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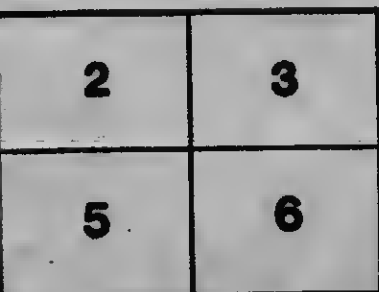
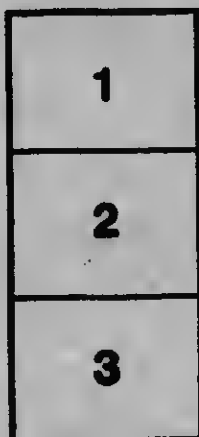
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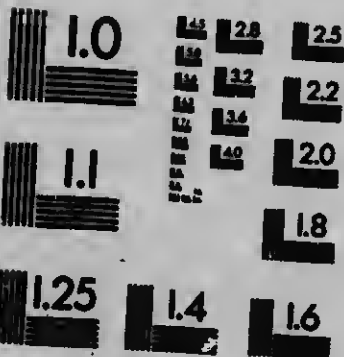
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SPEECH
OF THE
HON. WM. PATERSON, M.P.
MINISTER OF CUSTOMS
ON
THE BUDGET
1908

Hon. WM. PATERSON (Minister of Customs). Mr. Speaker, before considering the statements made and arguments used by the hon. gentleman (Mr. Foster) who, for the last two days—with a day intervening—has been addressing the House, I desire to express some thoughts that have passed through my mind with reference to the length of the hon. gentleman's speech, and which I think it would not be improper at this time to mention. Suppose that we had a session of this House lasting, in leap year, for 366 days, and if the House sat on every one of those days except the 52 Sundays, and worked from three until six and from eight until twelve every day, that would be seven hours' work a day. One hour of that time, on the average, would necessarily, be taken up with routine business, such as reading and receiving petitions, asking and answering questions, reading reports of committees, and so on. In a session of that kind, there would be an

average of nine hours of the time of the House for each member. Of course, all members of the House are on an equal footing, each with his perfect right to his full share of the time. We know that it would be inconvenient to have a session lasting the whole year, or to have a session when the House would work every day. If you were to have a six months' session—and that seems to be pretty long—during which, the House sat every day except Sunday, there would be, on the average, something less than $4\frac{1}{2}$ hours of the time for each member. But if you had a six months' session, with the House sitting, as we do now, five days in the week and working for the hours I have mentioned, this, with committee work in the morning, I think would be regarded by the country as giving full value. In such a session, the time for the members on the average would be three hours and forty minutes. I do not think I am at all uncharitable then, when I say that the

hon. member (Mr. Foster) who last spoke would have recognized only what is due to the House had he endeavoured to curtail his remarks more than he did. The hon. gentleman spoke five hours and twenty minutes on this subject, thus using up in this one speech almost the whole time of two members for the session. I am not going to deny that it is possible there are gentlemen on the other side who might be willing to give their time, or a portion of their time, to the hon. gentleman (Mr. Foster) considering the position he occupies in this House. That is a courtesy that is often extended by one member to another where there is a limit set to the length of speeches. It is quite possible that some hon. members opposite might be willing to yield a share of their time. But we must remember that it is not only during the last two days of this discussion that the hon. gentleman has been on his feet. I have not gone into it carefully, but I should think that at least the time of six members of the opposition has been occupied by that hon. gentleman. I do not know who the six may be. I trust that the leader of the opposition (Mr. R. L. Borden) is not one of them. For we on this side think that the leader of the opposition has ideas as good as those of the hon. member for North Toronto (Mr. Foster); and we think it is a little more pleasant to listen to him than it is to listen to the hon. member for North Toronto. The hon. leader of the opposition has not the inveterate habit of our friend from North Toronto of speaking for the sake of speaking, repeating and repeating, and repeating until the repetition becomes tiresome to members on this side of the House—I think I detected signs of weariness on the countenances of some hon. gentlemen opposite. And I do trust that my hon. friend from East Grey (Mr. Sproule) may not have given his time to the hon. member from North Toronto. For it is very evident con-

cerning my hon. friend from East Grey that thoughts within him burn at times and seek expression in words—and he is generally kind in gratifying those thoughts with words for their expression. We do not want the hon. gentleman's time curtailed. And I hope that my hon. friend from Montreal, St. Antoine (Mr. Ames) has not given up any of his time. We should like that hon. gentleman to throw the limelight on the canvas, and give us a picture of the timber limits of the northwest. And our friends from Prince Edward Island too—I do not know that they have not a perfect right to tunnel in and take a part in debate. What conception, then, has this hon. gentleman (Mr. Foster) of his importance and standing in this House when he coolly uses that time, if it is not courteously given him—of course, if the time has been given him, by members on that side, I humbly bow to their will. But if they have given the time, I hope they will not try to recoup themselves by taking from the time of hon. members on this side. I have noticed in the debates in this House, especially when we are in Committee of Supply, that hon. gentlemen opposite seemed to resent it if any member on this side ventured to make a remark or even ask a question. I beg to remind such hon. members—if such there be, and I think there are—that every member on this side has just the same right, the same duty is incumbent upon him, to have a thorough understanding of the estimates and of the votes he is called upon to give as hon. gentleman opposite; and, when he seeks information, he ought to have it. The reason why they do not take up more time in this part of their parliamentary work is because, having asked a question, and received a full answer, they are satisfied, and do not repeat, and repeat, and repeat the same question only to receive the same answer. Now, this question of the occupation of the House, I think, is worthy of consideration.

