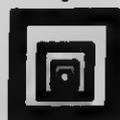


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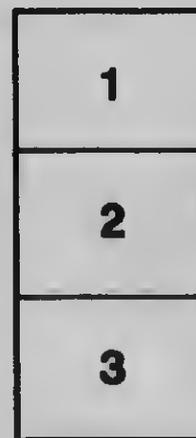
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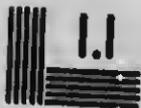


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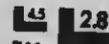
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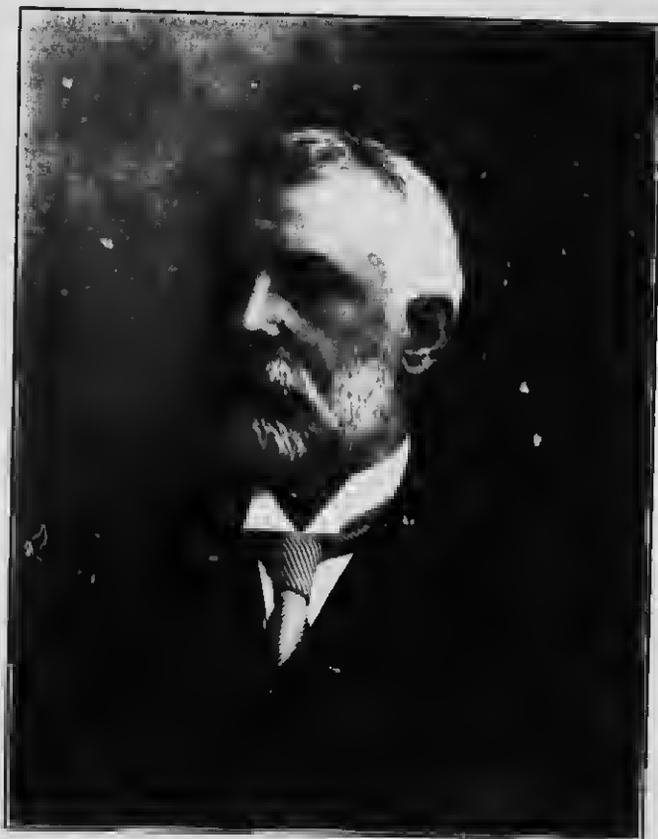
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HON. W. S. FIELDING  
MINISTER OF FINANCE

*Speech of Hon. W. S. Fielding,  
Minister of Finance, at the Banquet given in  
his honor at  
Toronto, Monday, July 11, 1904*

SPEECH OF

**HON. W. S. FIELDING**

**M.P. FOR SHELburnE AND QUEEN'S  
AND MINISTER OF FINANCE**

At a Banquet given in his honor in

**TORONTO, JULY 11th, 1904.**

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On Monday evening, July 11th, 1904, a banquet was given by the Liberals of Toronto and vicinity to Hon. W. S. Fielding, Minister of Finance in the Government of the Dominion. The banquet took place in the great dining-room of the new King Edward Hotel, and proved one of the most successful affairs of the kind ever held in Toronto. Upwards of three hundred guests were present, including representatives of every interest in the Queen City,—bankers, merchants, representatives of labour, professional men, &c. Two of Mr. Fielding's colleagues in the Dominion Government, Sir William Mulock, Postmaster General, and Hon. William Paterson, Minister of Customs, were among the speakers of the evening. The Premier of Ontario, Hon. George W. Ross, who was absent from Canada through illness, wrote a very cordial letter of approval of the banquet, which was read by the Secretary. The members of the Ontario Government and a number of members of the Dominion and Provincial Parliaments were among those present. The chair was occupied by Mr. James McLaughlin, President of the political club which bears Mr. Fielding's name, "The Fielding Liberal Club of South Toronto." After the usual loyal toasts, the toast of the guest of the evening was proposed by Mr. W. J. Clark, Secretary of the Club.

When Mr. Fielding rose to respond, the banqueters, who had drunk the toast amid much applause, followed by the singing of "He's a Daisy," greeted him with another outburst of cheering, and it was several minutes before he was able to proceed.

Mr. Fielding said: Mr. Chairman, Mr. Clark, and gentlemen, I beg you to accept the very warmest expression of my thanks for the very great honor that is being done me to-night by the Liberals of the City of Toronto, and, as I am advised, by many others from this great province. I know the time is not the most favorable one in the season for an event of this character. I would not be surprised if most of you desired, I think you should desire, in-

stead of attending a banquet in this middle of July, that you should be off to the seaside or the mountain or the lake; and that so many of you have resisted the temptation and come here to-night, I have no doubt at much inconvenience, to do me honor, is something for which I owe you my warmest and most heartfelt thanks. My thanks are due to Mr. Clark for his very kind references, and to you, Mr. Chairman. Nor should I forget to pay my acknowledgment to the members of the Club under whose auspices this meeting has been planned, and who have paid me the high honor of associating my name with their political organization. (Applause.) That you should take for the name of a political club that of the distinguished statesman and leader, Sir Wilfrid Laurier, is something we would expect in any part of Canada, or that you should take the names of the distinguished sons of Ontario, who play such an important part in the affairs of this Dominion and Province, that also was something to be expected. But you, Mr. President, in your choice of a name have travelled far afield; you have gone to a distant Province, and one of the smaller Provinces of the Dominion—you have taken the name of a man not well known to you personally, but who hopes to be better known to you—(applause)—one who has no claim whatever upon your good-will—(Cries of "question")—other than is to be found in your kindly interpretation of the part he has played in the public affairs of the country. (Hear, hear.) I have also to express my thanks to the gentlemen who, although not belonging to the Liberal party, have joined in this gathering as a matter of good-will. I cannot hope that they will agree with all that I have to say, but, at all events, they may be interested in what I have to say, not because it is new, but because it is part of an old story which it is necessary for us to tell again and again.

