr. McQueen; that in Hamilton they supported Sir Allan M. Nab against Mr. Buchanan; that in Kingston they supported the present leader or the government against Mr. Counter; that in various parts of Ontario, during that time, we had that condition of things, and a section of the party withdrew its support from Mr. Hincks. But if I do not mistake, the hon. gentleman (Mr. Blake), judging him by what we have seen since he came into public life, was not of that section, his boast being that he never was a clear grit, whatever he might be; and his efforts ever since have been to raise the liberals out of the ruts into which they had got, through the actions of the leading man who at that time had not confidence in Sir Francis Hincks (cheers). What I was going to say was this, that Sir Francis Hincks was the president of that bank. He had a salary as president. He was at the bank every day; he had an office there; he was watching it continuously. Yet what occurred? We know that when the bank failed exposures occurred and a large number of transactions came to light to which Sir Francis Hincks would never have been a party if he had known anything about them; and the only question which seems to me to arise is this: whether there may not be something done by law or otherwise which will secure, not the inspection of the banks, which

to my mind would be utterly futile, but the greater responsibility of directors in connection with the management of banks [Hear hear.] How that can be done is a difficult question. We are told by the hon. member for Chateauguay (Mr. Holton) that a number of things have since come out which the government might have ascertained for themselves if they had examined the books; but the answer to that is, that Mr. Campbell, who made an examination of the books after the failure, with the sole desire of finding out precisely what the condition of things was, reported that the bank was all right. True, it has not turned out to be all right, and everybody will regret it.

POSITION OF SENATOR OGILVIE.

It is somewhat difficult to understand what is the precise position of those hon. gentlemen with regard to the security of Senator Ogilvie. I know there are a great many persons who think that the government should not have pressed its claims against the bank at all for those loans; that they should be willing to accept their chance with the rest of the depositors, and take their share out of what the assets will produce. I do not quite know whether that is the view of the hon. gentlemen opposite, though I am bound to say that the statement of the leader of the Opposition would lead one to believe that that is his view; for while he in the strongest possible way, condemns the granting of the loan, objects to the possible loss of the money as the result of granting the loan, he at the same time urges—if his argument means anything—that we should make the loan an ordinary one, and consent to come in with the rest of the creditors for share and share alike (Hear, hear.) Well, sir, I do not pretend to be a lawyer, but I venture to say—and I do not think the leader of the Opposition will deny it—that if we took that ground; if we undertook to release the bank of our prior claim—if we have a prior claim—to that \$200,000, if we undertook, of our own action, to say that we would take from the bank the same proportion that the bank is able to give

to its other creditors—in that case, at any rate we could not hold the security [hear hear.] That is a proposition which, even according to Ontario law, the leader of the Opposition will hardly dispute. We must at least, if we did sue Senator Ogilvie, we must put him in as good a position as we are, to recover from the bank the full amount of that deposit. There can be no question about that, as a legal proposition; and therefore the only question which would arise would be this: so far as the bank is concerned, it would make no difference, whether we are to ask that gentleman for the money in the meantime—and he has already lost seriously by his personal confidence in the bank, and has risked large sums of money as a shareholder in connection with it—whether we are to do that, or first to exhaust our rights against the bank, and then, if it is found that we have any claim against Senator Ogilvie, to go for him and recover that claim. That is the only difference between the two positions [hear hear]. I think no one will deny that having regard to the precedents, having regard to what has been the invariable practice, having regard to the opinion of the hon. member who has moved this motion in the case of the Commercial Bank—that even after the president of a bank had declared that it was hopelessly gone, because of its later mismanagement still the government should come to its assistance—I say, under those circumstances, I think the house should have no difficulty in voting down this resolution, and relieving the finance minister of the imputation which has been attempted to be placed upon him, for an act which he performed in good faith, upon precedents which are abundant in the records of this country; when he believed himself, in attempting to prevent the disaster of the failure of that bank, to be averting the consequent disaster, which, in view of the peculiar and speculative condition of things in Canada, and the failure of those speculations at the moment, might have resulted to the commercial interests of the country. [Loud cheers.]

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THE BUDGET DEBATE.

SPEECH BY MR. THOMAS WHITE, M.P.,

Delivered in the House of Commons, on Friday Evening, March 6th.

The following is the HANSARD Report of the Speech of the Budget, delivered by the hon. member for Cardwell, on Friday evening, 6th March, in reply to Sir Richard Cartwright.

Mr. WHITE, (Cardwell), who was received with loud cheers, said: Mr. Speaker, in rising, sir, to continue the debate upon the motion that you do leave the chair for the House to go into committee of ways and means, I desire to say that I think the debate might very fairly, if both sides would agree to it, be left precisely where it stands at this moment. We have had from the hon. Finance Minister a speech as able as it was exhaustive, a speech than which, I believe, no better has ever been delivered from the ministerial benches on a similar occasion in Canada, and which embodied as complete a statement of the financial and industrial position of this country as could very well be embodied in any statement of the kind. [Cheers.] We have had as a reply to that a speech from the hon. member for South Huron (Sir Richard Cartwright), who speaks for the opposition, in matters of this kind, with some degree of authority, which, I think, even his own friends will admit, was hardly equal to the reputation which he deservedly possesses as an able debater. If one may judge of the speech—if one may use, in fact, the concluding sentence of the speech as a commentary on the speech itself—the hon. gentleman unfortunately indulged in those extravagances of statement which, I think, impair very greatly the effect of what otherwise might be useful statements in relation to public affairs, and which certainly, so far as we are concerned on this side of the house, do not make his speeches, as a rule, very dangerous to us. [Hear, hear.] Sir, let me ask you what will be thought, what can be thought, of an hon. gentleman with the responsibility that rests on that hon. gentleman as an ex-finance minister, who, after three hours of discussion of the affairs of the country, concluded in these words:—

"I say this in conclusion, and I say it, not as a matter of rhetorical statement, but as a simple matter of fact, capable of mathematical demonstration, that I believe to-day, if we sat down and counted the cost, we would find that this country has lost more in six years of evil government relatively to its population and its resources than the people of the United States did in the four years of desperate civil war which immediately preceded the formation of our confederation."

It does seem to me, sir, that an hon. gentleman who approaches a discussion of the affairs of this country, of its financial and industrial position, holding the view which is embodied in the words which I have just quoted, puts himself out of court altogether as a reasonable authority upon the questions with which we have to deal in a discussion of this kind. [Cheers.] The hon. gentleman commenced by telling us that he proposed to deal in some disagreeable truths. He commenced by telling us that he anticipated that possibly from this side of the house he would be charged as unpatriotic because of the statements he was about to make; but influenced, like one of Gilbert's creations, with that terrible sense of duty, being in fact the slave of duty, he thought it necessary to tell the truth, whatever might be the result to the country, or, in fact, to himself. [Laughter.] Well, so far as I am concerned, I do not think this country has anything to fear from the truth. I believe that the truth fairly told, I believe that the truth fully told, told without mitigation, without concealment [of any fact, will not injure but benefit the country. [Cheers.] But the hon. gentlemen, under the guise of truth, commence their statements by the declaration that they are overwhelmed with a sense of the duty attaching to them to tell the truth, and then deliberately proceed to make statements which, to say the least of them, would not, in any other place but parliament, be entitled to be called truth. We may fairly conclude that the hon. gentleman who makes such statements to the prejudice of his country is not entitled to any great consideration, and is certainly not in a position to set himself up as being influenced simply by his sense of duty to the country.

THE QUESTION OF POPULATION.

The hon. gentleman on this, as on former occasions, dealt with the question of the population of Canada, and it does seem to me that it is very deeply to be regretted that we should find ourselves, on almost every occasion when this debate arises, or similar debates arise, compelled to defend the country against statements, which, if they were true, even in part, it would not be necessary to parade on every possible occasion; but which, as I shall show in a moment, are not only not correct even in part, but are so absurdly incorrect that the hon. gentleman who presents them to the house can hardly be credited in courtesy with believing them himself [Cheers.] The hon. gentleman reiterated here the statement which he made with regard to the loss of population in Canada in a memorable speech in Montreal. On that occasion he elaborated his figures more than he ventured to do yesterday; but as he took the full responsibility for them, I shall take occasion to refer to them, and I think I will be able to convince even the hon. gentlemen opposite that they are not entitled to the credit which he would desire they should obtain. The hon. gentleman admits that from 1840 to 1861 the country made considerable progress. He gave the figures of the census in 1840 as 987,000; those by the census of 1851 as 1,842,000, and of 1861, 2,507,000, which figures, he admitted, showed a very rapid increase indeed. And having made that admission, he started for the purposes of his discussion with the census of 1861. The population of the old provinces in 1861, he said, was 3,200,000; the net increase of births over deaths, or the natural increase, he said, ought to have been 2,000,000; that is, that the population, without the addition of any immigration, should have been 5,200,000, or an increase of 62½ per cent. How he obtained that 52½ per cent. as the basis of his calculation I shall show in a moment or two, but that is the basis—and I want hon. gentlemen to remember it—of the increase which he has taken in all of his calculations, and upon which he has ventured to say that this country, so far from progressing, has steadily lost in population. He went on to say that the immigrants settled in Canada during those twenty years numbered 499,562, that the natural increase of the immigration would be 210,000, or a little over 42 per cent., and the curious thing is that in order to make that increase he assumes that the whole 499,562 immigrants

were here at the commencement of the twenty years, and that that increase has been going on ever since. Why, those immigrants have been coming in during those twenty years, year by year, the larger part of them practically during recent years, and to talk, therefore, of an increase of 42 per cent., the natural increase over a period of twenty years on those 499,000 persons, as if they had all been here at the commencement of that period, will, I think, show the carelessness at any rate with which he has made up his calculations. [Hear, hear.] Upon those calculations, however, he comes to this conclusion, that the population in 1881 was 3,200,000, that the natural increase in twenty years should be 2,000,000, that the immigrants who came into the country were 499,562, that the natural increase in relation to them should be 210,000—making a total of 5,909,562. Then the census, as stated by the hon. gentleman, gave 4,242,000, and he finds, therefore, that there has been a decrease in the population of this country, or rather that the population of this country is in fact 1,667,562 less than it should have been if we had not lost greatly from our population by immigration from the country. [Hear, hear.]

TEST OF UNITED STATES' CENSUS.

Now let us look at the figures in the light of the census of the United States. The Canadians in the United States, and I think I may fairly say our friends on the other side of the line are not apt to understate the case, the Canadians in the United States in 1860 were 249,970; in 1870 they had increased to 476,572, and in 1880 they had increased to 710,585. Now, the latter two periods are, for the purposes of this discussion, the only important ones, as the people represented by the first figures were in the United States at the time the hon. gentleman selected as the starting point in his calculation. You deduct, therefore, this 249,970, or, in round figures, 250,000 people from the population, and then if you add the natural increment to the remainder, by the ratio used in the United States census, which, I think, is not an unfair calculation, you will find that the Canadians in the United States, going there since 1861, and by the natural increase to them since that time, would number 758,637. Now how would the case stand? The comparison would stand thus:—According to the hon. gentleman's calculation the loss to Canada is 1,667,562, but the actual loss, as shown by the American census of Canadians in the United States, giving

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crease to those persons according to the scale established by the American census, was 758,837. So that there is an exaggeration at the very outset of the hon. gentleman's statement, against this, his own country, of 908,925; that is to say that, in order to establish the statement which he made, there ought to be no less than 900,000 more Canadians in the United States than the census of the United States assumes to be there. [Cheers.] I leave it to the hon. gentleman to discover where these 900,000 people have gone. Then there is another thing which ought to be taken into account. Although I suppose these persons would be regarded as part of the general immigration, it is well just at this point to state the fact that there have been persons coming from the United States to Canada as well as persons going from Canada to the United States. According to the census of 1880 in the United States and the census of 1881 here, while there were 14 Canadians to each 1,000 in the United States, there were 18 Americans to each 1,000 in Canada, so that after all there has been a fair interchange of the courtesies of visitation between the peoples of the two countries during that period. (Hear, hear.) But the hon. gentleman carried his calculation still further. When he was speaking in Montreal, in November, 1884, he said that Canada had at the outside, exclusive of Indians, a population of barely 4,400,000, while it ought to have had 6,700,000, making a loss, according to the hon. gentleman, of 2,300,000 persons, or an additional loss in the last four years of no less than 700,000. That is that our loss had increased, according to the hon. gentleman's statement, between 1880 and 1884, by no less than 700,000 persons. Now, on the same basis of calculation, which I presented before, we have the loss calculated by the hon. gentleman, 2,300,000; the loss according to the United States census, 836,404, so that we have an exaggeration on the part of the hon. gentleman, according to that method of calculation, the correctness of which I venture to say cannot be successfully impugned, of 1,463,596, or in round numbers an exaggeration of a million and a half. [Cheers.]

THE RAILWAY PASSENGER RETURNS.

We have an opportunity of knowing something, during the last few years at any rate, from statistics that cannot be very well questioned, as to what has been the movement of the population between the United States and Canada. The department of agriculture, I believe, have obtained from the

Grand Trunk railway audit office a statement of the actual number of passengers going out and coming in at the different points at which the line crosses the frontier. So that, so far as that railway is concerned at any rate, we have in these figures a tolerably accurate statement of the difference between the income and the outgo of the people between the United States and Canada. What do we find? For the fiscal year ending the 30th June, 1883, the net total number of passengers from Canada to the United States, excluding through passengers, by the Grand Trunk railway was 187,935; the total number of passengers from the United States to Canada, excluding again European immigrants simply passing through the United States to Canada, was 192,627, or a net gain to Canada, according to the official statement of the audit office of the Grand Trunk railway, of 4,692 persons. Then, if you take the last fiscal year ending June 30th, 1884, you will find that from Canada to the United States the number of persons, again excluding European passengers, was 201,931, while the net total number of passengers from the United States to Canada, excluding in the same way those who came through from Europe, was 204,938, or a net gain to Canada of 2,907 persons, or in round numbers 3,000. (Hear, hear. Now, these figures may or may not be absolutely accurate. We have possibly as good a test in regard to their accuracy as it is possible to get, from the fact that they have come from the audit office of a railway corporation which has not, I am bound to say, shown itself much interested in building up either this government or this country during recent years; and we have a statement from that audit office which shows, at least, that there has been no such loss of population by persons going from Canada into the United States as would at all justify the statements made by the hon. gentleman. (Cheers.) Then we may take another way. We may take the immigrants from the United States, some of them returned Canadians, some of them Americans coming to settle in Canada—and you will find Americans in every town in Canada, in all the manufacturing centres in Canada you will find American workingmen who have come to find employment here just as you will find Canadian workingmen who have gone to find employment there—and if we take the entries of settlers' effects, we shall find that in 1879 the settlers who entered their effects at the custom house, and so registered themselves

as people coming to settle in Canada, were 9,775; in 1880, they were 10,961; in 1881, 15,404; in 1882, 30,554; in 1883, 34,987, and in 1884, 35,891. I think that will show that there has been a steady increase in the number of persons coming from the United States to Canada to settle, and yet in spite of those figures, which the hon. gentleman could have got without any trouble if he had been anxious simply to tell the exact truth in relation to this matter, he has ventured to base his whole argument upon the supposition that a much larger and a continuing larger outflow is going from Canada into the United States.