But let me go on now to glance at some of the statements made by the hon. gentleman (Mr. Foster). He led off by saying that he would take as his text a quotation from a speech made by the Minister of Agriculture (Mr. Fisher) which he read. It seemed to me a text that took him an awfully long time to explain, for he was working at it for over an hour, and, when he got through, the text stood in all its strength just the same as before. The Minister of Agriculture gave that hon. gentleman (Mr. Foster) several nuts to crack, and the hon. gentleman does not seem to have made much of a success of the cracking. I suppose he has been pondering over that speech ever since he was down at Stanstead. No doubt he wrestled with it there and he wrestled with it here for an hour or more, and with what result?

Why, simply that when this government came into power it applied business methods to the administration of its affairs, and times mended and have gone on mending ever since. That is a patent truth to every man, and to explain that away cannot be done in an hour, if there is any excuse for the five hours' speech of the hon. gentleman trying to do the impossible task that he set himself to do. Now, I do not often read extracts or make campaign speeches in the House, but I will give you one gem of the hon. member for North Toronto—who, by the by, would, I think, have been as courteous to me as I was to him, if he had not wearied himself quite as much, and would have been present to hear me after addressing so many of his remarks to myself. But when I am quoting what he has said at a meeting, I would rather he were here so that if there is any mistake about it he could put me right. This was at a meeting at Mimico. I was not at the meeting, but I arrived there within a night or two, and I took up the 'Mail and Empire,' which, of

course, might not be an authority on all matters, but would be accepted as an authority by the gentleman who spoke in the Conservative interest on that occasion. Here was the gem of the speech that struck me:

"The people of the country had seen the exposures made against the Laurier government, the reckless and extravagant expenditure with which they had afflicted the country, and as was shown by the recent by-elections, the people were tired of such administration, and were everywhere sending Conservatives to parliament to support Mr. Borden and his friends and to eradicate the evils that had been brought on by the Laurier administration."

Well, there have been thirty-nine of those by-elections, and thirty Liberals were returned and nine Conservatives. Now, here is the dilemma we are in. If the hon. member for North Toronto spoke the truth—and we are not at liberty to impugn his statement—we have this other difficulty staring us in the face, that in this House are thirty Liberal members that were sent here as Conservatives to turn out Laurier and put in Borden, and they don't seem to know it. Now, which horn of the dilemma shall we take? Are those men in a right position now in supporting the government? If they are, how will they characterize the statement of the hon. member for North Toronto? Of course, I am not at liberty to doubt him, because if he said it was so, Mr. Speaker, we have to accept his word.

Now, coming down to the argument he made, attempting to explain away that patent truth that he read as his text from the speech of the Minister of Agriculture. He said that we kept in the background the fact that we came in when times were good, and that there had been some years of depression before they went out. Well, if that be

true, our Conservative friends came in in a favourable time, for from 1874 to 1878, when the Liberal government were in power, there was a period of depression throughout the whole world which Canada did not escape, far more intense than any depression there was during the latter days of the Conservative administration. They came in then when times were mending, when times became good. He says we are not willing to admit the progress that was made under them. I am more than willing to admit all the progress they can justly claim, and I do admit there was some progress, and the more progress that he proves was made under Conservative administration the better it will please me, because I intend to institute a comparison between the record of this government with the high standard obtained by these hon. gentlemen opposite. Progress was made, as shown by the trade of the country, progress was made during their last eleven years, when the foreign trade of this country increased \$50,000,000. Compare then the eleven years of the Laurier administration. Have we not made progress in foreign trade, when during the same length of time in which trade increased \$50,000,000 under Conservative rule, it increased \$350,000,000 under Liberal rule? These are facts that cannot be denied, and a man may speak five hours and twenty minutes if he likes trying to disprove them, and they still remain facts. During the eighteen years they were in power their progress was \$80,000,000 against the \$350,000,000 during the eleven years of Liberal rule. How can you account for it? Have we been favoured more than they were with natural resources waiting for development? No, Sir; the wealth was in the ocean, the lakes and the rivers when the Tories were in power; the forest wealth existed then as it does now; the farm lands, rich treasure of a favoured people, were here in all their

length and breadth and fertility under Tory as well as under Liberal rule; the mountains and the hills were filled with mineral wealth when the Tories were in power as they are now. Where are the natural advantages we have which they did not have? Things are equal as far as that goes. The hon. gentleman, in one sentence in his speech, I think, gave the only solution that can be given to such a record as this when he said: Providence helps those that help themselves. Under precisely the same advantages enjoyed by Tory and Liberal, if you find seven times the progress under one administration that you do under the other, what is the irresistible conclusion? That the Liberal party have known better how to avail themselves of the bounties of a kind Providence than the Conservatives did.