### SIR WILFRID'S PERSONAL STRENGTH.

For a long time the affairs of this country were governed by the Conservative party, for a very long time, and I believe many of the leaders of that party actually fell into the idea that they alone possessed what was called the instinct of government. (Laughter.) Well, I would not blame them very much for that, for they had in the front ranks many able men, and it is not surprising that as year after year rolled on the idea should get abroad that the Conservative party, and only the Conservative party, possessed the capacity to govern. But it is a dangerous idea to get into the mind of any man, that he is indispensable in this life. There may come a time when the country will get along without the present Government, but I hope it will not be very soon. (Laughter and hear, hear.)

## THE BREAK-UP OF THE CONSERVATIVE PARTY.

A few years ago we began to see the break-up of that great Conservative party. I think the death of that distinguished statesman, Sir John Macdonald, had much to do with it. There was a personal magnetism in Sir John that drew men to him, irrespective of policies and principles. They liked the man, and they stood by him because they liked him. After the death of Sir John there began a gradual breaking up. One by one the prominent men of the party dropped off, either on the field of battle or to join the great majority, and about the same time there arose a man of distinguished character and ability named Wilfrid Laurier—(applause)—and many of the men who followed Sir John because they liked him began to follow Wilfrid Laurier for the very same reason. And so it happened that in 1896 the change in the Administration came about, and from that day to this Canada has been governed by the Liberal party.

### "A RECORD, NOT A PROSPECTUS."

Not long ago I received a piece of advertising matter from one of your great business men in Toronto, which had on the title page these words, "A record, not a prospectus." It was a happy phrase, and I would adopt it to-night to say to you that the Liberal party has no prospectus to present to you. But it offers you a record—the record of eight years of administration. (Applause.) At the risk of being charged with boasting, I will say that in these eight years you have had a period of the best and most successful government ever known to the history of Canada. (Applause.)

### HIGH PUBLIC CREDIT.

I am speaking in the hearing of great business men, of great bankers and merchants, and they will know the value of the condition when I say that among the first things we have given to Canada is a period of sound finance, of high credit. Whether it be private life or in national life, it is important that we should uphold credit. Our friends of the Opposition realize that very fully, and one of the things they thought must surely happen when the change came about was that the public credit of Canada would suffer. I remember that my old friend Sir Charles Tupper said that we were entering upon a period of financial disaster, that we could not borrow the money which we would need for our reckless purposes, and that the credit of the country would suffer. Now, the credit of Canada under the old Administration had advanced to a high position. Let us all recognize that; we have no desire to take from those gentlemen the fair share of credit that belongs to them with respect to the affairs of the Dominion.

## SECURITIES ADMITTED TO TRUSTEE LIST.

But high as the credit of Canada was at that time, there was a fly in the ointment—Canada did not occupy in the money markets of the world at that time the position to which she was fairly entitled, for in a large section and the best section of the money market in the mother country the doors were closed to Canada, and you could not get a dollar from all that large section of the investing public. You know that millions of money in England are in the hands of trustees, and they are only permitted to invest these moneys in the highest class of securities. In those days, when our good friends thought they had accomplished wonders, Canada's name was not deemed good enough to have it recorded on what was called the trustee list. We were shut out from those investments. I do not accuse my friends on the other side of lack of energy; it would be nonsense. They are known too well by you. I know that Sir Charles Tupper, as Minister of Finance, as a member of the Dominion Government, as High Commissioner for Canada, made every possible effort to bring about a change, to remove that barrier, to remove that stain on Canadian credit.

But all his efforts and the efforts of his colleagues were unsuccessful. The law remained on the statute book, forbidding the English trustees to buy the bonds of Canada. It was not, Sir, until the change of Government had taken place; it was not until Canada had begun to advance by greater strides than ever before; it was not until after the preferential tariff had been introduced—(cheers);—it was not until after Canada's affairs came under the management of the Government of Sir Wilfrid Laurier, that that great barrier was broken down. That for which our predecessors had so long laboured in vain we were able to accomplish in a comparatively short period, and from that moment Canada's securities became recognized as among the best in the world. (Cheers and applause.) That important change was not brought about by any one act of the Government, but rather was the fruit of its general policy, which opened the way for that which had been so difficult and impossible before. Canada under Liberal administration was advancing by leaps and bounds, advancing in the eyes of the world at large, and especially advancing in the eyes of the people of the mother country. Though the money market may be stringent, though now and then our securities may not stand at as high a figure as we would like, if you look at our quotations in their relation to the standard securities of the market, you will find that our credit stands relatively higher than ever before. The loan which this Government placed in the London market was the best loan in the history of the Dominion of Canada. (Cheers.)