MIGRATION OF CANADIANS TO THE STATES.

There is no doubt whatever that during the last 30 years a good many Canadians have gone to the United States. Nobody doubts it; nobody can deny it; nobody can question it. There have been reasons for it, and reasons of a very simple character. If you go, for instance to the great lumber regions of Michigan, you find a number of Canadians who have gone there to work in the lumber shanties and the saw mills. That is an industry with which they have been acquainted here, and they have gone in great numbers, to find employment which they could not find here. Then, in the industries of New England, an incentive has been offered to a great many Canadians to find employment in those manufactories, and there have been still greater inducements in the great prairie lands of the American northwest which were opened long before our prairie lands in our North-west, were open to settlement, and which annually attracted large numbers of persons not only from Canada but from the old states of the union as well, who have gone there to settle. All these inducements proved attractive to the people of the eastern states, and those states have suffered in quite as great a degree as Canada.

THE BASIS OF NATURAL INCREASE.

Now, sir, I come to what seems to be a crucial test of the unfairness of the hon. gentleman's mode of calculation upon this subject. He has assumed 62½ per cent. as what should be the natural increase for 20 years, irrespective of immigration altogether, and he has based his entire calculation as to the loss of population to Canada upon that figure. Now what is the fact? We find, for instance, that the decennial increase in the United States was as follows:—

From 1830 to 1840.....	32.67
" 1840 to 1850.....	35.87
" 1850 to 1860.....	35.58
" 1860 to 1870.....	22.63
" 1870 to 1880.....	30.07

Making an average decennial increase of 31.36, or, for 20 years, 62.72. The hon. gentleman takes 62½, but he did not take the trouble to remember that this increase in the United States was not the natural increase of the people.

Sir RICHARD CARTWRIGHT—Why don't you take 1790 to 1810, when the population was the same?

Mr. WHITE—Well, if the hon. gentleman chooses to go back to those dates he is at liberty to do so, but I think he will find that the argument in relation to the natural increase will be precisely the same as the argument here. Now, when I find that the United States show an increase of the population, during twenty years, of 62.72, and that the hon. gentleman has taken as a reasonable basis for the natural increase of Canada, and as the basis of his entire calculation, an increase of 62.50, I have a right to assume, at any rate, that it is upon that he has made his calculation. But he has ignored altogether the fact that that increase of 62.72 in the United States for the twenty years actually included the immigration as well as the natural increase, and, therefore, was not a fair test to apply to this matter at all. [Hear, hear. The United States have increased during that time from various causes, from the annexation of territory and in other ways, but whatever the increase was, the figures I have given cover the whole increase and not the natural increase alone.

COMPARISON WITH UNITED STATES.

Now, sir, another way of testing the absurdly exaggerated character of the hon. gentleman's figures is to take the increases in the United States as they are stated. From 1869 to 1870 the increase in the United States was 22.63, and of that 15.38 was put down as the natural increase, and 7.25 as the increase from immigration. From 1870 to 1880 the whole increase was 30.07, the natural increase being put down as 22.78, and the increase from immigration at 7.29. Now, sir, apply these figures to the population of Canada, and what do we find? The population in 1861 was 3,200,000 and the natural increase from 1871 would be 492,160 and the increase from immigration would be 242,000, making a population in 1871 of 3,934,160. Then take the actual increase of 1881, of 896,202, and from immigration of

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286,801, and taking the figures of the United States and applying them to Canada, the population of this country in 1881 would be 5,117,163. But the actual population by the census was 4,324,810, or a loss by the calculation of this standard of 793,353. But the hon. gentleman states that the loss during that period was 1,667,563, showing a mistake in the direction of exaggeration of 874,209. (Cheers.) Now, sir, how do we stand—for I think after all that is a fair way to look at this question—in relation to the tolerably prosperous Eastern States of the Union? I take the State of Massachusetts, which, I think, the hon. gentleman will admit is a tolerably prosperous state, probably the most prosperous of the New England States, in which is found a very large number of French-Canadians, for a great many French-Canadians who have gone from Canada have gone into Massachusetts. We find that the increase in population of that state between 1860 and 1880 was 18 per cent. We find that some other of the New England States as well as Canada, are subject to the same process of emigration to the Western States, particularly into newer fields. We find in some of them, as in New Hampshire, Maine and Vermont that there was scarcely any increase whatever, and I believe in one of those states during one decennial period there was an actual decrease. Now, the increase of population in Canada in the same period was 36.3. On the other hand, in the same period, Dakota showed a gain of 193 per cent., Kansas 239 per cent., Minnesota 155 per cent., and Illinois 48 per cent. Then, sir, if I take the State of New York, which is called the Empire State of the Union, with its large urban population, with the enormous growth of population in the cities of Brooklyn, New York, and other great cities of that state, what do we find? If you take the State of New York according to the principle laid down by the hon. gentleman—and when he asked me to go back to 1790 I point him to the State of New York, which, standing alone, at any rate, offers a fair comparison—if you take that state, and apply the hon. gentleman's method of calculation, adding for twenty years 62½ per cent. as the natural increase, the population should be 6,306,625; but the actual population by the census was only 5,083,000, or a loss in population to the State of New York, according to the method he has applied to Canada, of no less than 1,223,625. If to that is added the immigration and its increases, as the hon. gentleman did in the case of Canada, we have 750,000

more, and the loss in that case would be in the State of New York, applying the same method of calculation that the hon. gentleman has applied to Canada, 1,973,625. Now, sir, that is 300,000 more than the hon. gentleman, in his wildest flight of imagination, says was the loss to Canada. [Cheers.] The actual facts of the comparison are these, as ascertained by the census, which we may fairly assume to be correct: that the State of New York increased in 20 years 1,202,000, or 30.97, while Canada increased 36.03, or one-fifth more than the State of New York. I do not think it is unsatisfactory when you come to remember that down to 1881 we scarcely had a Northwest in the sense of an attractive territory to which settlers could go, when we were only beginning to open it up, to offer inducements to people to go there by means of the construction of railways through that territory, that Canada, with all the attractions which the Western States had to offer, with all the attractions which the industrial policy of the United States had to offer, taking our people from this country to the other side, still increased one-fifth more than the great State of New York. (Cheers.) Yet the hon. gentleman, for the purpose of injuring this government—although how this government is going to be injured by the fact that we have lost population since 1861, I cannot very well see—undertook to state that there has been a loss to Canada. (Cheers.)

THE SCHOOL POPULATION STATISTICS.

The hon. gentleman, however, went on to another process of argument. He took the school population, and he asked us to believe that the population as there stated is absolutely correct. I hold in my hands the report of the minister of education of the province of Ontario for 1884, and as the hon. gentleman made his statement in November, 1884, I have a right to assume that this is the book from which he took his figures. Yet on the very threshold of his enquiry, if he had chosen to read it, in the very first report of an inspector published in this book, what do we find?

"The average number of days the schools have been kept open is 207.8, or one fourth less than for 1881. The number of pupils, 5 to 16 years of age, enrolled is 5,215, or 24 less than the previous year. It is to be noticed that trustees' returns made the number of pupils resident December, 1882, 423 less than at the same date the previous year. Considering that the number of students enrolled in 1881 was 581 less than the number returned as resident, and that for 1882 the number enrolled approaches within 182 of those resident, I cannot

but think that the census has been defective, and that there are more than 5,397 children residents in the county."

[Hear, hear.] That is the statement from the very first report of the inspector in the very volume which the hon. gentleman has taken for the purpose of using the figures, declared by that inspector to be inaccurate, to be notoriously inaccurate; that is the report of the inspector which the hon. gentleman met at the very threshold of his enquiry; and yet he was bound by his sense of duty, by that overwhelming disposition to tell the truth and nothing but the truth, to ignore that statement and take those figures as if they were absolutely correct, although I may fairly say that they bear evidence in the very character of the figures themselves of being anything but correct. [Cheers.] Taking those school figures, what do we find? The school population between five and sixteen years in 1874 was 511,603, in 1878, 492,360, or a decrease from 1874 to 1878 of 19,243. In 1883 the number was 478,791, or a decrease of 13,565. So that the average yearly decrease from 1874 to 1878, according to the figures which the hon. gentleman relies upon, was 4,811, while the average yearly decrease from 1878 to 1883 was 2,714, showing a smaller annual average decrease during the latter period than during the former. The hon. gentleman was in office during the whole of the former period. Whoever then thought of taking up the school statistics for the purpose of injuring the hon. gentleman even at the risk of injuring the country, or whoever attached any importance to those statistics, as showing that this country was not reasonably progressing?

Mr. MILLS—What figures were appealed to?

Mr. WHITE (Cardwell)—Certainly not these school figures. We knew they were inaccurate—they bore inaccuracy on the face of them. No one could look at the figures without knowing they were inaccurate. [Hear, hear.] Look at the figures and see how they stand. Take the town of Belleville. We have the number returned for four years as 2,610 each year, not one more and not one less. [Laughter.] That one fact, together with the report of the inspector, ought to have taught the hon. gentleman that this was not a safe weapon for him to use in order to show that our population is diminishing. Take the city of London. I find that for three years, 1881-82-83, 4,900 was the exact figure, neither one more nor one less. Then I find St. Catharines had a little bit of an increase, a slight change. In 1880-81-82 there were 2,500 for each of

those years, neither one more nor one less; but in 1883 there was an increase of 60—exactly 60. [Hear, hear.] But I will not detain the house with going through this list of figures. If you take towns that are familiar to all of us you find similar inaccuracies. Take Peterborough, which has been growing rapidly and is an important railway and industrial centre, and what do we find by these figures? We find that they show 1,950 in 1880, 1,800 in 1881; the number went up to 2,000 in 1882; and in 1883 the number was 2,000 still, exactly the same figure, neither one more nor one less. I might go through the whole of the figures and show that on the face of them they bear the evidence of being utterly unreliable as a basis on which a fair calculation could be made as to the movement of population in Canada. [Cheers.]

MUNICIPAL AND AMERICAN STATISTICS.

Then I take another point with respect to them. If you take the municipal statistics to which the hon. gentleman attached some importance, what do we find? Take the municipal statistics and the school statistics for 1878-79-80-81-82-83—I will not trouble the house with reading them—and what do we find? According to the municipal statistics the population of the province increased during those years 64,341, while, according to the minister of education, the school population decreased 13,596 during the same period. It is certainly remarkable that so far as the school statistics are concerned the same fact is apparent in the United States as here. In nearly every state of the union you find that while the population has increased there has been a decrease, apparently, in the school population. For instance, in Connecticut there has been an increase in the population in six years of 51,000, and a decrease in the school population of 8,000. In Illinois there has been an increase in population of 161,400, and a decrease in pupils of 9,238. In Tennessee there was an increase in population in two years of 56,800, and an apparent decrease in the school children, according to the school returns, of 25,785. Take the great State of New York; there has been an increase in the population during those ten years of 700,000, according to the census, while there has been an actual decrease, so far as school returns are concerned, during the same period, of 6,820. The whole of the statistics, both in the United States and Ontario, show that the school returns—and I do not say that as attaching any fraudulent blame to any per-

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son connected with them—almost from the incidents connected with the collection of these statistics, are utterly unreliable as a basis of calculation in connection with the population of the country. [Hear, hear.]

GROWTH OF PARTICULAR DISTRICTS.

The hon. gentleman assumes that we have lost population. It is rather a remarkable thing that in certain portions of the country—I take Ontario and Quebec particularly—there has been a remarkable increase in the population. I think we may lay it down as almost an axiom, in dealing with the movements of population, that in the rural districts, in the agricultural parts of the country, as the country gets pretty well settled, the population becomes practically stationary. The increase will be found in the urban and suburban populations within those districts, but so far as the agricultural portion is concerned the population does not show any great increase. But where you will find the increase is in the newer districts of the country, to which the young people and even the old people remove themselves, to find in them an opportunity to devote their enterprise and industry to building up homes for themselves. We have had that going on at all times in Canada in the newer districts of the country—in the county of Huron, in the county of Bruce, and now it is going on in Muskoka and Algoma, and in many places in the province of Quebec I am happy to say the same kind of thing has begun to go on. (Cheers.) Take, for instance, the district of Saguenay and Chicoutimi; according to the censuses of 1871 and 1881 the increase in that district was 68 per cent., and I believe that if the people of Quebec are successful in the enterprise they have in hand, the Lake St. John railway, the population will show a much larger increase at the next census than it did at the last. There is in that country at the head of the Saguenay, as it is said by those who know it, almost a new—Northwest, I was going to say—but, at any rate, a great north, almost equal to the great Northwest for agricultural and other purposes. [Cheers.] Take the county of Ottawa; I find that the increase there has been far in excess of the general increase of the country. Twenty-nine per cent. was the increase, and there, too, as these new railways go on, as those settlements increase, which are happily going on at this moment under the direction of the Rev. Curé Labelle and other persons, who will find that a large number of people will go and settle in those newer parts of the country, which before

were looked upon as uninhabitable and utterly useless, except perhaps for raising timber. Take again Muskoka, in the Province of Ontario, I find that from 1871 to 1881 the population of Muskoka increased over 400 per cent. I find that in North Renfrew, where there is a large district opening up for settlement, the increase was 51 per cent. I find that in South Renfrew the increase was 36 per cent.; North Simcoe, 46 per cent.; Algoma, 189 per cent. [Hear, hear.]

THE ONTARIO GERRYMANDER BILL.

And, Mr. Speaker, it is rather a remarkable thing that while we have here hon. gentlemen telling us that the population is not increasing, their friends in the legislature at Toronto—so convinced are they of the enormous movement of population to the Algoma district—have actually introduced a bill for the purpose of giving an additional member to Algoma, and they have made use of that fact to effect a gerrymander system—

Mr. MILLS—No.

Mr. WHITE (Cardwell)—Who says no?

Mr. CHARLTON—No.