To glance now at the expenditure, to which he devoted so much time, I will dispose of about thirty or forty minutes of his specious remarks in which he engaged in reading what was said by prominent Liberals about expenditures away back in the years that have gone—happily gone in so far as mis-government is concerned. I dismiss those things and for these reasons; not that I object to have them repeated, not that I object to have them read that the former leader of the opposition, Sir Richard Cartwright, and others had said that they were spending money too fast, that \$38,000,000 was too much for them to spend. I do not object to that because that gives you a picture of the country under Tory rule at that time. We said it was too much to expend simply because they were not able to raise revenue enough to pay the ordinary expenses of government and any capital expenditure they made they had to borrow in foreign countries and add to the debt. I do not object to them reading it. It gives to the younger generation an idea of what it was possible to come to under Tory rule.

The statement then made was that if the revenue is not to exceed \$38,000,000 you must keep beneath that for the country is on the highway to ruin when it cannot pay its ordinary running expenses, using all the taxes that the people pay, and when, for any improvements that have to be made, the money has to be brought from abroad. These were the circumstances under which these statements were made and they were well made. But, I demiee them, because, where is there a man possessed of an ounce of brains or intelligence who, when that question is brought before him, and weighed and reasoned, will not say: Are the circumstances the same now, are this government able to raise revenue enough for the ordinary running expenses of the government? Yee, raise it and have \$16,000,000 or \$19,000,000 a year of a surplus. Well, then, any man of ordinary intelligence will say. What is the use of bringing up questions of that kind? The expenditures by this government have been large.

An hon. MEMBER. Hear, hear.

Mr. PATERSON. 'Hear, hear,' an hon. gentleman says, and if he thinks he taunts me by an expression of that kind I can only tell him I glory in it.

Mr. BENNETT. And the steals too?

Mr. PATERSON. What is that?

Mr. BENNETT. The steals of public money as well.

Mr. PATERSON. I glory in the expenditure—

Mr. BENNETT. And the steals.

Mr. PATERSON—having been large. I have not found any steals yet. I do not know what the hon. gentleman means. Does he mean that they have been giving things away on easy terms to their friends?

Mr. BENNETT. If the hon. gentleman asks me I will answer his question.

Mr. PATERSON. Yes.

Mr. BENNETT. He wants to know about the steals?

Mr. PATERSON. Yes.

Mr. BENNETT. I will commend him to the case the other day of a man who was assigned to the duty of locating immigrants in some of the ridings of Kent and who admitted that he had defrauded the government out of \$500.

Some hon. MEMBERS. Oh, oh.

Mr. SPEAKER. Order.

Mr. BENNETT. I will direct the hon. gentleman to another case.

Sir WILFRID LAURIER. Order.

Some hon. MEMBERS. Order, order.

Mr. BENNETT. If hon. gentlemen do not want to hear about it—

Mr. PATERSON. I had no objection at all to the hon. gentleman going on. In administering nearly \$100,000,000 with a great many officials I am not going to say that there have not been any errors or mistakes made. But, I am going to say that there have been very few that have been even suspected, much less proved in reference to this administration. You do right to call attention to them, and it will be our duty to attend to them. I suppose there were things of that kind even with an expenditure of only \$30,000,000 or \$40,000,000 by our friends opposite. While I glory in the expenditure being large, I would not glory in it if we had raised the rate of taxation upon the people in order to get that money to expend. I would not have gloried in that expenditure if we had had to go abroad and borrow that money and add to our debt, but when, during the past

ten years, we have carried on improvements and developments in all directions and in every province, when we have expended millions and tens of millions on capital account, when we have enlarged our canals, when we have developed our railway system through the aid of bonuses, when we have deepened our harbours, improved our St. Lawrence channel and cheapened transport in every direction and when we have done all this with a lowered rate of taxation and without borrowing a dollar, I glory in the expenditure. My hon. friend says that the expenditures have been very large. He was seized with a fit of depression as he thought upon them. Maturing loans! Loans that have had to be renewed! Loans, I fancy that were contracted when our friends opposite were in power; some of them at least.

Mr. FIELDING. All of them.

Mr. PATERSON. A fit of depression seemed to have seized him. He seemed to have been afraid; did not know what was to become of the country at all. He spoke of the enormous expenditure, the additions to the debt and all that. What will be the addition to the debt of this country when hon. gentlemen opposite carry out the Halifax platform and huy up all the railways? That is something to talk about. What will be the annual expenditure when they are charged with the working of all the railways, telegraphs and telephones? How much will that be a year? Would it come up to about a thousand millions? What are you going to do about it? Are you going to back out of it? We have not heard much about the Halifax platform lately. We have seen them rather trying to get back and say: We will not go on with it. Well, yes; that is all very well. You, Mr. Speaker, I dare say have noticed on the streets of a city a mother going along with her little boy. She wants to go in a certain direction, he

does not want to go and he shouts lustily that he won't go, but he is going all the time. His mother has got him by the hand, and I very much fear that William of the 'World' has got these gentlemen by the hand. Bleeding the people white with your taxation, he says. Taking all the money out of them! Marvellous people, the Canadian people! Bled in the direction of taxation, as the hon. gentleman has pictured, and yet they are adding by tens of millions to the deposits in the savings banks and in every home there is increasing comfort. They are a remarkable, strange, fortunate people; bled, borne down under this burden of taxation, and I do not know what; yet, all happy, all doing well and adding, adding by the millions and the millions and the tens of millions to the savings in the banks of this country. Let us look at the rate of taxation about which he talked.

