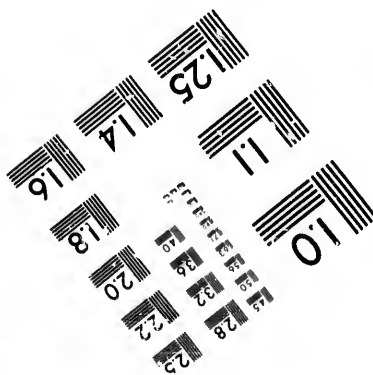
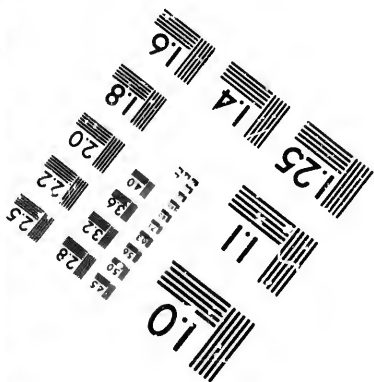
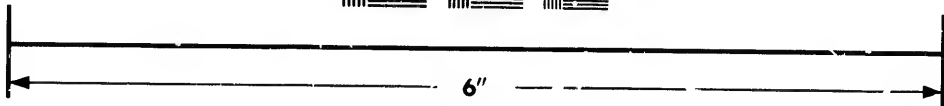
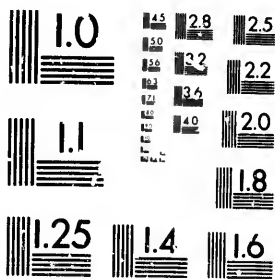


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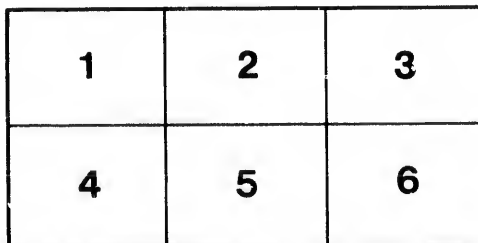
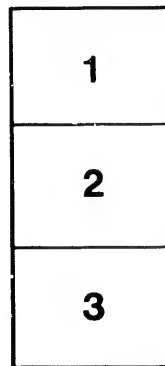
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SPEECHES

ON THE

CANADIAN PACIFIC RAILWAY

AND ON THE

Financial & Industrial Position of Canada

DELIVERED IN THE HOUSE OF COMMONS ON THE EVENINGS OF THE
8TH FEBRUARY AND THE 4TH MARCH, 1884, RESPECTIVELY,

BY

MR. THOS. WHITE, M. P.

FOR CARDWELL.

Montreal:

GAZETTE PRINTING COMPANY.

1884.

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CANADIAN PACIFIC RAILWAY.

DEBATE ON THE GOVERNMENT RESOLUTIONS.

The following is a report of the speech of Mr. Thos. White, M.P. for Cardwell, delivered in the House of Commons on Friday night, the 8th February, 1884, in reply to Sir Richard Cartwright:—

Mr. WHITE (Cardwell), who was loudly cheered on rising, said:—I am quite sure those of us who have been in the habit of listening to the hon. gentleman when he was in parliament before, and who have contrasted the speech he has delivered to-night with the speeches he then delivered, must have come to the conclusion that he was arguing against his own convictions, from the time he rose until the moment he sat down. We all expected, in fact it was announced to us by the leader of the opposition in the closing sentences of his speech, that the financial aspects of this question were to be dealt with by some one; and as the hon. gentleman who has just taken his seat has been brought in to Parliament again, by the confession of the present leader and the ex-leader of the party, in order to deal with financial questions, we had a right to assume that he was the person who would so deal with this particular subject. Sir, those who have listened to him to-night will agree with me, I think, in saying that he was certainly not doing himself justice in the manner in which he has treated this question. From the opening sentence to the close of his speech, we have had haphazard statements—statements which were evidently not the result of reflection; and, for one, I have come to the conclusion that the hon. gentleman, against his own convictions, believing that the scheme which is now before parliament is, in the position in which we stand, the best scheme that could be adopted for the completion of this railway and for the interest of this country, was forced to implement the promise made by his leader, and to deal without preparation with the sub-