Mr. WHITE (Cardwell)—All I can say is, that in my own constituency of Cardwell nobody will recognise it as it is fixed up now, with the simple object, and none other, of giving Mr. Chisholm a safe seat in Peel, which he would certainly have lost if the conditions had remained the same as they now are. (Cheers.) For the object of possibly securing one safe seat in Simcoe we find that we are given two for the local—and I am not sorry that Cardwell is to be made a good constituency—a majority of some 400 and odd, when before we had only 40, after very hard fighting. But I say that these gentlemen have in Ontario, for the mere purpose—because that is the pretence—of giving an additional member to Algoma, indicated the fact of their belief in the enormous growth of population in that district, and for the purpose of giving this additional member they have introduced this remarkable gerrymandering bill, which, I am bound to say, utterly puts to shame any efforts made in this house in the way of a redistribution of seats, and which, Mr. Speaker, will entitle—not the hon. gentlemen in this house, of course—but the liberal party, to continue to deserve the name which was given to them some years ago by one who knew them well—of the party of organized hypocrisy.

THE QUESTION OF IMMIGRATION.

Now, sir, the hon. gentleman objected very

much to immigration. He told us immigration should practically be stopped. He said that, in fact, to invite immigrants into this country was simply to bring people here who could only get food by depriving some native-born Canadian of his means of livelihood. Well, Mr. Speaker, I am a native-born Canadian, and I am proud of it; but I am bound to say this: my father was not a native-born Canadian, and I am not going to say here, that because he was not a native of this country he was not just as good as if he had been born here. This country has been made by people who came from the old world; it is being made now by the sons of those who came from the old world, and this attempt to organize a know-nothing club in Canada, and to declare that no man shall have a position in this country unless he happens to be a native-born Canadian, no matter how long he may have resided here, and to do so in the interests of persons who have largely come to the country within a comparatively few years, is a policy which I venture to think will not meet with much sympathy outside. [Cheers.] Now what was the conduct of the hon. gentleman's friends and himself when he was in office? I think we may fairly say that in those days the condition of the labor market was certainly as depressed, to say the least, as it is at the present moment. In 1877 the number who came into Canada, the number who were encouraged to come to Canada by the efforts of hon. gentlemen opposite, through their agencies on the other side, was 27,076; in 1878 it was 29,080, and a remarkable feature with regard to that immigration is as to its character. Only at Quebec was there a classification of immigrants, according to occupation and nationality, but I think we may fairly assume that that classification at Quebec will apply pretty well over the whole volume of the immigration. Now in 1877, as I have said, 27,076 immigrants came into the country. Of the number of these who were registered at Quebec a large proportion were laborers, and I do not think the condition of the labor market in Canada in 1877 was any better than it is to-day. Of the total registered number in that year 1,118 were mechanics, and I am quite sure that there was not a greater amount of employment for mechanics in that year than there exists at present; and of these two classes of the immigrants which came into Canada, under the auspices of hon. gentlemen opposite, no less than 91 per cent. were of the very classes as to which last year they were moving resolu-

tions objecting to their immigration, and as to which they are now asking questions, in the direction of excluding them from Canada altogether. [Hear, hear.] Then if you take the year 1878, I find that there were 2,839 laborers and 879 mechanics, or, of the classes objected to by hon. gentlemen now, there were 92 per cent. of the entire classified immigration that came into the country. Well, sir, I think in the face of that, these hon. gentlemen are hardly in a position to say that this government has dealt in any sense unfairly with the great working classes of the country in their efforts to encourage immigration into Canada.

RATE OF WAGES IN 1878 AND 1884.

Sir, we have some illustrations of what the condition of this matter was in these two periods, as indicating, at any rate, that there has been no special reason why an immigration policy which was considered good in 1877 and 1878, should be considered so very bad in 1884. Here, for instance, is a statement of the average rate of wages paid in the Dominion in 1878 and 1884; and these returns, I may say, are obtained from the agents of the department of agriculture in all the cities of Canada where there are agents:—Farm laborers, in 1878, got from \$10 to \$20 a month with board; in 1884 they got from \$15 to \$22 per month with board. Common laborers, in 1878, had from 80 cents to \$1 a day; in 1884 they have been getting from \$1 to \$1.75 per day. Female domestics, in 1878, were getting from \$5 to \$6 a month; in 1884 they have been getting from \$6 to \$12 a month; and so far as mechanics are concerned, although there is no statement made, I think we may fairly assume that the rate of wages for mechanics will run substantially upon the same lines as the rate for laborers. We have, sir, another fact which gives a very strong indication of what the rate of wages at these two periods was—I mean the rate of wages paid in the lumber woods. That is a matter which anyone can test for himself. In 1878, according to the returns, the rate of wages in the woods was \$12 a month, in 1879 \$14, in 1880 \$15.50, in 1881 \$18, in 1882 \$22, in 1883 \$23, and in 1884 it had got back again to \$18 a month; but as between 1878 and 1884 the rate was \$12 a month in the former period, and \$18 a month in the latter, indicating, I think, pretty clearly that there has been no such plethora of labor in the country as the hon. gentlemen opposite would desire us to believe, in the efforts they are making to show

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of what the in these two ate, that there an immigra- dered good in dered so very e, is a state- es paid in the and these re- med from the agriculture in re there are 1878, got from in 1884 they a with board. from 80 cents been getting le domestics, \$6 a month; g from \$6 to mechanics are no statement sume that the will run sub- as the rate for r fact which a of what the riods was—I n the lumber yone can test ing to the e woods was 80 \$15.50, in \$23, and in 8 a month; the rate was d, and \$18 a g, I think, en no such as the hon. e us to be- king to show

that the country is losing its population and has no room for any others who may wish to come here. Now, sir, so much for this general question of population; and I have ventured to detain the house thus long upon it, because I notice that it is one of the special arguments which are being used, and I believe it is one of the arguments which, in England, has most effect, in deterring persons not only from coming to Canada, but from taking an interest in Canada. I can remember, sir—I do not know whether I have mentioned it in parliament before—when in England, in 1870, as a commissioner from the province of Ontario, as they did me the honor to call me—I remember being in the House of Commons when Mr. McCullough Torrens brought up a motion on the subject of state aid to emigration; and I remember Sir Charles Dilke, as an effective and conclusive answer to the proposition to aid emigration to Canada, stated that we were losing more population than we were getting into the country by immigration—that is to say, that the population of the country was absolutely decreasing instead of increasing. I know that his argument was regarded as most effective. I do think it is most important in the interests of the country that the simple truth should be told, in order that it should be shown that these statements—and the hon. gentleman gave us the advantage of seeing upon what he based them—are utterly unreliable and are grossly exaggerated in relation to the actual position of the movement of population in Canada. [Cheers.] Now, sir, I come to another point upon which the hon. gentleman dwelt with some earnestness, and that is as to the

EXPENDITURE AND DEBT OF THE COUNTRY.

I do not intend going into this subject at any great length, for the reason that I think the statement made by the hon. finance minister on that subject is in itself thoroughly complete. He took, as he had an opportunity of taking, two periods of five years, and he averaged the expenditure during those two periods for purposes of comparison. Now, I do not propose to do that, but I propose to take two years; I take 1875-76, which may be said to have been a year of plenty in one sense if not in another; because, I suppose, at that time honorable gentlemen opposite thought themselves firmly fixed in their seats, and believed that they were there, at any rate, for a great number of years, if not for all time—I take 1875-76 and the year 1883-84, for purposes of comparison. The

expenditure for the first year was \$24,488,372, and the expenditure in the second year was \$31,107,706; so that the excess of expenditure in the latter year over that in the former was \$6,619,334. Now that, on the face of it, is a large increase; nobody can doubt that. As to whether it is a wise increase or not depends entirely upon an examination of the figures by which it is made up. The increase is made by increases in the interest, sinking fund and charges of management of the public debt, amounting to \$1,901,945; increases of ordinary expenditure, amounting to \$2,624,540; and increases in the collection of revenues, amounting to \$2,079,488. Now, sir, as to the first of these payments: the increase in the net debt since 1878 amounts to \$57,610,336, or 46 per cent. But, sir, the expenditure upon capital account in connection with the great works upon which the future of this country largely depends, has increased during that period, \$31,822,923, or \$24,211,587 in excess of the addition to the public debt. [Hear, hear.] Then, in this increase to the public debt we have included on the Canadian Pacific railway alone, no less than \$44,353,705; and we have, as debts to the provinces assumed by the Dominion, that is, simply giving back so much money to the provinces, \$7,172,297. But, sir, while the debt has increased 46 per cent., what it is important to remember is, that the burden of the debt—the interest and other charges, the payments which we have to make from year to year and which may be said to be the measure of the burden of the debt—have only increased 25 per cent.; so that we have an increase of debt of 46 per cent. and an increase of charges connected with the debt of only 25 per cent. [Cheers.] Now, sir, I take the ordinary expenditure, which has increased \$2,624,540—and practically the whole of this increase is included in five items, namely: Public works, \$959,910; mail subsidies and steamboat subventions, a new item, \$238,054; railway subsidies voted by parliament—and I believe the different sums which go to make up this amount were voted without division—\$204,090; Indian grants, \$839,831; and the Mounted police, \$116,465; or in all, in these five items, \$2,558,350, or within \$65,190 of the total increase that has taken place between the year 1876 and the year 1884.

HOW ORDINARY EXPENDITURE INCREASED.

Now as to these items, I think there is no difficulty, not only in explaining them, but in justifying them. The expenditure on

public works has all gone to the country. When a country is well off, when there are surpluses in the treasury, it is a wise policy and it was the policy announced by this government, that during such time there should be a generous system of dealing with public works, that new buildings should go up where required, and the money was voted by parliament, if I mistake not, without any one objecting to a single item—nao, if I mistake not, the only complaint made was, that there was not enough voted, that there were not more buildings to be put up than were proposed to be erected according to the estimates. Then there is the item of mail subsidies and steamship subventions, an expenditure entirely in the interest of building up the trade of the country. The railway subsidies were voted without opposition in parliament, both sides agreeing to the grants. The estimates with regard to Indians and Mounted Police have relation to maintaining the peace and welfare of the great Northwest. In the olden days, when the Hudson Bay company were a monopoly in the Northwest, they looked after the Indians; true, they paid less for the furs and got more for their goods, but they paid considerable sums in a direct way for the maintenance of the Indians and the preservation of peace. Since that time the buffalo, which is the natural food of the Indians, has practically disappeared from the Northwest, and the question which we have to deal with is whether we will feed or fight the red man. Our friends across the line have tried the fighting process, and the history of their western country is a history we would not desire to see repeated on Canadian soil. The expense, therefore, on the Indians for the purpose of maintaining peace and order among them and giving security to the settlers is one that cannot be cavilled at, and the same argument applies equally to the grant for the Mounted Police. As I have said, on these items we have, within \$65,000, the entire increase of our expenditure from 1876 to 1874. Take the

COST OF COLLECTING THE REVENUE.

The increase of that is \$2,079,488, but the revenue itself has increased in that same period to \$9,274,373. Of the items mentioned in the cost of collecting the revenue, the post office shows an increase of \$690,138, railways, canals and public works, \$1,258,293, or together, \$1,948,431. But the increased revenue from these sources shows \$281,261 in excess of the increase of the cost of collecting, so that after all, with regard to these two items, which are the largest in connection with the collection

of the revenue, we have, as the result of that larger expenditure, an increased revenue of over \$250,000 in the public treasury. Outside of these two items the increase in the cost of collecting the revenue during that period was only \$131,056, and the increased revenue collected by that \$131,000 was \$8,993,111; or, in round figures, we collected \$9,000,000 increased revenue by an increased expenditure of \$131,000. [Cheers.] I do not think that fact indicates that wanton extravagance, that disposition to play the spendthrift in connection with public moneys, which hon. gentlemen would lead us to suppose has characterized the administration of public affairs by the present government.

THE INCREASE IN THE PUBLIC DEBT.

The statement is very often made, and it was made in this debate by the hon. member for South Huron (Sir Richard Cartwright), that the debtor has enormously increased, and we hear hon. gentlemen opposite frequently referring back to 1867, in order to show how serious has been that increase. Well, since 1867 the debt has increased by \$106,433,209, but the capital expenditure during that period has been \$29,374,000 in excess of that increase. What were the causes of the increase. Why, here are four items alone: The debts allowed to the other provinces \$27,624,638—surely that is not an increase of the burdens of the people; it is a transfer of the burdens from the people in their character of members of the provinces to the same people in their character as members of the Dominion. Then there is the Canadian Pacific railway, \$47,291,564; the Intercolonial railway, which was the work of both parties, undoubtedly, whatever may be said of the Canadian Pacific railway, \$29,486,027; public works, canals, etc., \$31,404,938—or on these four items alone we have had an expenditure, since confederation, of \$135,807,209, or as I have said, \$29,374,000 in excess of the entire addition to the public debt. [Cheers.] Surely, when we are able to show as assets great public works for that increase of debt, we may say that the country is not chargeable with loss under the management of its affairs in this respect. If we take the credit of the country which, after all, is a very fair indication of what is the estimation of our position by people outside, who study our affairs to some extent, if you take the condition of the credit of the country during the two periods, 1867 and 1884, I think you will see that it stands in tolerably good credit. In 1867 the average interest on our debt was 5.41; to-day it is 4.06, or, in other words, while the

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aggregate debt has increased 145 per cent. the
 interest charged has only increased 79 per
 cent. Now, if we take the increase of debt
 during the last and the present administration,
 we find the increase from 1874 to 1879 was
 \$34,665,223, averaging \$6,933,045 a year;
 from 1879 to 1884 it was \$39,171,663, or,
 deducting the amounts paid to the provinces,
 which we have fairly a right to deduct, of \$7,-
 172,297, this leaves an increase, during the
 period the present administration have been
 in office, of \$31,999,366, making an average
 annual increase of \$6,399,873, or \$544,-
 172 less than the average annual in-
 crease during the preceding five years.
 Then the net increase shows a still
 further decrease. The increase in the annual
 average net interest during the period of office
 of hon. gentlemen opposite was \$222,345;
 from 1879 to 1884, under the present adminis-
 tration, it has been \$124,047, showing that
 while the debt has increased almost in as
 great a ratio during the one period as during
 the other, the increase in charges for interest
 has been nearly \$100,000 less. Extravagance
 or economy are, after all, relative terms.
 If, for instance, you take a farmer,
 and that is the principle on which hon. gen-
 tlemen opposite argue this matter, who
 starts out with 100 acres of land and who
 shows, by his books, that to cultivate that
 land costs so much; and if, after ten or fif-
 teen years, you return and find he has 300
 acres of land under cultivation, and that in
 consequence his expenses are five or six
 times greater than it was at the outset, what
 would be said if you were to say to him:
 Sir, fifteen years ago you only spent \$5,000 a
 year; to-day you spent \$6,000 a year; there-
 fore you are a spendthrift. [Hear, hear.]
 Yet, that is precisely the argument hon. gen-
 tlemen use in dealing with this country.