Mr. DUNCAN ROSS. Where is it?

Mr. PATERSON. I wish the hon. gentleman (Mr. Foster) were here because I would like to say this to his face—it is possible that he may in the future be appointed Minister of Finance in a Conservative government; when it comes in. But if he wants to have his chance made good for that, I would ask him to modify his views and his expressions. When a man who may be called upon to administer the finances of this country solemnly tells the people that because there is an increase of revenue it is proof positive there has been an increase in the rate of taxation, that man is an unsafe man to trust with anybody's business. Surely he ought to know better than that when he undertakes to reply to the Minister of Finance and takes five hours and a half to answer a speech of an hour and a half. The hon. gentleman (Mr. Foster) has the evidence before his eyes in the Post Office Department. No better illustra-

tion than that could be had of the fallacy of the hon. gentleman's statement. In 1896, under the Conservatives, the tax that was imposed on the people for carrying their letters gave a revenue of \$3,000,000, but to-day the post office revenue is \$6,000,000, or double what it was in 1896. And according to the hon. gentleman (Mr. Foster) this increase of revenue is proof positive that the rate of taxation for carrying a letter has been increased. But the fact is that the postal rate has been reduced from 3 cents to 2 cents in one case and from 5 cents to 2 cents in another case and yet we have doubled the amount of revenue. And so it is with customs. We have lowered the rate of customs duty, but more goods come in, the people are better off and can buy more goods, and so the customs revenue has increased while the rate of taxation has diminished, and the revenue has increased in a measure because of the very fact that the rate of taxation has been reduced. Any man should be able to comprehend that, and the man who does not comprehend it has fiscal follies in his head so great that no nation should entrust him with the administration of its finances. And yet, these gentlemen opposite get up on the platforms and they say to the people: look at this government; when we were in power we only took \$20,000,000 in customs taxes, but these men are taking \$60,000,000 that they have wrung out of the pockets of the people, and they twist their arms and distort their gestures when they use the word 'wrung.' Did we wring the extra \$3,000,000 out of the pockets of the people in the increased revenue of the post office? No. The postage rate has been reduced. Did this government make any man, woman or child write two letters when they only wrote one letter before? No. Does this government make any man, woman or child go into a store and buy \$2 worth of goods when they only bought \$1

worth before? There is only one thing the government does in standing between the people and the purchases they make, and that is when they say how many cents on the dollar shall be paid by the importing merchant into the treasury before he can get his goods to sell. For that the government are absolutely responsible and for that they must be judged, and if this government imposed a higher rate than was imposed before, then we have to answer for it. But what are the facts? The average tax that was paid under these gentlemen opposite in 1906 was \$18.28 on every \$100 worth of dutiable and free imports for consumption that came into this country, but in 1906, ten years later, it was only \$15.73, or a reduction of \$2.25, which is equal to a reduction of 14 per cent. in the rate of taxation. And yet, money flows into the treasury of the country. The hon. gentleman (Mr. Foster) spoke about the debt, and in doing so he laid down another maxim that I think would not be approved by the people of Canada and that is that all our capital expenditure we should borrow abroad, add it to the debt and pay the interest upon it. We do not think so. We have had surpluses under my hon. friend the Minister of Finance in varying amounts running up to many millions of dollars. These surpluses could have been applied to the reduction of the public debt if it were thought wise. But it was deemed more prudent to take this money, raised under a lower rate of taxation, and to use it in developing the resources of the country and thus make it a means of reproducing wealth itself. Now, in this connection, I might mention one of the things that the hon. gentleman (Mr. Foster) charged as a scandal against the government, and that is the Crow's Nest Pass Railway and the bonus we gave to have that railway constructed. That is rather amusing in the light of the fact that those of us who were in the House at

the time know the hon. gentleman (Mr. Foster) himself voted for that scandal.

An hon. MEMBER. Did he?

Mr. PATERSON. Yes, but that does not prevent him shouting 'scandal,' and it has just about as good a foundation as all their other scandals so far as we can see. Now, what did we do in connection with the Crow's Nest Pass Railway? We took \$3,300,000 and we gave it to the Canadian Pacific Railway and said: Open up that boundary country, there is mineral wealth there, develop it. The Canadian Pacific Railway took the money, and they opened up that country. But what more? We said to the Canadian Pacific Railway: in giving you this bounty, which is larger than we give to many, you have to agree to reduce your freight rates, not on the Crow's Nest Pass Railway alone, but over your entire system, to the extent of 3 cents on every 100 pounds of wheat you carry out of that country, and more than that, you have got to give us 50,000 acres of coal land that you got which we will keep to be the property of the people of this country and if you raise the price of coal above \$2 per ton we will open up these mines and work them ourselves for the benefit of the people. And that is what the hon. gentleman (Mr. Foster) calls a scandal. I call it good business and a sample of the business methods of this government. Why, that 3 cents reduction on the wheat freight rate and the reduction on the price of coal, has in five years placed back in the pockets of the people of this country more than the total amount that was given to the Canadian Pacific Railway, and that is a benefit that is to go on for all time to come.