## PROSPEROUS FINANCE.

I have made the statement that we have given you eight years of strong public credit. Then, sir, beyond that we have given you eight years of prosperous finance. If you did not have that prosperous finance it goes without saying you could not have a strong credit. For three years prior to the change of Administration we had deficit after deficit. The tariff was high, the rate of taxation was high, but somehow or other the result was that we had deficits year after year, and we were told that these deficits must continue. I remember in the first session, 1896, my esteemed friend, Sir Charles Tupper, declared that we were entering, as I said a moment ago, upon a reckless policy, that we were going to ruin the public credit, and would run into high deficits. In that very first year, a year during which we had not full control, but only a partial control of the finances of the country, because we entered the year after the estimates had been prepared by our predecessors, there was a deficit of half a million dollars. We will have to divide that half million with our Conservative friends; it was using their estimates that brought it about.

## DAYS OF DEFICITS OVER.

Well, sir, from that day to this you have had no more deficits. The end of deficits was reached, and the beginning of surpluses came about. (Hear, hear.) Let us have no misunderstanding as to the value of surpluses. I am not here to claim that a surplus is, under all conditions, a good thing. You might have a surplus under conditions that would render a Government justly liable to severe criticism--if brought about by increased taxation upon the necessaries and common things of life. You can easily make a surplus by those means. Any such method as that would be open to criticism, but you know that that was not the case. With the exception of two or three articles of luxury, the rate of taxation upon the whole round of articles which make up our tariff has been reduced. Indeed, the great complaint is, on the part of hon. gentlemen of the Opposition, that we reduced it too much. We are actually accused of reducing duties to too low a figure. I have, then, this happy picture to present to you, that, while we have reduced the rate of taxation as respects nineteen-twentieths of the articles on our list, we are able, with a lower tariff, to have surplus after surplus, instead of deficit after deficit. (Applause.)

## STILL IS CLIMBING.

We began with a surplus the first year, if I remember, of a million seven hundred thousand dollars. Then it went on to two, three, four, five, six, seven, eight millions, nine millions, ten millions, eleven, twelve, thirteen, fourteen millions, and more last

year. (Applause.) And about sixteen and a half millions in the year just closed. (Cheers.) In a community where financial affairs are always important, among bankers, business men, &c., a record of that character is something that ought to commend a Government to the confidence and support of the people. (Hear, hear.)

Sometimes we are told that these surpluses are matters of bookkeeping; that we have not got the money. Well, there is some truth in that. We have not the money, but we spent it for purposes which, under other conditions, would have meant going into debt. We did have the money, and our surpluses are made out in precisely the same way as our predecessors made out their statements, with the exception of one item. We charge to capital account one item in the matter of bounties which was not so charged by our predecessors. I need not enter into this, but I want to recognize the exception by which our bookkeeping differs. It was only in that item, and, in the aggregate surplus of fifty-eight million dollars in eight years, that item is of small consequence. We make up our surpluses in exactly the same manner as our predecessors made their statements. We charge the ordinary affairs of government to income and other expenditures to capital account. We read in Conservative newspapers that this is bad bookkeeping.

#### CAPITAL VERSUS CURRENT ACCOUNT.

I am contending that it is sound bookkeeping. It was sound when our opponents used it, and it is still sound. In a country like Canada it is legitimate that you draw a distinction between your charges for ordinary affairs of government and charges for great public works. If a man rents a house for so much a year, he pays the rental every year out of his income. But if he buys a house he does not expect to pay for it out of one year's income; he opens a capital account, and that is the principle whereby great public works, the construction of canals, railways, creation of terminal facilities, the deepening of the great national waterway—the St. Lawrence—and various other things, are carried on. These are the things which we are doing, not for to-day, but for the future, and for the benefit of posterity, and it is legitimate that, if need be, we should charge these things to capital account. And so I show you that our surpluses are bona fide, actual money, and produced under conditions which do not burden the people, but which have been in the highest degree advantageous to the people. (Cheers.)

#### THE DEBT PROBLEM.

In connection with that comes always the question of public debt. A year or two ago our friends on the other side were constantly talking about the additions we were going to make to the

public debt. We were spending a great deal of money; we had to acknowledge that it was so. We spent money freely; they said lavishly. We spent money according to the different needs of the country. Ours is a vast territory, and the different sections have their needs. It is the business of a wise Government to study these different needs and adapt their policy to meet the different conditions in the different portions of the great Dominion.

#### MEETING THE VARYING NEEDS OF THE COUNTRY.

In one section the development of the country can best be served by the construction or aiding of a railway; in another, it is the deepening or widening of a great canal that is needed. In one place there is a legitimate demand for the construction of a public building, which gives convenient accommodation for public business, and stimulates the whole community to improvement. In a big city there is need for a magnificent armoury, and in a smaller community there is need of a modest drill hall, for the proper housing and encouragement of the militia forces. In another case, it is a wharf or a pier on the Atlantic or the Pacific coast, at which the passing steamers may call. In another quarter, the greatest need is a breakwater for the protection of mariners and fishermen. These are works required in the different sections of Canada, each in its own way contributing to the development of the country, and it is the duty of the Government to provide aid in the different sections according to their different needs. We have granted such aid freely. We have spent money liberally. our opponents say lavishly.

#### ECONOMY, NOT PARSIMONY.

On one occasion, in passing through the streets of one of your beautiful Ontario villages, on the occasion of a political demonstration, I observed a streamer stretched across the street bearing the words, "Wise expenditure is true economy." That is a sound maxim. Economy is not parsimony. Economy is not the denial of expenditures necessary for the development of the country. Liberal grants of public money, faithfully and honestly expended for wise purposes, which tend to the development of the country, are the truest economy. There is a policy, to use a scriptural quotation, which scattereth and yet increaseth; there is a policy that withholdeth, but it tendeth to poverty. (Applause and laughter.)