COMPARISON WITH THE UNITED STATES.

But, sir, the hon. gentleman undertakes to
 tell us that we have increased the debt and
 that we have increased our expenditure not
 only very seriously in itself, but that, rela-
 tively to the United States, this country is
 losing the advantage it used to possess of be-
 ing a less heavily taxed country, with less
 debt and less annual expenditure. The
 statement he made at his Montreal meeting
 was this:

"I am sorry to say that the taxation and ex-
 penditure of the people of Canada per head are
 nearly double those of the United States. In-
 stead of being a lightly taxed country, it is fast
 becoming one of the most heavily taxed coun-
 tries in the world."

It is unnecessary to repeat the statements
 made by the hon. the finance minister in his
 speech upon this subject. Those statements
 are taken from official records.

Mr. MILLS—Hear, hear.

Mr. WHITE—Does the hon. gentleman
 doubt they are taken from official records?

Mr. MILLS—I am not disputing it.

Mr. BOWELL—Then you are approving, I
 suppose?

Mr. WHITE—Then I shall assure in future
 that when the hon. gentleman says "hear,
 hear" in an ironical tone of voice, he is ap-
 proving of the statement made. That is a
 very useful thing to know in regard to the
 hon. gentleman's utterances. Whatever may
 be the disputes as to certain items of expen-
 diture, there are two items that cannot be
 fairly included in any comparison between
 Canada and the United States. One of these
 items is subsidies to provinces, \$3,603,714;
 the other is the expenditure for operating the
 railways and canals. We have simply con-
 stituted ourselves a railway company in con-
 nection with the Intercolonial railway, and
 that ought not to be charged, as we get the
 receipts from it in the same way as any
 other railway company. That amounts to
 \$3,302,791, or together these two items
 amount to nearly \$7,000,000, or about one-
 fourth of our total expenditure, and they
 have no relation whatever to any expenditure
 of the federal government of the United
 States.

Mr. MILLS—There is the war debt on the
 other side.

Mr. WHITE—Of course they have the war
 debt, and that is precisely where we have the
 advantage of them. [Cheers.] They have a
 large debt incurred for destructive purposes.
 The hon. member for South Huron (Sir Rich-
 ard Cartwright) wound up his speech by tell-
 ing us that that war was less destructive than
 the public works in Canada.

Sir RICHARD CARTWRIGHT—As administered
 by this government.

Mr. WHITE—But it is not necessary, for
 purposes of comparison, to exclude their war
 debt. That would be a folly even beyond
 what I can imagine the hon. member for
 Bothwell (Mr. Mills) could be guilty of.
 What I want to point out is, that the hon.
 member for South Huron, in his reply, did
 not successfully, did not venture, I may say,
 almost at all, with any reasonable attempt at
 accuracy of statement, to meet the state-
 ments made by the minister of finance in re-

gard to the comparative expenditure and comparative debt of the two countries.

COMPARISON BETWEEN ONTARIO AND THE DOMINION.

But, after all, there is a way of comparing this matter of expenditure which may be worth while referring to. The hon. gentleman assumes that there ought to be no increase of expenditure in Canada; that we ought to have no public works, no expansion of our railway system; that we ought to leave the Indians in the Northwest to do the best they can; that, in fact, anything like an increase of expenditure is, in itself, a blameable act. Well, I will take their favorite province and mine, for I lived twenty years in it, and I happen to represent a constituency in it to-day—the province of Ontario. They take the government of the province of Ontario as their special model, though I do not think it would be mine. [Laughter.] I will take that province which, according to the hon. member for South Huron, has been actually decreasing in population, which has been losing its population and has not been adding to its territory, a province where, if anywhere, you ought to have a condition of things where the expenditure might practically be stationary. But what has been the condition of things? Under the head of consolidated fund, the Dominion increased its total expenditure, from 1876 to 1884, \$6,619,434, or 27 per cent.; and in the province of Ontario for the same period, the increase was \$905,632, or 46 per cent. [Hear, hear.] Hon. gentlemen may say that we do not include in that the open accounts, and that the expenditure in the province of Ontario has not been so great if the open accounts are included; but I will take certain details of expenditure; take, for instance, civil government. The cost of civil government in Canada must, in the nature of things, as everyone knows, have largely increased. The statutory increases alone amount to about \$120,000 since this government came into office. The enormous increase in the Northwest, the demands upon the post-office, the interior, the Indian office, the large increases which are necessarily coming upon our department of railways and canals for the construction of railways—all these things naturally necessitate an increase in the cost of civil government. There were none of these things practically in the province of Ontario. There were no such expansions as required that increase, and yet in Ontario, between 1876 and 1884, the cost of civil government

has increased 16 per cent., while, with all our extensions, with all our enlargement of work, it had increased in the Dominion less than double—only 28 per cent. The administration of justice in the Dominion increased 13 per cent., and in the province of Ontario 15 per cent. The cost of legislation, which is a tolerably good test, increased in the Dominion only \$35,536, or 5½ per cent., while in the province of Ontario it increased \$34,499, or 32 per cent. And that is a very fair test, and shows that while in that period we have only increased the cost of our legislation by 5½ per cent., that model government of Ontario has increased it by 32 per cent. The cost of collecting the revenue of all kinds in the Dominion increased 43 per cent.; and the cost of collecting the crown land revenue, which is the special revenue in Ontario, which involves the maintenance of a machinery for its collection, increased 45½ per cent., or 2½ per cent. more than the increase in the cost of collecting for the whole Dominion. But the revenue in the Dominion increased 41 per cent., while the revenue in Ontario increased only 9 per cent. In other words, it cost the Dominion \$2,079,000 to collect an additional revenue of \$9,247,000, and it cost the province of Ontario \$32,236 to collect an additional revenue of \$50,052. Practically, every additional dollar of revenue in Ontario cost an additional dollar to collect it. I take the expenditure upon public institutions in the province of Ontario, and I want you to bear in mind that this is a province which hon. gentlemen opposite say is stationary in its population, or, at all events, is not growing. I find that the expenditure on public buildings in Ontario has increased from 1876 to 1884 by 118 per cent., while in colonization roads, which may be said to have some relation to our public works—except that they varied more during election years and non-election years in the province of Ontario—the increased cost was 116 per cent. Now, sir, I think that the comparison between the province of Ontario, the favorite of hon. gentlemen opposite, and the Dominion of Canada, is not at all unfavorable to the present administration. I think we may fairly say, at any rate, that the mere representation of a charge of more on one side and less on the other, a smaller sum at one period and an increased sum at another, does not in itself indicate that there has been any extravagance in the public expenditure—or, at least, the hon. gentlemen, with their knowledge of the conduct of the government of Ontario, their

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while, with all enlargement of Dominion less. The administration increased revenue of Ontario legislation, which passed in the December cent., while increased \$34, that is a very fair that period we of our legislative government by 32 per cent. revenue of all increased 43 per cent. the crown special revenue the maintenance of the more than collecting for the revenue in the cent., while the only 9 per cent. Dominion \$2,079, total revenue of province of Ontario additional revenue very additional cost an additional take the expenditures in the province to bear in which hon. gentleman in its population growing. I public buildings 1873 to 1884, organization roads, some relation to what they varied and non-election Ontario—the income. Now, sir, I between the province of hon. gentleman of Canada, the present administration fairly say, at representation of a and less on the period and an industry not in itself extravagance, at least, the knowledge of the of Ontario, their

own friends, are not in a position to take that ground. (Cheers.)

POSITION OF CANADIAN CREDIT.

I referred, a few minutes ago, to the question of the credit of Canada. Now, as indicating what degree of confidence the administration of the affairs of this government has inspired in that most sensitive of all classes, the investors in public securities; we might fairly take the relation which the securities of Canada bear to those in other countries. The minister of finance dealt with that question and gave the figures. If you take the loan of 1876, which the hon. member for South Huron negotiated, and the loan which was put on the market by the hon. minister of finance, I think you will find that the credit of the country has so increased as to show, at any rate, that there has been no falling off of confidence in the administration of the affairs of this young Dominion by the gentlemen who are now entrusted with that administration. There are two ways of determining the comparative credit of countries, the price obtained for loans at different periods and the relation that price bears to securities of other countries. [Cheers.] The "Cartwright loan," negotiated in November, 1876, was placed at 91. Now, sir, on the 27th of February, 1877, Canadian 4's in the English market stood at 93½ to 94½, South Australian 4 per cents. at 98 to 99, Victoria 4 per cents. 98½ to 99, or an average of nearly 5 per cent. in excess of the price at which Canadian 4 per cents. stood. If you take, on the other hand, the relative of Canadian credit, as shown by the 4 per cent. bonds in London last month, you will find this: that Canadian 4 per cents. stand to-day at 105 to 107; New South Wales, 204½ to 105½; South Australian, 102 to 102½; Queensland, 100 to 102½; Victoria, 103. So that while, in 1877, the relation which Dominion securities bore to those of these Australian colonies was 5 per cent. lower, during the month of February last the relation they stood in was from 2 to 3 per cent. higher, so that to-day no securities stand higher in the English markets than Canadian securities. [Cheers.] But, sir, there is another fact, and although it was stated by the hon. minister of finance, I may briefly refer to it, and that is the relations which our securities bear to American securities. Our 4 per cents. have increased since 1878 by 17 per cent., and the value of American 4 per cents. have only increased 19 per cent. [Cheers.] The hon. member for South Huron stated, in reference to the last

loan, that the finance minister had a peculiarly favorable time at which to put it on the market, and he intimated that it was more favorable than the time when he put his loan on the market. Now, the hon. gentleman put his loan on the market in 1876, in November of that year, and we find that the Bank of England rate of discount from May, 1876, to May, 1877, stood at 2 per cent., which was a longer period than it has remained in that position at any time since 1867; so that if there ever was a favorable time for putting a loan on the market it was when the hon. gentleman put his loan on the market in 1876. I do not say that he did not get as much for that loan as he could have got; I do not say that the loan was not well placed; I do not say that he could have adopted another plan and got more for it; I am not going to revive in any way the discussions which have taken place in this house in regard to that subject, but I do say that it is an extraordinary commentary upon the statement which the hon. gentleman has been making, both in parliament and in the country, that the credit of Canada, in spite of these comments, has gone on so steadily increasing that to-day our securities stand so high that the hon. minister of finance was able to put a loan upon the market at such an excess of price over that which the hon. member for South Huron obtained, that the difference in the interest charge in fifty years will wipe out the loan altogether. A stronger illustration of the increased credit and confidence in our financial soundness it would be difficult to find. [Cheers.]

CARTWRIGHT VERSUS CARTWRIGHT.

Now, in regard to the relative merits of the two governments, the hon. member for South Huron took occasion to read from the *Economist*, of 1874, a very startling statement. He does not give the name of the writer, and, of course, he is not called upon to do it; but he says it is a gentleman with whom he is well acquainted, and he wrote to the *Economist* at that time as follows, with reference to the condition of Canada:—

"Thus," he says, "a splendid position has been changed into one of danger, if not of imminent danger. At the beginning, there is a moderate surplus upon moderate totals of receipts and expenditures. Then these totals on both sides increase, with a very large surplus. Finally, there is an enormous increase of the total on the expenditure side, with a deficit of nearly half a million pounds sterling. It is not difficult to see how all this has been brought about. First of all, the great expenditure on new works has gradually increased the direct charge for debt interest. The second

cause of increased expenditure has been the maintenance and working of certain undertakings which were intended to be reproductive, but so far from having that character are a direct source of loss. The third source of increased expenditure has been the political extension of the Canadian dominion. The incorporation of outlying provinces, like Manitoba, is immediately a source of expense, just as Central Asia costs money to the Russian government, and many of our Indian provinces yield less than the cost of governing them. So Canada has added to itself a territory which is a burdensome charge. The older and richer provinces of Canada are, in fact, paying heavily for the accomplishment of certain political objects, and, now that the penalty must be paid for all the extravagances, the history may be left to tell its own tale. There is no kind of expenditure which requires more careful study beforehand and more rigorous restriction by governments than expenditure on new public works. Territorial expansion is also a luxury, the cost of which should be carefully counted beforehand. Canada has committed the most serious blunders in both respects, and the result is the large deficit and the disagreeable outlook we have described."

Now, sir, I did not quite understand from the hon. gentleman whether he approved of that statement, and whether, at the time it was written, he thought it fairly and properly described the position of this country. Why should he have presented it and read it unless he intended that to be the case? Yet what do we find? That the hon. gentleman was in England, a short time afterwards; that he being in England issued a circular to the people of the United Kingdom, and I find that circular, which has relation to those very matters which are referred to here, contains some very valuable statements which certainly are not in accord with the extract he read to us from the *Economist*. This statement, I find, is signed by "Sir Richard J. Cartwright, Minister of Finance for the Dominion of Canada." I find it is dated 19th October, 1875, and that the statement in the *Economist* read to us, and which I presume he believed to be a correct statement, was dated 1874. The hon. gentleman being in England—I will not read all the circular—made certain statements, I say, which are certainly interesting. He says:—

"The net public debt of Canada of all kinds, after deduction of bankers' balances, sinking fund investments, and other cash assets, is at the present day nearly £4,000,000, being about £8 per head of the population on the 1st July last (estimated at the rate of increase established by the census of 1871)."

I notice the hon. gentleman, when issuing that circular, did not object to assume the rate of increase as established by the census of 1871 when dealing with the population of Canada in statements to the English public.

Then he gives the particulars of that debt, and he goes on to say:—

"The annual interest charged on the external or bonded debts is about £1,000,000, and on the whole remainder, £300,000—in all about £1,300,000, or about 6s 8d per head."

That 6s. 8d. is rather a remarkable statement [Hear, hear.] The hon. gentleman was in England for the purpose of obtaining a loan; he was there for the purpose of presenting the affairs of this country in their most attractive form, and he thought that the statement that the debt of Canada was 6s. 8d. per head was such a statement as would not, at all events, alarm investors on the other side. Yet what do we find? While that was the gross interest, we find that at this moment the net interest is only \$1.46, or, in round figures, 6s. per head, instead of 6s. 2d. And yet with that fact, that the net interest to-day is only 6s. per head—and the hon. gentleman considered 6s. 8d. a fair and reasonable sum to present to the people of England as proof that this country was not in an unsound financial position in 1876—we have the wonderful statement made by him here as to the miserable condition of this country that it is, in fact, worse than if we had gone through a four years' war. [Cheers.] What does he say further?

"The whole of this debt has been incurred for legitimate objects of public utility."

If those were legitimate objects of public expenditure, surely the expenditure since made has been made for legitimate objects of public utility as well. They are largely the same objects. For instance:—

"Canals, about \$5,500,000."