What more? A country opened up; towns and cities built up; representatives in this House, grand men, like the men who worked the mines there. These are consuming centres for the

manufacturers of the east and are producing wealth in the country. The hon. gentleman ventured to call that a scandal. I wish we had more of them. He spoke about the Yukon—a desperate thing, he said. If there is anything hon. gentlemen opposite ought to be ashamed of it is their conduct with reference to that Yukon railway. What did we do? We made a bargain with a responsible firm that they would build 150 miles of railway in order that we might reach that distant part of our country over Canadian territory—for what? How many millions of dollars? Not one cent of the public money, but for alternate grants of land—gold-bearing, possibly. If it had been, all the better for the government; the richer the gold the better—why? Because we would get a royalty on it when it was taken out. Hon. gentlemen fought that measure in this House. They had influence enough in another House to defeat it. From that day to this we have had to reach that portion of our territory by passing through the territory of another nation—friendly, no doubt, but with a customs barrier, and giving advantages to Seattle, Tacoma and San Francisco in the trade of that country which might have been secured for our own cities. That is the history of the Yukon, and these hon. gentlemen say it is a scandal. The hon. member for North Toronto said to-night that though the upper chamber threw out that measure, there was now a majority in the Upper House favourable to the government, and we would never venture such a proposition again. No, we never have done so. Where can a syndicate be found in Canada to-day to undertake what that syndicate agreed to do, even if we offered them everything we agreed to give the other syndicate, and a million dollars besides? I do not believe a syndicate could be got in Canada that would do it. The hon. gentleman the other night, when speak-

ing about sending the 'Arctic to the northern waters to raise our flag and assert our sovereignty, said he did not believe in that kind of thing—he would trust to diplomacy. I believe in trusting to occupancy. The Americans took advantage of occupancy at Skagway. What might have been the result of the Alaska boundary arbitration if we had had an independent highway into the Yukon territory I will not venture to say; but our chance is gone, and the loss has been ours. The land is there yet, every foot of it, which we agreed to give; is there a man opposite who will give \$100 for the whole of it? Why don't they form themselves into a syndicate and try to get it under the same terms and conditions? The hon. member for North Toronto was kind enough to give his advice to the hon. the Finance Minister, who was averse to increasing the public debt beyond what was necessary for the purpose of a great undertaking like the Grand Trunk Pacific, which, of course, we undertook with our eyes open. He knew that money would have to be borrowed for that; but all other great capital improvements he has faith in being able to provide for out of the revenues of the country. Here it is worth while to note that while our Conservative friends during their last eleven years spent \$80,000,000 on capital account, they had to borrow \$62,000,000 of that and add it to the debt, and we are paying the interest on it now. My hon. friend the Finance Minister in the same length of time has spent \$127,000,000 on capital account, and has to borrow only \$5,000,000, and if it had not been for what has already gone towards the construction of the Grand Trunk Pacific, he would have undoubtedly reduced the debt below what it was when we came into power. The hon. member for North Toronto said: You seem to be anxious not to increase the public debt; that is your idea of Finance; my idea is

that we should spend none of the revenues in the construction of capital works, such as enlargements of canals, bonuses to railways, etc., but you should borrow abroad. Tax the people enough for ordinary expenditure and borrow what you want over and above that. Well, my hon. friend the Finance Minister says he has a more excellent way than that. He says he will build out of the surpluses he has, and will get these surpluses by reducing the rate of taxation instead of increasing it. That is the difference between the two policies. The political economy of my hon. friend from North Toronto is this: You have great revenues coming in; they come through increased imports; increased imports are a sign of the decay of the country; a revenue of \$60,000,000 is an indication of a higher rate of taxation. Then, logically, his remedy would be to put the rate up to 100 per cent, which my hon. friend from Leeds (Mr. Taylor) advocates, and shut out imports altogether, and thus get no revenue. The Finance Minister says: No; we lower the rates as far as we can, consistent with raising the revenue and having regard to the established industries of the country, and by doing this promote the welfare of the people; if there is more than enough to provide for the ordinary expenditures of government, we will spend it on capital account in developing avenues of transportation by which to reduce the cost of transportation, and thus every dollar we spend will go directly back into the pockets of the consumers of this country. There is the difference between the two systems.

Now, I am not going to speak five hours and a half, although I might be expected to take a longer time in answering a speech of that length. I sat for two and a half mortal hours this afternoon ready to jot down any new matter that was brought up by the hon. member, but I found that his speech was but a repetition of what he

had said before. The importation and exportation of scenery and the invisible profits he talked about, and I was lost in wonder what manner of man he was who could see into the invisible.