#### DEBT NOT INCREASED.

We have spent money liberally on the various works, and in other public services. If I had to come before you to-night and say that we had added largely to the public debt of Canada, I need not feel ashamed to make such a statement. In a country such as

ours, comparatively a young country, with large need for development in various directions, the natural condition would be that we should, from year to year, add something to our debt. It is not often that a Finance Minister is able to claim that he has provided for these expenditures without addition to the debt. But we are able to make that claim. In some years we have had some additions to the debt; in other years, we have been able to make reductions. We have just completed the eighth year in the history of our Government. The accounts have not yet been closed. A few weeks must elapse before the final statement can be made up. I am hopeful, however, that when the accounts for the past year are closed, when our financial record for the eight years is complete, the public will find that we have been able to provide for all these expenditures to which I have referred, expenditures chargeable to income and expenditures chargeable to capital, general expenditures and special expenditures, expenditures on railways, canals, public works, expenditures of every kind made necessary by the demands of a period of progress; that we have met all these expenditures without adding materially to the public debt of the Dominion. (Applause.)

#### PROSPEROUS AND PROGRESSIVE TRADE.

I have thus shown you that the Liberal Government has given the country eight years of strong public credit, eight years of prosperous finance, eight years of economical government, inasmuch as we have been able to meet all these large obligations with a moderate rate of taxation, and without any addition to the public debt.

Let me now invite your attention to a record of eight years of prosperous and progressive trade. I know that our good friends on the other side are not willing to recognize that we have had anything to do with the advance of trade; they say it is all due to Providence. Well, it is true all the blessings of life are due to Providence. But the Conservatives had not been so ready to ascribe to Providence the hard times which hit the country during the time of Mr. Mackenzie. They said it was the Grit tariff. Sir John had said that the Grits and the weevil came in together. Then when the Conservatives came into power, and there was a period of success, they were told that it was due to the wise legislation of the Conservative Government. Well, in so far as Governments have anything to do with that sort of business, we have to point you to the splendid development of Canadian trade during the past eight years. We see from day to day the great progress that the country is making.

I think it was in the city of Toronto, in 1896, that Sir Wilfrid Laurier and my respected friend, Hon. George E. Foster, had a

playful discussion at a banquet given by the Board of Trade. Mr. Foster had quoted statistics to show the progress of the country. Sir Wilfrid on that occasion said, in a jocular way, that when his friends should come into power, and when it was necessary to prove prosperity, they would not have to rely on statistics, but the evidence would be found everywhere. (Applause.) What Sir Wilfrid then said has proved correct. You do not need statistics to prove in this city of Toronto that there have been good times in Canada for the past eight years. You have seen the evidence of it in nearly every branch of business. Of course here and there a complaint will be heard, but I have little expectation that we shall reach the millennium in these days. (Laughter.)

### COMPARATIVE STATISTICS.

Under Sir Wilfrid Laurier, it is not too much to say Canada has had eight years of very prosperous trade. I shall not weary you with figures in detail. If I take the period of seven years up to the last published statement, we find, making a comparison between the two parties for seven years, that in the last seven years of our Conservative friends, under their National Policy, the trade of Canada—the total trade, imports and exports, which is regarded as one of the best tests of the progress of a country—increased by \$34,000,000; in the seven years of the Laurier Government the increase of the trade of Canada has been \$228,000,000. (Applause.) Put it in another form. During the whole eighteen years of the Government of my Conservative friends—and they had good times, for Providence was on their side then—(laughter)—the trade of Canada increased to the extent of \$66,000,000, and in seven years under the Liberal Government the trade of Canada increased \$228,000,000. (Applause.) Put it in another form. In the palmy days of my good Conservative friends, when they told us things were prospering, your trade increased at the rate of three and a half millions per annum; under the administration of the present Government, give the credit where you like, the trade increased thirty-two millions per year.

### ✓ POLICY IN SAFE HANDS.

My Conservative friends sometimes say that this progress is due to the National Policy, that we have simply continued their policy. We have great difficulty in pinning them down to anything on this point. At one moment, they raise the cry that our fiscal policy is bad and the country is suffering from it. At another, when brought face to face with the statistics of our wonderful progress, they take the opposite line and say we have simply continued the National Policy. I remember that Sir Charles Tupper, in attacking our tariff policy, stated that he heard the wail, the

sorrowful wail, of the business men of Canada rising up in protest against the change. That was his view of the matter when our policy was laid before Parliament. It could not have been the Conservative National Policy that these people were wailing about. We shall have to ask our Conservative friends to take one side or the other on this question. If the country received a new policy as we say it did, then the Government are entitled to some credit for the initiation of that policy and for the progress which the country has made under it. If our Conservative friends wish to take the other line, and say that there has been no material change and that we have simply continued their policy, then we have a comment to make, a comment which was made in another place by my colleague, Mr. Paterson, who is with us tonight. If there has been no material change, if the same old National Policy machine has been continued in operation, then evidently the country has received great benefit from a change of management. Will not the country see that it is better to leave the machine in the hands of the new men, who have been able to produce such good results, than to let it fall back into the hands of the former managers, who, though they claim the credit of having invented it, never new how to produce satisfactory results? (Laughter and applause.)