But there has been an increase since that time, and a very large increase, in the expenditure made, first by hon. gentlemen opposite and then made by hon. gentlemen on this side of the house, in continuation of their contracts, and on new contracts which they entered into themselves.

"Railways, including advances to and the cost of those actually owned by Canada, about \$12,000,000."

That was considered an object of public utility; it was so considered by that hon. gentleman when he referred to this matter in the circular to English investors.

"Lighthouses, river improvements, harbors, roads and public buildings, \$2,000,000."

If it was legitimate before 1875 to spend money on lighthouses, river improvements, harbors, roads and public buildings, it cannot have been unwise or extravagant to have

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made similar expenditures upon similar works since. [Hear, hear].

"Compensation to the various provinces for property and revenue surrendered to the Dominion, the purchase and organization of territories, and the freeing of land in the province of Quebec from the feudal tenure, etc., £5,000,000."

That again is the same compensation as is paid to the various provinces. The hon. gentleman has objected ever since to any increase of the debt which has practically for the same object, compensation to the various provinces; yet this circular was written after the first arrangement for better terms, which he denounced from his place the other night. He goes on to say:

"Though many of the public works have so far yielded but a small revenue in comparison with the interest on their cost, much of the expenditure has been regarded, both by the Imperial and Dominion governments, as necessary, not in the interest of Canada exclusively, but also on national grounds; so much so, that the Imperial parliament has, at various times, sanctioned guarantees in aid of their construction to the extent of £8,400,000. The engagements of Canada in connection with all these guarantees have been punctually met without any advance whatever from the Imperial treasury."

The hon. gentleman tells us of another important attraction which Canada had to present to the people of England when he went to get from them a loan of money. That was the deposits in the savings bank. [Cheers.] He said:—

"The deposits in the savings bank and societies have increased from £1,240 sterling, in 1867, to £3,754,820 sterling in 1875."

For what purpose did the hon. gentleman get this loan? Surely, when he asked for a loan in England and issued this circular, it was not for objects on which it was improper to spend money? We have the statement here of the purposes for which the hon. gentleman wanted the money—

"The objects of the government of Canada in contracting the present loan are threefold:

"[1.] For the construction of several great works of internal improvement"—

he was quite prepared at that time to go in for a policy of constructing works of internal improvement. [Hear, hear.] He continues:

Chiefly in connection with the enlargement of the existing canal system, by which it is proposed to improve the communication between Lake Superior and the ocean to such an extent as to permit the passage of vessels of 500 tons burr ton, carrying from 50,000 to 10,000 bushels of grain, the largest size heretofore admitted having been about 500 tons, carrying less than 20,000 bushels.

"[2.] To defray expenditure incurred on

works of communication with the Northwest Territories and the Pacific railway.

"[3.] To recoup the exchequer for bonds actually paid, bearing a higher rate of interest, and to provide for others falling due."

And then we have a very proper and very well written eulogy of the advantages of trade by the St. Lawrence, and reference is made to the great good which would accrue to this country if those expenditures were made. [Cheers.] Says the hon. gentleman:—

"It need hardly be observed that Canada possesses many important branches of revenue still untouched, and that the population, though exceedingly well-to-do in the mass, contribute a comparatively small amount per head as compared with most other countries."

It is worth while to point that when the hon. gentleman told the people of England that Canada had other sources of revenue still untouched, he must have meant that Canada was to go forward in a course of material development and construction of public works and in those matters connected with the public improvement of the country, to which, since that time, he has seriously objected, and which, the other night, he undertook to tell us, were equivalent, as regards expenditure, to a four years' civil war, such as prevailed in the United States. [Cheers.]

THE STATE OF THE COUNTRY.

And, sir, the hon. gentleman when he came to deal with the business of the country went further, and he objected to our taking periods of five years. He said:

"Besides, when we have a series of good harvests the manufacturers reap the benefit, to a large extent, and the hon. gentleman is not entitled to take credit for his policy for the fact that there were three successive good harvests in 1881-82-83, and three poor harvests in 1876-77-78. Such an argument merely requires to be stated to be exposed."

In another part of his speech he declared that the Mackenzie government had been so unfortunate and had been so frowned upon by Providence while they were in office they had had five years of bad harvests. [Hear, hear.] Now, what is the fact? The hon. gentleman was a minister at the time; he had to advise in the preparation of the Governor-General's speech, on his sworn responsibility as a minister of the crown, and in relation to the condition of the country perhaps he was more directly and personally responsible than any other minister. And yet what do we find in the Governor-General's speech of 1876? The Governor-General is made to say:

"At the same time, we have reason to be grateful for an abundant harvest."

In 1878, which is certainly included as one of the years mentioned in the extract I have read, the Governor-General was made to say :

"I am happy to be able to congratulate you on the abundant harvest reaped in all quarters of the Dominion."

So here we find the hon. gentleman who, on his responsibility as a sworn adviser of the crown, recommends the speech of His Excellency to be delivered in parliament, congratulating the country on the abundant harvest reaped in all parts of the country, and then we have him a few years afterwards declaring that that period is not to be judged in comparison with the later period, because during his period the harvests were all bad. [Hear, hear.] Was he right when he made his first statement and advised His Excellency the Governor-General to use those words? Did he mean, did he believe, what he said? And if he did, how does he venture to stand up in this house, in the face of that statement, which is practically a sworn statement of the minister at that time, and try now to escape from the results of his own maladministration during the period he was in office by declaring that during that very period there were bad harvests? Now, sir, as a matter of fact, we all know that the harvest of 1883 was not an abundant harvest. We all know that, in Western Ontario particularly, the harvest of 1883 was a most deficient harvest. We all know that the compiler of statistics in the bureau of industries for Ontario estimated, in his reports, a loss in the grain crop alone, because of the failure of the harvest of 1883, of some 20,000,000 bushels. We know that in Manitoba during that year there was a most unfortunate failure in the harvest because of those early frosts overtaking the crops which were sown too late, perhaps owing to the inexperience of the new settlers in the country, a mistake they will, from their experience, be able to avoid in future. Why, sir, in neither one case nor the other, neither as to the harvests prevailing during his own time of office, nor as to the harvests of the last three years, is the hon. gentleman accurate, and his statement in the first instance is shown to be inaccurate by what is equivalent to his own testimony at the time that condition of things existed.

THE REPORT ON CANADIAN INDUSTRIES.

The hon. gentleman went on to say, referring to the condition of the country and referring to the report which has recently been laid on the table of parliament by a commis-

sioner appointed to enquire into the condition of the industries of the country—that that report was utterly unreliable, because in one or two places which he mentioned—one being the town of Chatham—he says only four industries were referred to, when, as a matter of fact, there were fifty, and where the hon. gentleman, according to his own statement, intimated that the industries, so far from prospering in that place, had actually gone back. I am not here to defend the commissioner's report. We have not all the report before us, and I am sorry for it. But, sir, there are thirty-four of those fifty industries which the hon. gentleman refers to that are not referred to anywhere, or in relation to any place visited by the commissioners. For instance there are two malt houses, one brewery, three saw mills, four planing mills, four brick-makers—although I do not see how brick-making establishments can be called factories—two soap factories, two pop factories—and I suppose they will be increasingly important since the adoption of the Scott act in that county—three marble works, four printing offices—and I do not think printing offices have been referred to anywhere—and nine flour mills, that have not been referred to in any case. These make thirty-four out of the fifty which are not referred to anywhere, and which lessen, to that extent, the statement of the hon. gentleman. But I find that a local paper in Chatham, has, in reply to the other local paper which furnished the hon. gentleman with the statement he made here the other day, given us some information on this point.

"Of these sixteen namely, nine foundries, two furniture establishments, one biscuit factory, one corset factory (small), one tannery, one cigar factory (small), one woollen factory—do not occur in the report at all, and if we deduct from these all the industries employing less than ten hands—and that is the rule that the commissioner adopted—we reduce the number to a figure which shows that the commissioner was not far astray."

I find this statement in the paper :—

"Of these, the biscuit factory and the tannery (which do not figure in the commissioner's report) have come into existence since 1878. Two of the small foundries have gone, but another, which in 1878 was a small concern, has developed into a large and prosperous business. Another has built new and large workshops, and still another has been merged into one of the most prosperous joint stock companies in the west."

That is the condition of things with reference to that town. If any one has reason to complain of the report it is the ministerial party, because the commissioner has done full justice to the rapid development of the indus-

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tries in Chatham. Then the local paper gives the industries which are not mentioned, and which I have just referred to, and adds :

"If these had all been taken in, the report would have been equally favorable, as there is now four times the amount of milling done that was in 1878. One planing mill has dropped out and two have taken its place."

That is the position with regard to Chatham, and I do not think, therefore, that it is necessary to go further on that point. I have no doubt that later in the session there will be a more thorough discussion in regard to the commissioners' report.

OTHER TESTS OF PROGRESS.

But, sir, there is another way in which you can estimate, to some extent, the development of the manufacturing industries of the country. Perhaps one of the most striking ways is to take the imports of coal into a country—the consumption of coal indicating the character of the manufacturing industries of a country. I find, sir, that of coal—which is an especially good test—the importations were as follows:—Of anthracite coal there was imported, in 1878, 420,110 tons, and in 1884, 868,000 tons; of bituminous, there was imported, in 1878, 513,970 tons, and in 1884, 1,118,615 tons, or altogether there was imported in 1878, 933,980 tons, and in 1884, 1,986,615 tons, or an increased importation of coal of 1,053,635 tons; and I find that the increased output of Canadian coal during that time, according to the statement of the minister of finance the other night, was 900,000 tons; so that we have an increased consumption of coal in the country, between 1878 and 1884, of 1,952,635 tons. [Hear, hear.] I think, Mr. Speaker, that this is a tolerably good indication of the growth of industries in this country during that time. Then, sir, another indication which may be taken is the increased importation of raw material, which, if hon. gentlemen will take the trouble to examine the figures, they will find has increased about the extent of \$13,000,000. Our cotton mills, for instance, it has been said, have been standing still; and yet, curiously enough, we have imported, of raw cotton, in 1884, between 19,000,000 and 20,000,000 pounds, against about 7,000,000 pounds in 1878. That certainly does not indicate that the cotton mills have been standing still. [Cheers.] They have not been running as constantly as they were before; they have not been running full time, and some of them have been stopped altogether for a few weeks or months, although business

is now reviving and they are beginning to run again. But in the facts of the importation of raw material and the consumption of coal, we have an indication of the growth of industrial enterprise in the country which shows that the statements made in the commissioners' report are what one might expect would be established from the figures furnished by the trade and navigation returns.

CAUSES OF DEPRESSION.

Now, sir, times have been less active perhaps—that would be the proper way to put it—less active recently than in 1882 and 1883, and there are reasons for it altogether apart from the question of the government policy or any policy that might be adopted. We had first a large withdrawal of capital from legitimate enterprises to put into speculative enterprises in the Northwest. In Toronto, for instance, when the Northwest Land company, which had bought a large quantity of land from the Canadian Pacific Railway company, opened their books, I am told there was almost a riot in the effort to get into the room to subscribe for the stock of that company, so valuable was it supposed to be. People were anxious to go into all these new enterprises. The tendency of the age, I am sorry to say, is a gambling tendency, in commercial as well as in other matters. There is an eager disposition to make fortunes rapidly. We know that there was an idea that in the Northwest there was a remarkable opportunity for making rapid fortunes, and people took money from their ordinary legitimate business and put it into Northwest enterprises, and lost it, to the great injury of the credit and business of the country at large. Then we have had, as a result of the boom thus produced, over-importation. That is an event that comes, as we all know, at regular periods. Fortunately, in this case, I believe the merchants of Canada discovered early the mistake they were making, and they began to pull in sail much earlier than they did in 1874 and 1875. They saw, for instance, that manufacturing were springing up in the country; they saw that the place of imported goods was being taken by goods manufactured in the country; they sat down and calculated what the effect of this would be, and they commenced lessening their importations at an earlier period than they otherwise would have done. [Hear, hear.] In the meantime, however, there was some depression in consequence of over-importation; but I think the cotton industry may be said to be, after all, almost the only great industry in which there

has been any serious or continued depression; and is it to be very much wondered at? We had hon. gentlemen opposite rising in parliament and declaring what great profits the cotton lords, as they called them, were getting. [Hear, hear.] We had them telling us that the cotton manufacturers were making their 60 or 70 per cent.; and many people, anxious to make money rapidly, and believing these hon. gentlemen, went into this enterprise. New mills sprang up; and some of the hon. gentlemen themselves, if I mistake not, were so confident of the success of the policy they were condemning, that they actually put money into these cotton mills. If I mistake not, the hon. member for South Huron (Sir Richard Cartwright) had an interest in a cotton mill in the city of Kingston. I know another gentleman who is a very pronounced opponent of this government, who was on two occasions the opponent of the hon. first minister in Kingston, Mr. Carruthers, invested money in it, and I think my hon. friend, the present member for Kingston (Mr. Gunn) put money in. [Hear, hear.] These hon. gentlemen, although declaring that the policy was going to ruin the country and everybody connected with it, actually themselves aided in this inflation and this over production by putting money into these industries. [Cheers.] At the start, the cotton mills all went largely into the manufacture of grey goods, because that was a kind of cotton they thought they could get an early market for, and could turn out easily. [Hear, hear.] The result followed which everybody regrets. But there is this fact to be borne in mind with satisfaction, that the cotton industry, as every other industry in the country, is getting down to a business basis; that people are now more careful; that they are multiplying the varieties of their products, and are studying the market very carefully; and I venture to suggest, that if each mill had been its own merchant, a great deal of the difficulties that have arisen would not have arisen in connection with the cotton industry of the country. All these things had their effect. Then another circumstance was

THE DEPRECIATION IN VALUES.

Every one knows that that was a very serious circumstance; it happened in England as well as in this country. I find, in the London *Economist* of the 31st of January last, an article on the condition of trade, which I have reason to know is from the pen of Mr. Stephen Bourne, who will be remembered as

having read a very valuable paper on Imperial confederation before the British association last year in Canada, and who is the chief of the statistical branch of the department of customs in England. He quotes a number of figures, all going to show that there has been a very serious depreciation in the value of goods in England as well as elsewhere. For instance, he takes four classes of goods—textile manufactures, minerals and metals, articles of food, and miscellaneous—and he finds that there was a larger quantity of these goods exported in 1884, by £2,733,000 estimated by the price of the year before, than in the year before, and an absolute decrease in price of £9,605,000. I think that is a remarkable statement in relation to the depreciation in values. Then he comes to these conclusions:—

"First. During the year just ended our whole exports were valued at £10,000,000 less than last year, for, although our increased sales are represented by nearly £2,000,000 for quantity, the fall in prices have occasioned them to bring in less by £12,000,000. In other words, our export trade has expanded a little beyond 6 per cent. in volume. This larger volume has shrunk by just about 4 per cent. in value.