Then he reiterated that absurd statement that the Prime Minister had said that the Grand Trunk Pacific would be built for \$13,000,000.

Mr. TAYLOR. He did say so, and his words are on Hansard.

Mr. PATERSON. Any man who believes that must be devoid of common sense. You take a sentence out of the context and then say that is what the speaker meant, when the whole context shows the contrary.

Mr. TAYLOR. Read his speech.

Mr. PATERSON. I think the hon. gentleman needs to read it. No man in the House who heard that speech, ever so understood it.

Mr. TAYLOR. Everybody so understood it.

Mr. PATERSON. Then why was it not taken up on the spot? Why did not the leader of the opposition at once emphasize the fact by pointing out that the First Minister had said the cost of construction would be only \$13,000,000? Is it possible for any one to sink so low as did the hon. member for North Toronto (Mr. Foster) when he made such a statement? That hon. gentleman does not care what he says, but no member of parliament ought to venture on an assertion so absolutely contrary to the facts. Why, if he would not give credit to my right hon. leader for honesty of purpose, surely he would not say that the leader of this government ever committed himself, to the proposition that 1,800 miles of railroad and the guaranty of the bonds and the hundred miles of the prairie section could be all built for that amount. The hon.

gentleman knows very well what the First Minister was talking about. He knows that my right hon. leader detailed the bargain that was made, showed how we were to build the 1,800 miles of railroad ourselves and guarantee the bonds on the mountain section, and how, for seven years after its construction, we were to pay the interest on these bonds, and how after that the Grand Trunk Pacific were to take the road over and pay us an amount annually equal to the interest on the money that was borrowed to build the road, so that after the seven years we would no longer have to find the money to pay the interest out of the pockets of the people because the Grand Trunk Pacific would pay it. And he estimated that the accumulated interest during the seven years might possibly amount to the sum of \$13,000,000. That is what he said.

Mr. WARD. Does my hon. friend believe that that \$13,000,000 will cover the cost, even as he has stated it?

Mr. PATERSON. I think that the First Minister and the Finance Minister both were very good judges, and I was inclined to believe at that time that that amount invested would cover the cost. If there has been extra cost, that may increase the amount. Will my hon. friend allow me to put him a question since I have answered him frankly? How much more than the \$13,000,000 does he think it will cost the country?

Mr. WARD. If my hon. friend will calculate it, he will find that it will cost more than double that amount.

Mr. CONMEE. Have you calculated it?

Mr. WARD. It is impossible to calculate it until the railway is finished.

Mr. PATERSON. How then do you know?

Mr. WARD. If you will take the expenditure up to the present, you will find even now the expenditure will more than double that amount.

Mr. PATERSON. I should not like to agree with the hon. gentleman off-hand; but if he has worked it out, and if I had his figures and could corroborate them, I would not object. But he will not forget this point, that the hon. member for North Toronto (Mr. Foster) seeks to create the impression that what he estimates is going to cost \$129,000-000, the leader of the government said could be built for \$13,000,000.

Mr. WARD. No.

Mr. PATERSON. Yes, and I say such a statement is not to the credit of any public man. It is only worthy of a newspaper—if one such could be found—that has sunk so low it does not care what it says. It is certainly not worthy any public man. But that is what they seek to fasten on the Prime Minister, namely that a road which they estimate will cost \$129,000,000 he said could be built for \$13,000,000.

Mr. WARD. What did Mr. Blair say about it?

Mr. PATERSON. Mr. Blair talked of the cost of construction, but the Prime Minister never talked about the cost of the construction of the road.

Mr. WARD. I am quite well aware of that.

Mr. PATERSON. That is quite an honest admission and one that I like to hear, and I trust the press will take note of that and contrast it with what the hon. member for North Toronto (Mr. Foster) has stated.

As far as I am aware I have noted all the points made by the hon. gentleman who preceded me (Mr. Foster). I took them down at the time. You may say

that I did so in a very short time, but the hon. gentleman kept repeating the same thing over and over again. That is what spun his speech out so long. It would have been better for him if he had been content to make the one speech, for in my opinion—and if the hon. gentleman were present I would like to tell him so to his face rather than have to do it behind his back—he did not treat the House with proper courtesy. The other night, at ten o'clock, after he had spoken for two hours, he asked the First Minister, as a matter of courtesy, to allow him to adjourn the debate as he wished to speak on another branch of the subject which would take three quarters of an hour longer. The hour was not very late and we were anxious to get on with business, but my right hon. friend, thinking after all that the hon. gentleman would not take up much time when the debate was resumed, consented. We adjourned then at ten o'clock, and to-day my hon. friend took up the subject again and occupied the time of the House the whole afternoon. Occupied it in doing what? In repeating the same old slanders and the same old statements he had made on the previous occasion. He talked of the Yukon Railway, he talked of the North Atlantic Trading Company, he talked about the Ross rifle—he talked about all these things on Tuesday, and he is back at them again to-day. He made a statement which was contradicted by a minister of the Crown who was in a position, as minister, to know the facts; and, instead of accepting the correction which was made, and which was true, instead of accepting it and manfully apologizing, he tried to persist in his statement, even to the length of stating that an honoured judge of this country was susceptible to influence. That is not the way to conduct debates in this House. Any man may make a mistake, any man may be misinformed; but when the mistake is pointed out, a frank acknowledgment

of the mistake and an apology will carry with any body of gentlemen. But don't, when you have made a statement that is wrong, and that has been pointed out as wrong,—don't persist in ignoring a statement of an hon. member of this House, and especially do not carry it beyond these walls.