#### SOUND ADMINISTRATION.

We have given you a period of eight years of strong credit and prosperous finance, little or no increase of the public debt, and eight years of an enormous increase of trade. I want to ask you to give us credit now for eight years of successful departmental administration. (Hear, hear.) The field of government at Ottawa is wide, and if time permitted it would be interesting to deal with the administration of each department, and show you what they have to do and how they do it, and what the result is to the people. But there are thirteen departments, and I have no intention of going through the list. I think I may take the two departments of my distinguished colleagues who sit here on my right and left. My friend, Mr. Emmerson, of the Maritime Provinces, sits next. But he is the baby of the Cabinet. He has not been there long enough to accumulate a stock of sins to be held responsible for. But I may take the departments of my friend, Sir William Mulock, the Postmaster-General, and my friend, the Hon. William Paterson, the Minister of Customs. (Cheers.) These gentlemen can present to you, each in his own department, the record of eight years of successful administration. (Hear, hear.) Why, Mr. Chairman, if we had nothing else to place before the country, to go before the electors of Canada than the story of Sir William Mulock's management of the Post Office Department —(applause) —that alone is enough to demand the acknowledgment and a re-

newal of confidence from the people of Canada. Down to 1896, in his department, we had annual deficits of from six to seven hundred thousand dollars. That is to say, they charged you three cents for the home letters and five cents for letters to England. spent all the money they could collect in that way in the administration of the department, and at the end of the year taxed the people six or seven hundred thousand dollars besides to meet the expenses. About that time the question of penny postage began to attract attention. Naturally, the idea was popular, but the Conservative Government met it with strong resistance. "Look," they said, "at the record of the department. It eats up all its earnings, and six or seven hundred thousand dollars every year besides. A reduction of the postal rate would add enormously to the deficit. The thing cannot be done."

#### ACCOMPLISHED THE IMPOSSIBLE.

They said it was impossible, and so it seemed to be, until Sir William Mulock became Postmaster General. (Applause). Sir William thought the reform was worth trying. He did try it, and what was the result? He reduced the home postage on letters from three cents to two cents. Some may say that it is but a little matter, only a cent in each case. But what does that cent mean? All the taxes of the people are paid in insignificant sums, but in the aggregate they amount to much. Sir Charles Tupper, in a public speech, intimated that the reduction of postage was equivalent to a loss of revenue of a million dollars. My friend, Sir William Mulock, he said was throwing away this sum. It should not be done. It would not be of any benefit to the people; only a few rich men, bankers and others, would benefit. Thus we have a Conservative estimate of the value of that reduction. It meant a million dollars taken off the taxes of the people. In my part of the country, and I am sure in your as well, it is not the bankers and merchants only who profit by that reduction, but the people generally, for men, women and children use the facilities of the post office. I do not know a tax which comes nearer to the masses of the people than the postage. Remember that, as I have said, under the former administration there was a deficit of six or seven hundred thousand dollars annually. Indeed, it was more; for when the accounts came to be closely examined, it was found that there were accumulations of debts not accounted for in the annual statement of the deficit, and Sir William had to ask a special appropriation of between six and seven hundred thousand dollars to cover these arrears. Now, if he had to come before the people and say, "Well, I have a deficit of several hundred thousand dollars a year such as my predecessors had, but I have saved you a million dollars a year in postage," that would have been a

proud record for him and for the Government to which he belongs.

### SAVED IN BOTH DIRECTIONS.

But he is able to come before you and show that he has given you the benefit of that million dollars, and by sound and careful administration, and extending the postal service in every direction, covering more points than ever before, and giving the people a vaster and more generous postal service than ever before—because you have a better service—and that million dollars of reduced taxation, and instead of having a deficit last year had nearly three hundred thousand dollars of a surplus. (Cheers). In the whole history of the Empire there is no record of departmental administration which can surpass that, and credit is due to the Postmaster-General. (Renewed applause.)

I have made an allusion to my friend, Mr. Paterson, the Minister of Customs. He sometimes reminds me of how much revenue he is collecting for the benefit of the country. I sometimes remind him that while that is very true they do not trust him with the money but oblige him to pay it over to me at once. I venture to say, in no terms of flattery, and you business men will bear me out, that no gentlemen has ever administered the Customs Department more intelligently, more usefully, or more successfully, than my friend Mr. Paterson. (Applause). You merchants are brought in touch with him through his office in the Customs, and day by day, when knotty problems arise, and you telegraph to Ottawa, you get a prompt and satisfactory decision. He gets all that he can for the revenue—that is his duty. But while doing this, he is always desirous of having the least possible friction in the administration of his Department. He comes to your city occasionally, as he also visits the other chief business centres of the Dominion, and meets his customers, the merchants of the country, face to face, so that he may discuss Customs matters with them, understand their difficulties and overcome them as far as possible. I know that his conduct in this respect, and the general attitude of his Department, have given great satisfaction to the business men of Canada.

There is another side to his duty which does not come so prominently before the public. I am afraid, sir, that I get a good deal of credit that belongs to Mr. Paterson. The duty of initiating tariff legislation attaches to the office of the Minister of Finance. The duty of administering the tariff belongs to the Minister of Customs. In both of these matters Mr. Paterson and I are called upon to confer together. A very difficult matter it is, and I want to bear testimony, publicly, to the large share of credit that Mr. Paterson deserves for the successful budget and the successful management of the workings of our tariff. (Hear, hear.)