"Second. That of British produce and manufacture alone, the increased quantity figures for not far from £3,000,000, or at the rate of 1½ per cent. for addition to volume, accompanied by a decreased value of nearly £10,000,000, or 4½ per cent."

And he makes the general statement that, taking the aggregate trade of Great Britain, the depreciation of values alone represents the large sum of £46,000,000 sterling. That depreciation had its effect. The merchants in Canada had bought goods at figures on which they could not realize a profit. Take, for instance, the case of the sugar refiners. The sugar refiners, many of whom are merchants as well, imported the sugar at prices which they supposed were certain to bring them a profit, because the prices were lower than any known for years, yet the refiners found the prices going down lower and lower, and they had to stand a loss; but the loss suffered by them during the past year could not, in consequence, be charged in any way to the effect of the National Policy. Owing to the enormous depreciation of the value of the raw material, which they had imported at higher prices than they could sell it at, they had to stand heavy loss. These facts have tended very considerably to reduce the volume of business in the country, and to bring about in that way the comparative depression that has existed. (Hear, hear.) The same thing

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has occurred in the United States. In Bradstreet's circular we find an estimate of the prices in the United States of certain articles in July, 1878, and December, 1884. The remarkable thing with regard to that estimate, and it applies equally, I believe, to Canada, is that while the articles which the farmer uses have gone down enormously in value, the article which he produces, leaving out wheat, or, at any rate, many of them, have actually increased in value during that period. (Cheers.) Those depreciations in the values of the articles which enter into the ordinary business of the country have had the effect to which I referred. Another thing which has had a depressing effect is, that the settlement in the Northwest has not been as large as we reasonably expected it would be.

It being six o'clock Mr. White resumed his seat amid loud cheers and the Speaker left the chair.

AFTER RECESS.

SETTLEMENT IN THE NORTHWEST.

Mr. WHITE (Cardwell)—When the house rose I was about proceeding to refer to another of the incidents which led to some check in the flow of business in this country, and that was the disappointment in relation to the extent of settlement in our Canadian Northwest. I think we may fairly say that under all reasonable circumstances we had a right to anticipate a larger settlement than took place in that part of the country, but there is a remarkable fact in connection with it, and that is that although the settlement in the Canadian Northwest was not quite up to what was expected, the deficiency in the settlement was about the same in the United States as well. In Dakota and Minnesota I find that the proportion of the falling off in the previous year was just about as great as that in the Northwest. [Hear, hear.] For instance, in 1883 there were taken up of homesteads in the Canadian Northwest 970,719 acres, and in 1884 582,280 acres. Of pre-emptions there were taken up in 1883 659,120, and in 1884 364,060. Of sales there were 202,143 acres in 1883 and 213,172 acres in 1884; or a total in 1883 of 1,831,982 acres, and in 1884 1,110,512 acres. We find that in Dakota and Minnesota the falling off was as follows: From 15,196,594, in 1883, to 9,222,757 in 1884. That is to say, the decrease in the settlement in the American territories was 39.56 per cent., and in the Canadian Northwest 39.92 per

cent., so that the decrease in each country was, in comparison, almost precisely the same. [Hear, hear.]

OPPOSITION STATEMENTS IN REGARD TO THE NORTHWEST.

The most serious regret in connection with that is that the falling off is to be traced to circumstances which I believe were largely within our own control. In the opening up of that country, in incurring large obligations for the purpose of putting a railway through it, to supply railway facilities to the people who might go in there, we had a right to expect, whatever differences of opinion might exist as to the policy of the government or as to the manner of constructing that railway, that, in relation to the effects of that railway upon the country and as to the country itself, there would be no difference of opinion. We had a right to hope, and I think everyone will say that it was not an unreasonable hope, that, while we might have our conflicts and our controversies on the floor of parliament as to which was the better way of developing that country and constructing a railway through it, at any rate, as to the country itself, there would be a unity of sentiment in the house and out of it. [Cheers.] But we found that in almost every debate in this house hon. gentlemen opposite were doing whatever they could to discourage immigration to that country, to create an impression that it was not a desirable country to emigrate to, and to depreciate its value in this way as a desirable field for emigration. [Hear, hear.] We had a member of that party, no less distinguished than the leader of the opposition, at a meeting in Bowmanville, declaring that although he had not theretofore said very much in relation to that country, although he had been cautious not to express any opinion of his own, yet, having made thorough enquiry from a number of persons who had seen the country and whose opinions were, therefore, of value, he was in a position to state, and he did state, on his own responsibility that 300 or 400 miles of the country were utterly unfit for settlement.

Mr. BLAKE—No.

Mr. WHITE—Well, it was so near that, that if the hon. gentleman will state what he did say, I venture to say it will be found to be practically that, that the road ran through a country practically unfit for settlement. [Cheers.] On the floor of this house, what had we in regard to the route of the Canadian Pacific railway? We had statements that it

ran through a country, for the large part of it, several hundreds of miles of it, simply fit for the growth of the cactus and unfit for ordinary cultivation and for successful settlement; and yet we have had evidence since, from a quarter that I think will be received in this house as worthy of all possible acceptance, that is the testimony of the hon. member for East York [Mr. Mackenzie], who, after going through the country, after travelling over the railway, after examining for himself, in his own practical way, the character of the country through which that railway passed, came back to Winnipeg, and, in a speech there, declared that he was himself surprised, gratifyingly disappointed, at what he had seen, and condemned his own press and his own colleagues in public life, members of his own party, for the exaggerations they had been guilty of in regard to that country. [Cheers.] That was one of the reasons why the settlement of that country was not as great as it might otherwise have been. Then we had

THE AGITATIONS IN THE NORTHWEST

itself. We had those agitations, largely promoted, I believe, by political motives. I should be sorry to say that all those who engaged in the meetings of the Farmers' Union, that all those who believed honestly that they had grievances that might be remedied by meeting together and having concerted action, were influenced, by party political feeling. But, I have no hesitation in saying that the motive and inspiration of those who took the leading part in the organization was political and only political; that it was designed for the purpose of creating a feeling against the country, in that way lessening the immigration to the country, in that way lessening the value of the policy which this government had adopted, and to the extent of the failure of that policy resulting from these causes, discrediting the government itself. [Cheers.] Thus we had these attacks made upon that country. I can quite understand that, last year or rather the year before, owing to the early frosts that occurred, the exceptionally early frosts, such as had not been known for years before, and may not be known, I trust, for many years to come, judging the future by the past, many of the farmers there felt they had come to a country where they were liable to these disadvantages; but when this organization met together in Winnipeg and deliberately passed a resolution—a more insane proceeding one could hardly imagine—warning people against

coming to the country at all, one could readily understand that under the influence of an agitation of that kind and action of that kind there would be a less gratifying flow of immigration to the Northwest. [Hear, hear.] I am glad to see by the papers of this evening that the Farmers' union, at any rate, whatever they may have to say about their local grievances, are no longer disposed to attack the country. I am glad to see, if the statement is true, that when it was supposed a secession movement was on foot, and when some loyalists went to put it down, they found only one man a secessionist. [Hear, hear.] I am glad to see that the Farmers' union are not disposed to be made the tools of political agitators to injure the future of the country. If they will fight their own political battle, with which we have nothing to do here, if they will conduct their own local legislature, with which we have no concern, and will do it as men anxious each to promote in the best possible way the advantage of the country, nobody can possibly object to controversy of that kind, and I think we may very fairly look forward, in view of what has occurred last year in Manitoba and the Northwest, to a better condition of things in that regard and a larger immigration into that country in the early future. [Cheers.]

EFFECT OF THE RAILWAY.

The hon. gentleman from South Huron (Sir Richard Cartwright) spoke of the conduct of this government as having retarded settlement in the Northwest; he described it as having prevented people from going in; he even referred to the Canadian Pacific railway and its construction as one of the causes which had prevented settlement from going in. What do we see this year, with all this huge monopoly, this grinding monopoly of which we have heard—the Canadian Pacific railway? We see these two remarkable facts, that while in the American States of Minnesota and Dakota the railway companies and the millers are practically one combination, the one playing into the hands of the other, so that no man is permitted to buy wheat unless he buys it through the elevator, which is the property of the miller as well as of the railway company, and while, as the result of that, the millers have been able to control the price of grain in that American Northwest, to the great disadvantage of the farmers, the Canadian Pacific Railway company, in their operations in our Canadian Northwest, have refused to yield to any such influences as that, and have declared that

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every man shall have the opportunity of going into the market as a free man and getting the highest prices for wheat, and shall have the best facilities for the shipping of it at every practicable point; and, sir, what has been the practical result of this? The statement has been made, upon the responsibility of gentlemen who are themselves interested, and who have paid money in connection with the wheat products of that country, that the average price of wheat in Manitoba and the Canadian Northwest this year has been 12 cents a bushel more than it has been on the American side. (Cheers.) And more than that, we have seen farmers on the American side actually teaming their wheat across into the Canadian territory, paying the 15 cents duty, and then going back with 12 cents a bushel more in their pocket than they would have had if they had sold their wheat on their own soil. (Cheers.) These are evidences that the policy of the government in connection with the Canadian Pacific railway has not been an injury to the farmers of that country; and it is a proof that the farmers are beginning to realize the advantages which they possess in the Canadian Northwest over the farmers of Dakota and Minnesota. There is no doubt that there will be, in the near future—in fact, I believe the movement has already begun—a migration of Canadians hitherto settled in Minnesota and Dakota—largely because of the agitation in this country against our own territory, the statements as to the greater advantages offered by the Americans, who will take up their residence in the Canadian Northwest becoming loyal British subjects, and live under the old flag which, I am sure, in spite of the fact that they have gone to Minnesota and Dakota, they still revere and honor. [Loud cheers.] I think, therefore, we may fairly expect that this cause which has tended to place a momentary check on the commercial prosperity of that country will soon pass away.

THE FAILURES OF THE PAST YEAR.

We have, as one of the evidences often referred to, of the fact that there has been some depression in Canada, a reference to the failures that have taken place; and let me, for a moment, state the facts briefly, in order to complete this part of the argument. Everyone who knows anything of England will admit that the depression has been more severe there than it has been at any time during the last quarter of a century. Ask any commercial traveller who has been in England buying

goods what condition of things he found there; ask anyone who has an opportunity of testing the feeling of the commercial circles in Great Britain; look at the records of the people out of employment, and at the record of failures, and you will find the statement is absolutely accurate, that for a quarter of a century no such depression has existed in England as that which has existed during this last year. In the United States the depression has been about as severe as was the depression of 1877-78. I find that the failures in Canada this last year have been 1,327, with liabilities of \$19,191,306; while in 1879 the failures were 1,902, with liabilities of \$29,347,937. Then, sir, the traders have increased in number from 66,000 to 69,994, an increase of 13,994; so that while in 1884 we had one failure to every 53 persons in trade, in 1879 we had one failure to every 29 persons in trade; while in the United States there was one failure to every 82 persons in trade in 1884, and one failure to every 62 persons in 1878. This shows that while there has been a depression in Canada in some particular lines, and while all have felt the effect of a depreciation in values, the number of failures, relatively to the number in 1879, has been very much less in Canada than in the United States. [Cheers.]

STATEMENT AS TO THE NATIONAL POLICY.

Now, sir, I dare say that hon. gentlemen opposite will say that there ought to have been no failures, and that at the time of the adoption of the National Policy the country was promised that there would be no depression; they will, no doubt, contend that we ought to have avoided the evil results of a depreciation in values. I have no doubt that my hon. friend from Brant [Mr. Paterson], who is going to follow me, will take that line of argument, and will probably quote a number of extracts from speeches made by conservatives in 1877, when this question began to be agitated, for the purpose of showing that there should be no failures whatever. Sir, what was urged in 1877-78 was this: That in view of the conditions of this country and its relations to the neighboring republic particularly, there were means which might be adopted by the parliament of Canada that would do much towards mitigating the depression which at that time existed. The question of the National Policy, allow me to say, has never been a question of 20 per cent., or 25 per cent., or 30 per cent.; the question of the National Policy has been simply this: What arrangement of our tariff, what arrangement of our commercial system,

will reasonably give to men of capital an opportunity to carry on their business with a prospect of success against the competition of our neighbors on the other side. [Hear, hear.] At that time we pointed out two or three ways in which injury was being done by the absence of legislation, and when we urged legislation to remedy it, these hon. gentlemen folded their arms and took the ground that it was no part of the business of parliament to consider how, by legislation, our commercial interests could be promoted, but that on the contrary it was a matter which must be left to the ordinary laws of supply and demand, and that in relation to a commercial policy parliament should have regard simply to the question of raising so much revenue to meet the expenses of the government. Sir, we pointed to the West India trade—gone. We urged that a charge should be made in the sugar duties, not altogether for the purpose of promoting refining in Canada, but of promoting the West India trade through refining in Canada. That was the policy we urged, and that policy was adopted. Did it produce the effect?

Mr. VAIL—No.