Now, if the House is not tired, I want to refer to something in the platform of the Liberal party which was spoken of by the hon. gentleman (Mr. Foster). I refer to the party plank on the trade question, which, the hon. gentleman said, we had departed from. In fact, hon. gentlemen opposite have so often repeated the statement—even the leader of the opposition (Mr. R. L. Borden), I am afraid, has so far forgotten himself as to repeat it—that there is not a single plank of the Liberal platform that has not been broken by this government since it came into power, that so often that they really seem to believe it. My view is entirely different. We have carried into effect every plank of that platform except one, and discussion in this House and in the other chambers show that that plank, the reform of the Senate, has not been abandoned but that, in spite of the difficulties involved, we seek to carry it into effect also. Now, what about this trade policy plank of the platform? The hon. gentleman (Mr. Foster) did not read it all. But I will read it all, and I will give you my reasons for believing that that plank of the platform has been carried into effect by this government. I was the one who seconded that plank in the platform when my honored leader (Sir Wilfrid Laurier) moved it, and I spoke on that occasion. The hon. member for North Toronto quoted some words—I do not know where he got them. He can get the book in the library and read what I said on that occasion; and what I said on that occasion, I say now and stand by. The hon. gentleman says that we advocated free trade as it is in England.

But that is not a plank in our platform—they cannot find it anywhere. They say, and it is true, that the leader of the Liberal party expressed admiration of free trade as it is in England and said that he would be glad if we could have the same here. I do not know but that that is the opinion of the Prime Minister to-day, and that he would like to have free trade as they have it in England if our circumstances were the same as those existing in England. But these hon. gentlemen do not tell us that the Prime Minister (Sir Wilfrid Laurier) said at the same time that there was no hope of having that policy in Canada for years and years to come, for our revenue would have to be raised by customs and excise in the future as in the past. The views of Liberals on this question seem to have varied, just as, I observe, the views of hon. members opposite vary. Some of them, for instance, thought the French treaty all right; so, after speaking against it, they voted for it; while others thought it was wrong and actually voted against it. But at least this is true: The Liberal party did not recognize any one man as the man to lay down a platform for them. They summoned a convention of representatives of all sections of the Dominion from the Atlantic to the Pacific. And those representatives came, thousands of them, and they adopted a platform. And the bounden duty of the Liberal government whatever may have been the previous opinion of the individual members, was to give effect to that platform when it had been endorsed by the vote of the people. Here is the trade plank of the platform:

"That the customs tariff of the Dominion should be based, not as it is now, upon the protective principle, but upon the requirements of the public service; that the existing tariff, founded upon an unsound principle, and used, as it has been by the government, as a corrupting

agency wherewith to keep themselves in office, has developed monopolies, trusts and combinations. It has decreased the value of farm and other landed property; it has oppressed the masses to the enrichment of the few; it has checked immigration; it has caused great loss of population; it has impeded commerce; it has discriminated against Great Britain.

"In these and in many other ways it has occasioned great public and private injury, all of which evils must continue to grow in intensity as long as the present tariff system remains in force."

That was declaratory. Now we come to the operative part.

"That the highest interests of Canada demand a removal of this obstacle in our country's progress, by the adoption of a sound fiscal policy, which, while not doing injustice to any class, will promote domestic and foreign trade, and hasten the return of prosperity to our people; that to that end the tariff should be reduced—

That recognizes a tariff. It does not say that there shall be free trade, which would mean that there was to be no tariff at all.

—to the needs of honest, economical and efficient government; that it should be so adjusted as to make free, or to bear as lightly as possible upon the necessities of life, and should be so arranged as to promote freer trade with the whole world, more particularly with Great Britain and the United States. We believe that the results of the protective system have grievously disappointed thousands of persons who honestly supported it, and that the country, in the light of experience, is now prepared to declare for a sound fiscal policy.

"The issue between the two political parties on this question is now clearly defined. The government themselves admit the failure of their

fiscal policy, and now profess their willingness to make some changes; but they say that such changes must be based only on the principle of protection. We denounce the principle of protection as radically unsound, and unjust to the masses of the people, and we declare our conviction that any tariff changes based on that principle must fail to afford any substantial relief from the burdens under which the country labours. This issue we unhesitatingly accept, and upon it we await with the fullest confidence the verdict of the electors of Canada."