There is another member of the Government to whom I should make reference, and that is my talented young friend, the Minister of the Interior, Mr. Sifton. (Applause). The future of Canada is largely bound up in the development of Manitoba and the Northwest. Fill up these great tracts of land with useful settlement, and you have the best of customers for our merchants and manufacturers.

### DEVELOPMENT OF THE WEST.

Canada spent a vast sum of money in opening up the Northwest; it was wisely spent in the main. We had spent much money in the construction of a great railway, which largely realized the expectations of its friends and disappointed some of the anticipations of its critics. Even then, after you had opened up the railway and spent large sums in opening up the lands, what was the condition? Only a few years ago, in 1896, when this Government came into power, there was almost stagnation in the Northwest. True, some progress had been made, but not very great. What did we find in 1896? You will find that the immigrants that were brought into the country were comparatively few, and, if you take the returns now, you will find that the number of immigrants coming in has been enormously increased; you will find that the sales of land by the railway companies having land grants and by the Hudson's Bay Company, have gone up into tremendous figures; that where formerly they counted up a few thousand dollars, the results are now counted in millions. There is a boom in the Northwest—no, not a boom, a safe, steady, gradual development. (Hear, hear.) When Mr. Sifton came into office he had faith in that country, and his colleagues had faith in him. He came to us and he said: "I want large sums of money; I want to send my agents throughout the world; I want to use printer's ink," and the Government said he must have the money, gave him their blessing, and sent him away. He was criticized. Opponents said: "Look at the jobs he is creating; look at the number of agents he is sending out." To-day we are reaping a rich harvest. If we are developing and filling up that country in a way that makes every Canadian proud, let us honor that strong young man from the Northwest, whose policy has been largely instrumental in bringing it about. (Applause.)

### SOUND TARIFF POLICY.

Then I venture to claim that this Government has given you eight years of a reasonable and sound tariff policy. I do not mean that everybody is pleased. I do not mean that extremists are pleased; I think if the extremists were pleased you would not have a satisfactory policy. There is a happy medium in these things, and we have endeavored to strike the happy medium.

Some people will insist on discussing this question as the academic one of free trade and protection. We cannot make any progress by discussing the question on those lines. If we want to discuss the academic question, I suppose most of us would believe that the doctrine of free trade is theoretically sound, that an all-wise Creator provided every part of this great universe with the capacity to produce something, and if the nations would produce these things and swap them for something that somebody else could make best, I have no doubt it would be a better and more prosperous world. But the nations will not do that. Nations, like individuals, become somewhat selfish. I am told that there is a game in which it is not enough that you should know the ordinary rules and theory of the game, but you have to find out how the other fellow plays it and adapt yourself to it. (Laughter.) I judge from the reception of the illustration that some of you understand it. (Laughter.) Whether this is true of that game, I am sure it is true in the game of tariffs. The wars of the future are more likely to be wars of commerce, notwithstanding the great contest that is going on to-day in the Orient. It is the tariff war that we have most to fear in the future. If other nations will not treat us fairly, then we are obliged in self-defence to adapt our policy to the circumstances. (Applause.)

#### A CANADIAN POLICY.

That does not mean that we should go to extremes. There are some people, well-meaning people, who think that in dealing with our American neighbors we should let them fix our tariff: that is to say, that we should simply follow their example. I for one do not admit that we are prepared to take that attitude yet. **Mr. Chairman.** There, again, is the happy medium. High tariffs do not ensure prosperity. High tariffs have not prevented depression coming on the United States to-day. If we adopt the high tariff there is no more certainty of preventing a depression in Canada than there is by the tariff across the border. I do not think in these things we need to follow the example of our brothers across the line. I think we should map out a policy that will be truly Canadian, that will follow them in anything that is worth while, but a policy that will not follow them when they make mistakes. A moderate tariff is better for all interests than a very high tariff. I shall ask you to accept three reasons for my belief in that matter. Some of the audience may not agree with me.

#### THREE REASONS.

First, the general interest of the consumer. The consumer is a factor, and we may as well bear him in mind occasionally. The general interests of the consumer will be satisfied with a moderate tariff, whereas if you make it too high he will kick. And

it is not in the interests of manufacturers that you should have a constant war between consumer and manufacturer. The second reason is the development of our north-western country. There is a vast agricultural region. For the present, and for the immediate future, they are not likely to have any considerable manufacturing interests. They must be almost wholly an agricultural people. The value of their products is largely fixed by the prices in the markets many thousands of miles away. It is a very debatable question what you can do by way of tariff protection for the farmer of the Northwest. If he has a high tariff for everything he has to buy, there is the danger that instead of having that Northwest filled up with a prosperous and contented people, agitations might arise that would antagonize the west as against the east, and bring about discord where we might as well have harmony. Therefore, I say it is the part of wisdom, while giving a reasonable amount of protection to our manufacturers, to modify that protection so that you do not antagonize the mass of the consumers, and especially that you do not antagonize these new settlers in the west. The third reason is this: You would have a lack of that tariff stability that is so necessary in a country.