ject to which he has just addressed himself. (Hear, hear.) Sir, what have we heard from that hon. gentleman? With the single exception of his reference to the construction company and the great profits that company would have enjoyed, had they gone on with the work, which they did not do, we have had scarcely a reference to the Canadian Pacific Railway at all. We have had references to other subjects. We have had references to the conduct and character and career of the conservative party. The hon. gentleman has gone back to the history of old Canada. For the benefit of the hon. members from the maritime provinces, he has gone back to 1852, in order to establish that from that date downward the career of the conservative party, its policy in the administration of the affairs of this country, was a policy to the detriment of the country and tending to extravagance in the expenditures of the country. And yet, Mr. Speaker, what will our friends from the maritime provinces say when I tell them that during the whole of those years that hon. gentleman was a humble follower of the conservative party.

Sir RICHARD CARTWRIGHT—I would just say that it is not true.

Mr. WHITE—Not only a follower, but a traditional Tory of the old school—one of those old blue-blooded Tories—one of the men who had nothing but contempt for those commonplace people who are usually called radicals—that this hon. gentleman from the day he entered parliament, and for many years before—until the leader of the government committed the heinous offence of believing that another hon. gentleman would make a better finance minister than himself—until that day that hon. gentleman supported the party whose policy, he says, from 1852 onwards, was a policy tending to the injury of this country, and to reckless and extravagant expenditure. (Cheers.) Sir, we had also some reference to

THE GRAND TRUNK RAILWAY.

The hon. gentleman alluded to the early history of the Grand Trunk Railway, and he held up the fact that we have not yet got back the guarantee which was given to that company, as a proof that it is utterly impossible that we can get back this guarantee. Does the hon. gentleman know anything of the history of the Grand Trunk Railway? Does he know anything of the circumstances under which that guarantee was given? Will he pretend to tell this house that there is any similarity whatever between the guarantee given to the Grand Trunk Railway and the advance now proposed to be made to the Canadian Pacific Railway? Sir, in 1852, the Grand Trunk Railway Company got its charter. At that time, as everyone knows, we were in the midst of a fever for railway construction. The then leader of the conservative party, the hon. gentleman's leader at that time, declared that his policy was railways, sitting, as he did at that time, as leader of the opposition. The government issued, through Lord Elgin—and I presume the government were to some extent responsible for the utterances of Lord Elgin, even in the despatches he sent to the home government—issued a paper setting forth the great prospects of this country. A prospectus was issued bearing, if not the direct, certainly the indirect endorsement of the government of this country, promising to those people in England who should put their money into the Grand Trunk Railway a dividend of 11 per cent. at least. The government guaranteed £3,000 a mile for the railway, and took a first lien upon it as security. But we all know that when the road came to be built, when the results came to be ascertained, it was found that instead of its paying the 11 per cent. then promised, there was no percentage at all for the people who had embarked their money in the enterprise; and when the question came before the people and the government of Canada, as to what was to be done with regard to that guarantee, it presented itself in this form: Here were men in England who, on the strength of a prospectus practically endorsed by the Dominion of Canada—backed, as it was, by the Governor-General, by Her Majesty's representative in this country—put their money into that work, without any interest whatever, except the interest which they expected to get in the form of a dividend from the working of the railway. There was Canada, with a railway built with English money and benefiting