Mr. WHITE—Let the hon. gentleman look at our import trade from the West Indies today, compared with our import trade from the West Indies in 1878, and will he tell me that the result of the policy that has been adopted has not been to bring in raw sugars instead of the refined sugar, which formerly came from the refineries of Great Britain and the United States, by that means to promote trade with the country of production instead of with the country where the sugar was refined? Sir, I know that the people of Halifax have an idea that a rearrangement of the method of collecting the duty might have the effect of promoting still further trade with the West India islands to the prejudice of trade with other foreign countries. I know they have an idea down there—I am not going to say whether it is a correct one or not; that is a matter, I fancy, that the people will have to arrange with the government—I know they have an idea that if people could be prevented from introducing raw beet root sugar, they would have a larger quantity of sugar brought in from the West Indies. That may be true, and it may be wise to adopt that policy. I am not discussing that question; but what I am discussing is this, that the policy which was adopted has had the effect of bringing enormous quantities of raw sugar from the

West Indies, and creating in that way a trade with those countries of sugar production which, at that particular time, had practically ceased to exist. [Cheers.] Then, sir, we pointed out to them, with respect to the tea trade, that their policy was destroying the distributing trade in Canada, that the large tea merchants were being deprived of the business which legitimately and fairly belonged to them, and that American merchants were becoming distributors, not to the advantage of Canadian consumers, but to the disadvantage of Canadian merchants. We pointed out how that might be remedied. But the hon. gentlemen said: No, we will do nothing of the kind; that is a matter we have not care of, that affects us not in the least. Well, sir, that policy was changed, and what has been the result? Let the hon. gentleman look at the figures of the direct importations from China and Japan, as compared with what they were in 1873, and let him look at the distributing trade in the hands of Canadian merchants, results which have been secured since the National Policy has come into play. [Cheers.] If he will look at other industries he will find similar results. That men who, before, could have little chance, and less chance in view of the steadily growing condition of things in the United States, than they had before to continue business in Canada successfully under the competition of the manufacturers of that country, have been able to carry on business since. In 1873, in 1872, and still further back, during the period of and succeeding the American war, when there was an inflated currency on the other side, when values were exceedingly high there, when, as the hon. member for South Huron [Sir Richard Cartwright] admitted in his speech the other night, the smuggling was from this side into that country, there was no necessity for protection, no necessity for a high duty. We had, as a matter of fact, in the conditions which existed in the two countries at that time even a higher protection in our favor than the protection we have had since, in view of the relative conditions which existed between the two countries. [Hear, hear.] But as those conditions changed, as, according to the statement of the hon. gentleman, the smuggling is from that country into this, instead of from this country into that, then came into play the policy which has been and is now adopted, and without which the vast majorities of the industries of this country would have ceased to exist and the capital invested therein would have been absolutely destroyed. [Cheers.] No policy

can compensate for the want of capital; no policy can compensate for the want of skill, because in these days we have keen competition, we have improved machinery, and when the appliances are so great as they are the competition is necessarily keener than it was before. And all we propose to do, all the government policy proposes to do, is to give to the skilled, industrious, competent manufacturer the opportunity of carrying on business in fair competition with his American neighbors who are engaged in the same occupation.

INDICATIONS OF IMPROVEMENT.

I believe that at this moment there are indications that trade is getting into a better condition. We have been enjoying for some time past the free trader's paradise—a cheap country to live in. The real trouble has been that articles have been too cheap, and that very thing which hon. gentlemen opposite have been arguing we should endeavor to bring about is the very thing which has produced the difficulty from which, to some extent, we have been suffering during the last twelve months. Go to a merchant and ask on what his hopes rest for a revival of business. He will tell you, in the fact that prices are beginning to stiffen, as he expresses it, and there are likely, therefore, to be better times. I say there are indications of that at this moment, indications that give hope to the commercial community that things are going to be better than they have been recently. Then we have an indication in the revenue for the last two months, as compared with the corresponding two months of last year, that there is a probability of a revival of trade. I shall be sorry, I have no hesitation in saying it, if merchants imagine that all possible difficulty has passed away. But I am satisfied of this, that business in this country is at this moment in a condition of greater promise than has prevailed for the two years past, and that by reasonable caution on the part of the commercial community we are likely to enter upon a period of substantial prosperity similar to that which we enjoyed a year or a year and a half ago. (Hear, hear.) We have some evidences of this in what is said by the people. Take the city of Montreal, which may be said to be in some sense a barometer showing the commercial condition of the country. The *Star*, which is certainly not a conservative newspaper, and it is certainly not a liberal one in the party sense, sent a reporter to find out from the different merchants and manufacturers of Montreal what was the present condition of trade. He

found that vast differences of opinion existed. He heard in some quarters statements that there were a large number of people out of employment; in other quarters that times were tolerably dull; but he found in other quarters, and the curious fact is, that in those quarters where they had the means of making a substantial test, the condition of things was reported to be a great deal better even than the editor of the *Star* had imagined them to be. For instance, Mr. McMillan, superintendent of the Protestant House of Industry and Refuge, reports that there were in the institution during the first three weeks of January, 1884, 2,840 inmates, and during the same month of 1885 1,956, a decrease of about 900. The number of meals distributed, because that institution distributes meals, taking the same months, was, in 1884, 8,467; in 1885, 6,033, or a decrease of about 2,500. That does not look like a serious condition of things in a great manufacturing city like Montreal. On the contrary, it shows that the destitution among the working class is just about the normal destitution prevailing at the same season in other years. We have in Montreal, as they have in Toronto and other cities, institutions for taking care of the poor and helpless who will always be with us; we have those institutions to which wealthy men, recognizing the responsibilities of wealth, contribute of their money in order that persons may not suffer want or starvation; and we find in Montreal that the condition of things is, as I have stated, at that leading institution, as between that period of 1885 and 1884. We find Mr. Gilbert, of the Canada Engine Works, saying:—

"The men are working full time. The firm has discontinued altogether the manufacture of steamboat engines, and the employees are engaged solely upon work for the establishment, repairing dredges, etc. There have been a large number of applications for work from workmen, sometimes as many as twelve a day, and tales of distress are frequently heard. They had no personal knowledge of any cases of absolute want, but had heard rumors of instances in which the men hardly knew how to get a living. Mr. Gilbert is of the opinion that there will shortly be an improvement in the state of trade, as matters have begun to assume a more favorable aspect in the States.

"The railway car wheel manufactory of Messrs. John McDougall & Co. is running full blast, and has a full complement of men employed. It was learned here that there had been a great many applications for work, but in nine cases out of ten the unemployed were either men of unsteady habits or men who could not take such work as he offered them." There is no one who knows anything about large cities who does not know that this is

unfortunately a class to be found in them at all times, and unfortunately there are numbers of them who appeal to the charity of those who are disposed to be charitable.

"A responsible employee of the foundry said that in his opinion there was lots of work for all men who are of good character and men who wanted work."

Then I find that:

"About four hundred hands are employed at the mill of Messrs. Belding, Paul & Co., silk manufacturers. Of these about one-fifth are men. There has been no decrease in the number of employees as compared with this time last year," said an official. "There have been no more applications for work than formerly, and there is no more distress among the bread-winners." The official who tendered this information stated that business is not as much demoralized here as in the States. They have had some employees who went to the other side for work return to them after a short time with the intelligence that in the face of the high rate of living and other similar circumstances they were unable to obtain as good a living as in Canada."

Then I find that both of the sugar refineries were practically working at full time. Then I have the statement of a gentleman whose opinion will be received by hon. gentlemen on the other side as of some value—Mr. J. K. Ward, the gentleman who was the liberal candidate in west Montreal at last election, and who, if report speaks truly, will be the liberal candidate at the next election. He says:—"So far as the cotton trade"—and he is largely interested in that trade:

"So far as the cotton trade was concerned, the mills were not employing their full number of hands; the Merchants' company were running about two-thirds of their machinery, the St. Ann's about one-third or a half and the Hudson about two-thirds. Of course in all cases the best hands have been kept on and the inferior or unsteady ones have been dismissed."

In the timber trade, in which Mr. Ward is also largely engaged:

"There was the usual slackness, but married men often refused to go out in the lumber camps, where they would get good wages, and preferred to remain at home in idleness. He did not think there was very much more than the usual number of unemployed work people."

Then Mr. P. W. St. George, who is city surveyor, and is in a peculiarly favorable position to know something of the labor market in Montreal, says:

"That he was of the opinion that there are no more laboring men out of employment now than there have been during the past few winters. He remarked that after the recent heavy snowstorm his foremen had been unable to procure the required number of men to clear the streets, and when the ice roads were made, considerable difficulty was experienced in procuring laborers."

Now, that does not look as if people were seriously—there are always a number of them—as if an unusual or abnormal number of people were out of employment. Mr. King, of Rogers & King, founders, said:

"He believed that the want said to be existing in Montreal was not greater than that usually found at this period every year. Investigator would show that the majority of those out of employment were laborers who worked along the docks in summer. The works of his firm are running full time, and employing over 110 men. They have not discharged a hand, nor have the wages suffered any reduction. A greater boom in business is anticipated at an early date."

Mr. A. F. Gault, the well known director of the Hochelaga cotton mills, said:

"We have not discharged one hand on the score of retrenchment during the season, but, on the contrary, want more weavers; our staff now numbers about 900 operatives a Hochelaga, all told, and 400 at St. Ann's, all working on full time, and at current wages; any rumor of distress through discharge of hands from our mills is without the slightest foundation."

Now, sir, it will be seen, with regard to that, that the condition of things in that large manufacturing and commercial centre is about the same as the year before, and certainly no one will pretend to say that the condition of things the year before was a condition of distress or depression in connection with the business of the country. (Hear, hear.) The hon. gentleman made complaint as to

THE FUTURE POLICY OF THE GOVERNMENT.

Referring to their failure in the past, as he described it, he said there was no reference whatever to the question of a treaty with the United States, and he evidently thought that was, on the part of the finance minister, a serious omission in a budget speech in a time like the present. The hon. gentleman is quite right in saying that this year we shall enter on a new condition of things; that the lapsing of the Washington treaty will close the markets of the United States to the fish of the Maritime provinces and Quebec. But, what I am bound to say, is rather remarkable, is to hear these hon. gentlemen who denounced, as we all remember they did denounce, the Washington treaty when it was adopted; who charged the first minister with having been a recreant to his trust as a Canadian, in consenting to that Washington treaty at all, new conjuring up enormous evils as certain to result from the lapsing of the very treaty whose enactment in the first instance they so strongly condemned. (Cheers.) On the elections of 1872, as I remember very well, their strong

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card was "the Washington capitulation," as they were pleased to call it, and we were told that the government committed an act of arrant folly in entering upon the treaty at all. Well, if that was true, if the treaty was a bad one; if it was one which should not have been negotiated; it seems to me that we should not be seriously alarmed now, when the time has come when we are to be rid of a bad bargain. [Hear, hear.] But I did not agree with the hon. gentleman then; this country did not agree with him then, and I am satisfied the people of this country, not agreeing with him then, realize that it would be to the advantage of Canada, and to the advantage of the United States as well, if we had fair reciprocal relations, both as to fish and the other natural products of the country, between those two great peoples. But when the hon. gentleman says that there has been no reference to treaties, he does not quite state the fact as it exists. We find that this government, in the very first session in which they met parliament as a government, placed on the statute book an enactment which was practically an invitation to the people of the United States to enter into reciprocal relations with them. [Hear, hear. They took the power from parliament, that whenever the United States chose to remove the duty, chose to enter into reciprocal relations with them, they would have authority to enter into those relations. The finance minister is charged with having made no reference to treaties in his speech, but we find that he has in a much more formal manner than by a mere speech, by resolutions which he has submitted to parliament and which will be embodied in an act of this parliament—taken power to arrange for such a treaty, if the United States are disposed to enter into it. [Cheers.] We have imposed duties on fish, and I suppose hon. gentlemen opposite will not say that that is not a wise thing to do with them, in view of the fact that the American market has been closed to us. We have adopted, in regard to fish, practically the same policy which has been the policy of this government in relation to other matters. Not having reciprocity of trade, we are going to have reciprocity of duties; and those duties are imposed so that the Canadian market may, to its extent, be supplied by our own fishermen—the Canadian market is to be kept for the Canadian fishermen. But while doing that the hon. gentleman has put into his resolution this proviso:—

"Provided, that the whole or part of the said

duties hereby imposed may be remitted upon proclamation of the governor in council, which may be issued whenever it appears to his satisfaction that the governments of the United States and the island of Newfoundland, or either of them, have made changes in their tariffs of duties imposed upon articles imported from Canada, in reduction or repeal of the duties in force in said countries."

Now, sir, there is a distinct statement, made in the most formal manner in which a statement can be made—a statement in an act of parliament, that the people of Canada are ready to enter into reciprocal relations with our friends on the other side or with our fellow-colonists of Newfoundland, the very moment the one or the other is prepared to enter into arrangements with us. [Cheers.] No more formal declaration of the opinion of parliament could possibly be made; and I think it is a much more dignified way, in view of what has occurred in the past, of dealing with this question, than would be the plan of sending commissioners once more to Washington, to be received as unfortunately as our commissioners have been received in the past. [Hear, hear.] Sir, I had the privilege—I regard it as a very great privilege—during six years, I think, of attending the meetings of the National board of trade of the United States. I went there, along with other gentlemen from Canada, as representatives of the Dominion board of trade, which was then in existence, for the purpose, not of urging, but of discussing this question of reciprocal trade relations between the two countries. At every one of those meetings we had reasonable and fair discussion; but if hon. gentlemen will look at the records of the National board of trade during those years, if they will look at the record of its last meeting, as the expression of the opinion of the merchants of the United States, they will find that that body, in view of what Canada has done in the past in the way of sending commissioners to the United States, recognize that all that Canada is called upon to do is to indicate its willingness to enter into negotiations, but that, in view of the past, the first advances in that direction should come from the United States. [Cheers.] I do not think for a moment that the government of Canada should stand upon any punctilious form in regard to a matter of this kind. No doubt a suggestion from the British minister at Washington, for instance, that there was a prospect of fair relations between the two countries, would at once lead to such negotiations as might result in bringing about reciprocity between the two countries. But for the gov-

ernment of Canada to do as hon. gentlemen opposite indicate they should do, as the hon. member for South Huron [Sir Richard Cartwright] indicated in his speech, by his reference to this question, was his desire they should do—send down to Washington, without invitation, without suggestion, verbally made or received, another commissioner, to meet with the same humiliation which was meted out to the late Hon. George Brown when he went there and when he constructed a draft treaty, which practically gave up everything and got comparatively little in return, and then found that it was not even discussed in the Senate of the United States—that this government should be asked to do that is that they should be asked to do what I venture to say the people of Canada, having regard for their own self-respect, would not ask them to do. [Cheers.]

APPEALS TO THE WORKINGMEN.

Now, sir, we have had in this debate from the hon. gentlemen, and we have seen in other quarters as well, extraordinary appeals, both direct and by way of suggestion, to the workingmen of Canada. We had in the know-nothing proclamation of the hon. member for South Huron (Sir Richard Cartwright) a suggestion that we were to have hereafter nothing but native Canadians in Canada; that, practically, it was an offence for any man who was not a native Canadian to come into the country or to remain in it. [Hear, hear.] We had the suggestion that the policy of the government in relation to the workingmen, and especially with regard to immigration, has not been a favorable policy; and we have had statements by hon. gentlemen on the platform outside of parliament, and by some of them in parliament, calculated to excite the feelings of workingmen against the government of the day. For instance, as to the question of the terrible burden which has been imposed on the workingmen of Canada, the leader of the opposition, in one of his speeches, in Toronto, I think, made the statement that the direct burden of taxation which workingmen have to bear under the present tariff is about \$50 per family. Now, Mr. Speaker, one does not know quite how these figures have been arrived at; but if you look at the census of 1881 you will find that at that time there were 812,136 families in Canada. Taking the accepted increase at 2 per cent. a year since that time, there will be an addition of about 50,000 families, so that today there ought to be 862,136 families in the

Dominion. What were the total customs duties?—and after all, as a matter of the incidence of taxation, that is all a man has to pay in Canada, because he does not need to pay any excise duty. If he drinks whiskey, it is his own lookout; it is a luxury; he takes it and he pays for it. If he smokes tobacco, that is a luxury; he is not bound to smoke tobacco.