There are some manufacturers who do not appreciate this reasoning as much as I think they should. They are looking more to the question of an immediate advantage than to the question of the permanency of manufacturing industries. But I am glad to be able to say that there are many other manufacturers who take the larger and, as I believe, the sounder view. Not long ago, I had a conversation with a manufacturer who told me that he had been asked to join in an agitation for an increase in the tariff, and that he had refused to do so. He was asked whether he did not think an increase of duty would be advantageous to his factory. His reply was, that it might be for the time being, but he did not think it would be in the end. He was doing a fair business and was content with a fair profit. "If," he said, "you make the duties higher, you may tempt a lot of people to enter into business, and thus bring about illegitimate competition." I think this point is a very strong one for the consideration of manufacturers. Very high duties would give them for a while the chance to charge higher prices. But it would likely lead to over-production, excessive competition, necessitating the cutting of prices for the time, causing the break-down of the smaller industries, on the wreck of which would grow up the trust and combine.

#### A WORD TO MANUFACTURERS.

So let us say to the manufacturers of Canada: We believe that the Government give evidence that we are not unmindful of their position. Their position as employers of a large army of men has engaged our attention and evoked our sympathy. We

want them to believe that we are as anxious to give them as large advantages as any one properly can. But we believe, in their own interests, it would not be wise to advocate an excessive tariff. There may be things which ought to be adjusted and changed. When the Tariff Commission comes around and inquires into these things, we are willing to listen and make changes, and adapt ourselves to the new conditions, just as we did in 1897.

“New occasions teach new duties,  
Time makes ancient good uncouth,  
He must upward still and onward  
Who would keep abreast of truth.”

### LEADERS IN PREFERENTIAL POLICY.

When it was wise to travel a beaten path, we were content to travel it. When it seemed necessary that we should strike out for ourselves and leave the beaten path, we did not hesitate to do it. Canada has led the way in some of the boldest fiscal reforms in the nineteenth and twentieth centuries. As an illustration of that—(I find I am occupying too much time. Cries of “No, no. Go on.”)—as an instance of that we have the preferential tariff. For many years the desirability of preferential trade between the mother country and her colonies had been talked about in conferences, and in Parliament and in the press. While there was a general feeling that the thing was very desirable, it never got any further. Conferences met and sent resolutions to the mother country, and in a year or two held other meetings with the same result. Why? The demand for preferential trade by the colonies was based upon a condition which at that time was not possible of compliance. It was demanded that as the first step the mother country should place a preferential duty on food products. It would have been a very good thing for Canada, but at that day you might as well have asked the British public for the moon as ask for that. Our view of the matter was that we had better grant a preferential tariff to Great Britain and await results. Our opponents say we should not have done that; that we should have got a return, and there should have been reciprocity. If we had taken that view preferential trade would still be merely a matter to talk about. We decided to grant a preferential tariff at once.

### SOME OF ITS EFFECTS.

Sometimes our opponents say it has been of no effect. I venture to say that no movement has had as wide an effect throughout the Empire as that tariff. I believe we got returns at once. Mr. Archie Campbell, M.P., who is with us to-night, made the statement in the House, that he was aware of firms in Canada shipping goods across to the English market and marking them “Ameri-

can," so that they would more readily find sale. But with the preferential tariff, word came: "Mark your goods 'Canadian.'" Materially Canada gained something from that preferential tariff, but Canada gained immensely, too, in sentiment. I have no doubt, sir, that it was that step which was the chief factor in bringing about the important change in our financial affairs in London, to which I referred a short while ago. Materially and sentimentally I believe that tariff was a good thing for Canada and for the Empire. Rudyard Kipling, with that tariff as his text, sang:

"Carry the news to my sisters,  
The queens of the east and the south,  
I have proved faith in the heritage  
By more than the word of mouth.  
They that are wise may follow  
Ere the world's war trumpet blows,  
But I—I am first in the battle,  
Said Our Lady of the Snows."

#### OTHERS FOLLOWING.

After the lapse of years in playing the game the other way, it was necessary to make a change; it was necessary that somebody should lead, and the Canadian Government led the way. And it has not been without results. We gave the preferential tariff of Great Britain. We gave it unconditionally, trusting to the future for its good results. Then we took a further step. Notwithstanding the claim of our opponents that we should grant nothing without demanding an immediate return, we extended the preference to the Colonies of the British West Indies. In taking that step, Canada played a part in the great Imperial game. The West Indies were suffering from business depression, and were seeking conditions which the mother country found difficulty in establishing. We thought that Canada, without doing any injury to herself, could lend a helping hand by opening her markets to West Indian products, on more favorable terms. In this we have laid the foundation of better relations between Canada and the British Colonies to the south, and in the years to come we shall reap a reward for having thus cast our bread upon the waters. (Applause.) New Zealand has followed Canada, and given us a preferential tariff. This week we have the information that what was projected some time ago has now been consummated. The great colonies of South Africa have, since the first day of July, admitted the products of Canada to their markets on terms of preferential trade. See what has happened in the mother country. I said that when we in 1897 took up that question, it would have been absurd to demand of Great Britain that she should then put a tax upon her food products for our benefit. But the effect of the example of Canada, and the discussion which has taken place

in the various colonies, the general feeling regarding preferential trade throughout the Empire, has proved so great that that very distinguished public man, Mr. Chamberlain, has taken it up. I say, as I have said in Parliament, that since that question has become one of party strife in the mother country, it is not for us to interfere. We in Canada are free to say what we think is good for Canada. We are free to say what we think may be good for the Empire. But if our English brothers do not want to adopt it, it would not be seemly for us to go over there begging them to put a tax on their food products for our gain. (Hear, hear.) If the movement does not develop to-day it will develop in the early future. This I think we are free to say: If the policy of our friends on the other side of the House had continued, and it had been asked that Great Britain should first put a duty on her bread-stuffs, we would have no preferential movement throughout the British Empire. Every step that has been taken in Australia, New Zealand, South Africa and the mother country had its origin in the fact that in 1897 Canada led the way. (Cheers.)