Now, I have read it all. This is appended to the campaign literature of hon. gentleman opposite. It is very shortsighted on their part, because the very reading of this gives the denial to statements the hon. gentlemen are making on the platform. The people will read this and see that the Liberal party declared for a tariff, but a tariff without the protective principle and reduced to the needs of the country. I hope that that plank has been carried into effect. I was a party to putting that plank in the platform, and I believe that, the party having been returned to power on that platform, it was the duty of the government to carry it into effect. I was a party to moving the resolution, and I was a party to framing the tariff to carry it into effect. We recognize that the revenue must be raised by customs and excise as before, but we were to put the tariff on a revenue and not on a protective basis. What is the principle of protection? Here you have imports increased from \$100,000,000 to \$300,000,000. Hon. gentlemen opposite, if they had their way would increase the tariff—make it 100 per cent. as the hon. member for Leeds (Mr. Taylor) says, if necessary—in order to shut these goods out. But we say, No; so arrange your tariff so as to secure the necessary revenue, and you will then have, of necessity, protection

to the extent of the tariff for the local market, but do no injustice to any class and recognize the conditions of the country. And so the tariff was lowered.

What result has it accomplished, judged by its fruits? \$249,000,000 of trade with all the other nations of the world under their protective tariff, and under our revised tariff, \$640,000,000. Has not trade been made freer? Has the tariff not been reduced? In all the hundreds of items that were in their general tariff, scores of them were reduced in rate, and only, I think, four articles were raised in a slight degree in the general tariff. One-third of that amount was deducted from all the tens of millions of imports that came from the mother country into this country. Sir, what has been the result? Trade from England has doubled, enriching the producers of this country. Freer trade? Yes, three times the trade that we had before. If based on the protective principle you would not have had it, if the policy of hon. gentlemen opposite had been carried out. These imports are increasing, they are an injury to the country, they say, pass a law, raise your tariff and shut them out. We did what the platform told us to do, we lowered the tariff. We had consideration for the different industries of the country, we promoted freer trade, we have accomplished it with Great Britain to a marvellous extent. We tried to get reciprocity with the United States, they were not ready to concede it, and it takes two to make a bargain. We are not dependent upon them, we might have benefited by reciprocity, and so might they. But when it came to the point that we had to agree to their proposition with reference to the Alaska boundary before we could negotiate on trade matters, we were unable to go further, and the negotiations were broken off. So trade remains as it was

before, with this exception, that in common with the imports from all other countries there has been a proportionate reduction on many goods coming from the United States, a reduction in the interest of the people of Canada. Trade has been made freer with them than it was before, and to the benefit of the people of this country.

So I go through the different planks of the platform. Hon. gentlemen remind us that we 'viewed with alarm the increase in the public debt, and in the annual expenditure.' So we did at the time the platform was adopted, when the government were not getting revenue enough to pay the ordinary expenses of administration, to say nothing of the interest account that had to be met. We put an end to that by reducing the rate of taxation and making trade freer, with all its enriching consequences. The imports increased, money flowed into the treasury to such an extent that we were able to expend \$127,000,000 on public works. Another plank was the liquor question. But we did not get prohibition into effect they say, it was not in the platform that it should be put into effect. The minds of the people had to be ascertained first, and the question then considered. Land for the settler was another plank. Hon. gentlemen opposite say, Ah, there is another of your planks gone. The land for the settler? Yes, sneer as they like and jibe as they like in an endeavour to make people believe that is not the case. They talk about the Saskatchewan Valley Land Company. But you know that the cardinal principle of that sale was that these men were bound to put settlers on the land. Did they? They could not have got it otherwise. So the land was for the settler, even in that case. Land for the settler—how has that plank been carried out? Hear the record for ten years:

Statement re homestead entries granted since July 1, 1895, to June 30, 1905, together with the total area of same,

July 1, 1895 (to Dec. 31, 1895)	962
December 31, 1896.....	1,857
" 31, 1897.....	2,384
" 31, 1898.....	4,848
" 31, 1899.....	6,689
June 30, 1900.....	7,426
" 30, 1901.....	8,167
" 30, 1902.....	14,673
" 30, 1903.....	31,383
" 30, 1904.....	26,073
" 30, 1905.....	30,819

Total..... 135,281

Note the increase. I want to say here that the settler has been brought to the land and the land has been given to the settler, because a statesman was chosen to administer the affairs of that country who has done more than any other man to promote the prosperity and development of the Northwest. This marvellous increase took place after Clifford Sifton was made Minister of the Interior, and bent his energies to the peopling of the fertile plains of our Northwest. I have

given the homestead entries to 1905 inclusive. The record of the next year will show 40,000 more settled upon the land. And yet, Mr. Speaker, you have heard what these men opposite have said. They ought to know better, they ought to think of the estimate that people will put upon their intelligence when they talk about the Saskatchewan land. Why, its fundamental clause was to put settlers on the land, that was its basic principle, and in one year alone 40,000 men have taken out homestead entries on other lands in the Northwest. How can these venture hereafter to make the statement that we have not carried out that plank in the Liberal platform? It was our duty when we came into power to stand upon the platform that the Liberal party had laid down for us. I was a party to that platform, and I have tried to carry out its principles. I stand here to say that so far as the fiscal policy of this government is concerned, I believe we have carried out that platform in its entirety, and the results that have been achieved furnish abundant proof of the fact.