Mr. BLAKE—Is he bound to take sugar, too?

Mr. WHITE—Is there an excise duty on sugar.

Mr. BLAKE—No; there is a customs duty on it.

Mr. WHITE—I am discussing the question of customs duties, and I have just stated that the customs duties are what the workingmen have to pay.

Mr. BLAKE—Very well.

Mr. WHITE—Does the hon. gentleman agree with me there?

Mr. BLAKE—No; what I said was, that the hon. gentleman said the workingman was not bound to take whiskey, and therefore the excise should not be charged. I ask, was he bound to take sugar, and should the customs be charged? Does he take sugar in his?

Mr. WHITE—There is a model temperance man for you. (Loud cheers.) There is the hon. gentleman who is going to lead the temperance cohorts in Canada, who is pleading to-day for the support of the temperance people, and who insinuates that whiskey and sugar are equally unnecessary, are one and the same thing, and that because a workingman is not bound to use whiskey, the same argument applies to sugar. (Cheers.) Well, I think sugar may be regarded as a necessary of life. I do not think whiskey is a necessary of life. I do not know whether the hon. gentleman thinks so or not.

Mr. BLAKE—I do not.

Mr. WHITE—I do not think so; but I do think sugar is a necessary of life; and when the hon. gentleman endeavors to draw a parallel between the workingmen's ability to give up the use of sugar and their ability to give up the use of whiskey, he simply insults the intelligence of the workingmen, whose intelligence, let me tell him, he very greatly underrates. (Cheers.) I was saying that the customs duties, and they include sugar, are, after all, what the workingmen may be said to have to pay; and the customs duties in that year amounted to \$20,025,890, or at the

rate of \$23.22 instead of \$50 per family, as the hon. gentleman put it.

Mr. BLAKE—No.

Mr. WHITE—No? Does the hon. gentleman pretend to say that \$20,000,000 of customs duties to 862,000 families is more?

Mr. BLAKE—Does the hon. gentleman want to know the basis of my calculation?

Mr. WHITE—Yes, I do; most decidedly.

Mr. BLAKE—What I stated was reported in the newspapers. I did not exclude the excise. I took the customs and the excise duties, and I pointed out that the consumer paid something approaching 50 per cent. in excess of what went into the treasury. I took the customs and excise duties and I added something approaching 50 per cent., and that made \$50 a head. [Opposition cheers.]

Mr. WHITE (Cardwell)—I see that hon. gentlemen behind the leader of the opposition are satisfied with that statement. [Laughter.]

Mr. BLAKE—It was the statement I made.

Mr. WHITE—What then has become of all the arguments we have had during this debate, as to the relative taxation of the United States and Canada? Are we to be told that because we charge an average here of somewhere about 20 per cent. on our importations—

Sir RICHARD CARTWRIGHT—Nearer 40.

Mr. WHITE—That the man who buys, pays that fine on the article that is produced in the country, and that in the United States, where nearly double is charged, the man who buys does not pay it? [Cheers.] Let the hon. gentleman take one ground or the other; but let him not, in this house, as in everything else, take one measure for the people of Canada and a different measure for the people of the United States, in order that he may prove to people outside that the people of Canada are much more burdened with taxation, much less advantageously situated, than the people of the United States. The hon. gentleman should take one position or the other, and I care not which he chooses to take. If he chooses to take his last position, and will apply it all around, to the United States as well as to Canada, he will have to revise the figures he has given us, and I am sure the finance minister will be glad to revise the figures he gave, and will show, upon that basis, that the condition of things in Canada is infinitely more advantageous to the people of Canada than is the con-

dition of things in the United States to the Americans. [Cheers.] Every loyal man, every man in Canada who loves his country, will decline to adopt one basis of calculation for Canada and a different basis of calculation for the United States. [Cheers.] I will give the hon. gentleman the benefit of the excise; nay, more than that, I will give him the benefit of the entire revenue, and I find that if he takes the whole revenue, including the revenues from post office and railways, he will find that instead of \$50 per family it is only \$36 per family. [Cheers.] Why should the hon. gentleman, with his responsibility as a public man, looking in the future, I suppose he thinks the near future, to be the leader of the government, and therefore to control the public affairs of this Dominion, why should he go on to a public platform, and, addressing an audience of fellow Canadians, venture to make a statement of that kind, a statement which is false in fact, which is false in inference, which is false in every relation in which you can possibly look at it—a statement which has simply one result, that of creating the impression outside that the people of this country are less advantageously situated than are the people of the United States. [Loud cheers.]

IMMIGRATION AND PRISON LABOR.

These hon. gentlemen have been making their appeal to the workingmen and they talk to us about immigration. Well, in the earlier part of what I had to say, I referred to the condition of immigration during the time they were in office, and I do not feel disposed to repeat what I then said. But what is the position of the government, as regard to the workingmen? In the first place, we have had the announcement from the minister of agriculture, in answer to a question put to him by an hon. member of this house, that the government not only is not going to assist but is actually going to discourage the introduction of ordinary laborers and of ordinary mechanics into Canada; as, in view of the fact that the Pacific railway will shortly be completed and that there will not be much prospect of any great railway work being constructed then or in the immediate future, it may not be necessary or advisable that these people should come to Canada. [Hear, hear.] We have that statement from the hon. the minister of agriculture. Then we have an important statement in the tariff resolutions which are now brought down. When I was in Canada

equally the other day I had an opportunity of visiting a large industry there, and found that industry to be suffering very severely—from what? Not from the honest competition of honest labor paid for at honest prices, but from the competition of prison labor in the United States, hired by manufacturers at 30 cents a day, the products of which were sent into this country to compete against the honest mechanic in Canada, who receives his \$2 a day. What did the government determine to do in view of this fact? The government determined to prohibit the products of prison labor coming into this country. [Cheers.] That is an act worth dozens of the kind words which, as the proverb tells us, "butter no parsnips," of the hon. gentleman opposite. I am glad to see that act has been put into force, and that the importers of prison labor have already been made to understand that, hereafter, prison labor will not be allowed to come into competition with the fair labor of the honest mechanic of this country. What more do we find?

POST OFFICE SAVINGS BANKS.

We find a large part of the hon. gentleman's speech devoted to a denunciation of the policy of the government with reference to our savings banks; and hon. gentlemen opposite are urging that the interest on the savings of the laboringmen and mechanics should be reduced $\frac{1}{2}$, or 1 per cent., for the benefit of the banks. When these hon. gentlemen were on the stump in Ontario, or addressing a large audience of workmen in the city of Montreal or the city of Toronto, they had nothing but kind words to say to them; but when they come to parliament, and they think they can excite against the government the larger interest, as, for the moment, they choose to consider it, of the banking institutions of the country, then they forget the workingmen, and they denounce the government for that measure of encouragement to thrift and saving which the government have adopted, by giving a fair liberal interest to those who put their money into the savings banks. [Loud cheers.] It has been said these savings banks are injuring the banks of the country; that they are taking deposits which otherwise would go into the banks of the country. A gentleman, one of the best officers in the service, Mr. Cunningham Stewart, who is at the head of the savings banks, in the post office department, read a very interesting paper before the British Association last year, and I take my figures from that paper. I find, taking the classes of persons

who are depositing their money in the savings banks, that, in the first place, they comprise 14,000 farmers who had deposits when the paper was written to the extent of \$4,722,000 in the post office savings bank, or an average per farmer of \$337. Now, these hon. gentlemen would be very glad indeed if these farmers who are getting 4 per cent. for their money, and who, when they unfortunately have to borrow, are compelled to pay a great deal more than 4 per cent.—these hon. gentlemen would be very glad to have these farmers deprived of $\frac{1}{2}$ or 1 per cent. on their savings. I would like to see some of those gentlemen before an agricultural constituency in Ontario say to the farmers: "Gentlemen, this country is being ruined, because you are getting 4 per cent. on your savings instead of 3 per cent., the banks do not like it, and therefore you must give up 1 per cent." [Cheers.] Then we find that there are 7,850 mechanics who have deposited their savings to the extent of \$1,422,000 in those banks, or an average of \$181 each. Now surely these mechanics who have deposited these, on an average, small sums—sums which certainly would not ordinarily go into a bank by way of deposit—surely it is an advantage, an act of kindness and consideration towards them, much more valuable than the statements and praises which are bestowed upon them by hon. gentlemen opposite, to allow them this 4 per cent. interest upon their savings. [Hear, hear.] Then I find that there are trust accounts and young children's accounts to the number of 5,500 and \$170,000 or \$31 each. It does seem to me that is an advantage, and I knew the hon. member for West Durham [Mr. Blake] will agree with me in that, because the other day he urged, in a very admirable speech, the importance of encouraging these children still further, encouraging them to collect postage stamps and to put a shilling's worth of them on paper and deposit that. Well, here is an opportunity for these children to take advantage of, with the encouragement of their parents, to collect their pennies and half-pennies and put them into the savings bank, a dollar at a time, under the encouragement of their parents, who become their trustees. It is, I venture to say, a way of encouraging thrift among children which is more valuable than that which the hon. gentleman suggests. And for this reason, that the child may learn not only the benefit of saving but that he may gather those savings at a time when he can get at his little bank and take them out, and

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it is a great advantage if you can get a little child to understand that, if he puts a penny into a bank, it is better to save it though if he likes he can take it out—that it is better to leave it there until a dollar has accumulated and then to go to the bank and deposit it. But they get their 4 per cent., and the hon. gentleman wants to give them only 3. (Cheers.) Then there are 3,000 clerks with \$174 each; 1,600 tradesmen with \$293 each. Probably these are almost the only ones, if they are tradesmen in the sense of small shopkeepers, who might perhaps keep their money in the ordinary banks. There are 1,470 farm and other male servants with \$188 each, 1,572 professional men with \$249 each; miscellaneous 1,680, with \$128 each; 12,000 married women with \$196 each—women who probably have made that deposit against a rainy day if any misfortune should overtake the bread-winners; 10,500 single women with \$120 each, and 2,240 widows with \$214 each. That is the way in which that \$13,000,000 is distributed in the post office savings banks. It shows that these banks in no serious way interfere with the ordinary banking institutions of the country, and I venture to say that the hon. gentleman, when he undertakes to urge that the government should reduce the interest upon the deposits, is not speaking in the interest of those workmen whose good opinion and whose votes at this moment he is so anxious to cultivate [Cheers.]

CONTRASTED STATEMENTS.

I do not wish to detain the house longer, but before I sit down I desire simply to refer to one statement made by the hon. gentleman. After recapitulating all the iniquities of this government, all the enormous expenditures which it had made, he made up his mind to go to an imaginary statist and find out what he would say upon the question. And he said:—

"If I were to take those figures and place them in the hands of any statist of reputation, and if I were to say to him that, in a period of eleven years, or a period of six years, as the case might be, these figures exhibited the progress, the increase in population, the increase in exports, the increase in the total volume of trade, the increase in debt, and in the expenditure of a young country having large fertile territories not occupied, why, sir, that statistician would say to me: It is clear, on the face of it from those figures, though I do not know to what country you allude, that some great calamity must have swept over it; either there has been a fearful pestilence, or there has been a fearful war, or there has been a famine in the land; no ordinary causes would account for

such an exceedingly slow progress in a young country having large resources yet untouched; there must have been some great misfortune. And if I came to explain to him that for twelve years not a shot had been fired in Canada, that we had as good harvests and better than our neighbors—"

That is including five years of bad harvests that they had—

"that we had been free from earthquake and pestilence, then the statistician would have been perfectly unable to account for the fact of this extraordinary and unprecedented stationary condition of a country like ours, until I had further explained to him that although Providence had spared us man had not, and that for the last six years this unhappy country had had a protective tariff, administered by a government of practical politicians, presided over by a philanthropic minister of finance, who desires to increase the greatest happiness of the greatest number—and I do not doubt the hon. gentleman's desire to increase their happiness—by giving to a few hundred persons, influential political partisans, who had access to him, unlimited right to tax the millions of consumers who were not equally fortunate."

That is the picture of this country as stated by the hon. gentleman. Now what is the picture of this country as it really exists, as every gentleman in this house knows that it exists? [Hear, hear.] What has been the progress of this country during the time that the hon. gentleman is pleased to refer to? If I were to go to the statist, to the same statist, Mr. Speaker, and if I were to tell him that here we have four small provinces, with hostile tariffs, with little or no prosperity among them, united together in a confederation; that during the period to which the hon. gentleman referred they had succeeded in adding to that confederation illimitable fields, the finest wheat field belts on this great continent; that they had secured an outlet on the Pacific coast, adding there a province which, although formerly called a sea of inhospitable mountains, is fast developing into the condition which its friends believed it would occupy, that is, one of the most valuable and most prosperous of the provinces of this great Dominion; that we had during that time bound these provinces together by a railway, for the purpose of developing the trade of these several provinces; that we had built up an interprovincial trade, which compensated for the loss of trade which had passed away because of altered conditions in foreign countries in relation to the class of shipping, more particularly which is used in the foreign trade of these countries; that we had managed to build a railway which we were just now completing, some 3,000 miles long, which would develop that enormous

territory of ours, and united by one great band the two extremities of this Dominion; that we had a system of internal navigation, the like of which the world does not possess, in our canals; that we had built through our great St. Lawrence, light houses and fog-signals until, from the time of entrance at Belle Isle until you got to the western end at Lake Ontario, it was almost like going through a street lighted by lamps at night; that we had adopted a system of marine telegraphy by which intelligence could be received in the commercial centres of any accident to a vessel entering that great St. Lawrence; that we had built up industries in the country which were prosperous, which were employing people, giving them a fair day's wage for a fair day's work; that we had great centres of population, enjoying all the advantages of old world cities—social, educational, commercial; that we had the freest institutions that are to be found on the face of

the globe; that we had done all this without adding perceptibly one dollar to the burden of taxation *per capita* of the people—then, sir, I would not be afraid to submit the facts as they exist to the statist of the hon. gentleman, and I venture to say the answer would be this:—How can it be that, in a country so favored, there are men occupying positions in public life, pretending to be statesmen, who will undertake to deny the advancement, who will undertake, in the interests of a foreign country, because that is the actual fact, to belittle the land which gives them bread and affords them subsistence? Sir, I venture to say that the condition of this country fairly stated, as I said in my opening remark, the full truth told, all the truth told, will leave us, in the estimation of those who may choose to take an interest in our country, in a position of which every Canadian, every true-hearted Canadian, may well be proud. (Loud applause.)

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