#### THE GERMAN SURTAX.

Then there came a time when we thought we should strike out again. One of the greatest nations of the earth took the liberty of thinking that it could deal with Canada just as it pleased—the great nation of Germany. We had given a preferential tariff to the mother country. We had nothing but the kindest feelings towards our German brethren; we were willing to treat them as we would treat any other foreigner—shall I say “stranger”? (Laughter and applause.) We were willing to trade with our German brother on favored-nation terms. We were willing to give him everything that we were willing to give to any other person outside of the British Empire. But this was not enough for him. He demanded more. He demanded admission into the family circle, and that we should give him the same tariff treatment as we gave to the mother country, and when we refused to do that he penalized our trade.

What then? Should we have stood idly by? We felt that Canada was in a position to assert her rights in this matter. We felt that we were justified in striking back; we adopted what is known as the German Surtax; and I venture to say that whenever hereafter our German friends find it convenient to conduct negotiations with us as to trade relations, they will have a more profound respect for us than they had before. (Applause.)

#### ANTI-DUMPING PROVISION.

More recently, we have given another evidence of the determination of this Government to meet the varying conditions of trade as they arise from time to time. Much of the complaint

made to us by manufacturers in relation to the tariff was based not so much on the tariff rates as what was said to be an evasion of these duties. In many cases, manufacturers frankly admitted that the measure of protection contained in the tariff was reasonable. But they claimed that the benefits which they might reasonably expect to derive from it were destroyed by an illegitimate competition, sometimes called "slaughtering" or "dumping." I am not sure that this slaughtering has existed in every case in which it has been alleged. But evidence has accumulated to satisfy us that to a considerable extent it exists. Manufacturers in foreign countries—especially in high tariff countries—secure control of their own market, and then seek to gain control of ours. To do this they sell goods in Canada at prices much below the ordinary price at home. Here was a condition calling for serious consideration. The selling of these goods at dumping prices makes for cheapness. A free trader who has regard for the theory only may say: "Why need we complain of this condition? Is it not to our advantage to have cheap goods?" I answer, Yes; if we could only rely on their being furnished permanently or even for a long time, at these cheap rates. With such an assurance, we could afford to let some of our industries close down, turn the people employed in them into other lines, and reap the advantage of cheap goods. But how long would this condition last? Does anybody suppose that the foreign trust which thus seeks to control the Canadian market does so with any benevolent intention? Do we not know that the object is to gain control of our market, break down the Canadian industries, and then, when there is no longer competition, put up the price at its own sweet will? Surely anyone can see that this would be the inevitable result. Why, then, should we stand idly by, see our industries closed up, for the sake of a temporary cheapness, which we know would be quickly followed by permanent high prices? What gain would it be to Canada to have her industries closed up under such circumstances? We have thought that this is one of the new conditions which call for new measures, and we propose to provide a remedy just to the extent to which the evil exists. In some of the cases in which dumping has been alleged, it may be found that it is not real—that the goods are sold in the way of fair and legitimate competition. In such cases there is no need of any interference. But in any case in which the dumping is established, we have provided a remedy in the form of a special duty. (Applause.) Some of our opponents have been pleased to say that this clause is not effective, that it cannot be worked, that it will be evaded, &c. I think I am justified in saying that this is not the view held by the people who have been engaged in the dumping business. They have already realized what the clause means, and that they will have to govern themselves accordingly. We have provided a remedy which we believe will be practicable. I have no doubt

my friend, Mr. Paterson, may have a good deal of trouble in administering it. But that is what we have him at Ottawa for. I have no doubt that he will be able to deal with the matter, and make the clause the effective instrument which we desire. And if experience proves that it is not strong enough, that there is anything defective in it, we will make it good. (Loud applause.)

### CONCLUSION.

I had hoped to have time to say something upon one of our recent great measures, that respecting the construction of a national transcontinental railway. But time will not permit me to enter into that large question. I know that this dinner is more than a personal compliment to myself; it is a pledge of your devotion to the great Liberal party, and its leader, Sir Wilfrid Laurier. (Applause.) It is a declaration of your determination that, whether the event shall come this year or next, you are prepared to do your part in the organization for that electoral contest which cannot be many months away. We think that we have the right, in the presence of such a record as that which I have in part sketched here to-night, to ask for the continued support of all the Liberals, and of the independent Conservatives of the country. We have a right to ask for support from independent Conservatives, because we feel that the record must command their approval, and we are aware that the attitude of the present Conservative leaders on some very grave questions is exciting the anxiety and alarm of many of the very best men who have hitherto acted with the Conservative party. We do not claim that the record of the Government has been one of absolute perfection; that is hardly to be hoped for; but we do claim that, speaking of its record generally, it has been an enlightened, progressive, industrious and faithful administration. Upon that record we ask the verdict of the country. We have given the country, under the administration of Sir Wilfrid Laurier, eight years of blessed peace, brought about by his sunny ways—and do not forget that there was not always peace; eight years of splendid development of Canada, of advancement of the Dominion in the eyes of the people of the mother country, and of the world at large; eight years of peace; eight years of splendid progress; eight years of grand prosperity.

Mr. Fielding resumed his seat amidst loud and long continued cheering.