the province by the rapid development of every interest in the country which followed immediately after its construction; and the question which presented itself to us, as honest men, was this—ought we to exact the pound of flesh? Ought we, who had derived, and were deriving all the direct and indirect advantages resulting from the expenditure of that money in our midst—from the expenditure of the money itself, and the development of the country through that expenditure—ought we to exact our interest before the people in England got a dollar? (Hear, hear.) And the people of Canada did what I am satisfied, if the conditions existed, they would do again—what I believe, as honest men, it was their bounden duty to do—they took the ground that they would wait at any rate until the company were able to pay dividends to their shareholders before they would exact their claim from the company (Cheers.) It is true that amount stands to-day among the public assets of this country; and I am not certain that, with the magnificent development of that railway—as a Canadian, I sincerely hope that that development will go on—the time may come when that company will pay dividends to its shareholders, and when the claim of the people of Canada, under the circumstances, will revive. But what comparison is there between our position with reference to that matter and the relation in which we stand to this advance? Why, sir, what is it which is proposed at this moment? It is this: We have a railway, a large proportion of which is built; its net earnings amount to nearly \$1,000,000 a year; we have already given large subscriptions to it; we are under no obligation to anybody connected with it, or either directly or indirectly to treat that company otherwise than the terms of their contract require, and when we place this money at their disposal, taking security for its return, I say we do it without laying ourselves open to the danger that the people of Canada will not be repaid. But we have given to other roads as well as to the Grand Trunk. The hon. gentleman knows that the Great Western got an advance at the same time, and he knows that a great portion of that advance has been repaid.

Mr. MACKENZIE.—That has all been repaid.

Mr. WHITE.—I do not know whether it has all been repaid, but a great part of it has been. It was the subject of correspondence

between Sir John Rose when he was finance minister acting for the government of Canada and the Great Western Railway Company, and a large portion was certainly repaid. The Northern Railway Company also received an advance and we got back the money or a large part of it—why? Because both of these railways were paying interest—were successful railways—and we were therefore in a position to enforce our claim.

THE POSITION OF THE QUESTION.

But in this particular case we stand in the position of advancing money to an organized company with a large mileage of railway already completed, and the only question which arises is this, is the security upon which we advance it sufficient to guard us against the possibility of loss in the future? That is the only question before us at this moment. I do not propose, sir, to deal with the question whether it is or is not desirable that this road should be speedily constructed. We know that the people of Canada have committed themselves to the construction of this railway. We gave out this contract in 1881. We have had a general election since that time. I do not know how it was in other constituencies, but I know that in mine I had the pleasure and the honour—and I esteemed it an honour, and it certainly was a pleasure—of a visit from my hon. friend, the member for East York (Mr. Mackenzie), accompanied by the Premier of the Province of Ontario. We discussed for a whole afternoon the public affairs of this country; we had the boundary question, the streams bill, the gerrymandering act; we had from the hon. member for East York some remarks with reference to the administration of railways by the hon. Minister of Railways, and with reference to some matters of detail connected with the public expenditure; but I think I am within his knowledge when I say that from the beginning to the close—I was not there at the opening, but a gentleman who was there told me what took place—this question of the Canadian Pacific Railway, which was to have been the question that would hurl the conservative party from power as soon as the people should have the opportunity of dealing with it, was not once referred to. (Cheers.) I did not hear many opposition speeches, I admit, because, with the exception of that meeting, my political opponents for some reasons happened not to be at the meetings I held in the constituency. But what I have to say is this, that, so far as

I can know, that question had practically passed out of the arena of discussion altogether, and the people of Canada were thoroughly satisfied that the best thing had been done that could be done in the contract which had been let for the construction of the railway.

IMPORTANCE OF EARLY COMPLETION.

Under these circumstances—the people of Canada having determined that the railway should be built—do hon. gentlemen opposite think that they are going to have the people with them in saying that it is a matter of indifference when it is built, and in saying that it is a matter of no consequence, now that a very large portion of the railway has been constructed, whether the links between them are left uncompleted or not. (Hear, hear.) I venture to say that there is no man in Canada who looks fairly at the future interests of this country, who desires the development of every interest in this country, who will not say that it is a matter of the very greatest consequence, now that the railway has advanced to its present stage, that it shall be completed at the earliest possible moment. Remember that when this contract was made it was a ten years' contract. I am not going to say that if the company had gone on—possibly that second syndicate might have gone on, had they been awarded the contract—slowly, carefully, tentatively, just spending the dollars as they happened to get them, waiting for the whole ten years to build the road, everybody might not, to some extent, have been satisfied; because no one believed, before this time, that a railway of this kind could be built in five years. But we have learnt differently during the last two years, and to stop the construction of the railway to-day, to even lessen the speed at which it is being constructed, would be an admission of failure, and failure to the Canadian Pacific Railway cannot take place without resulting in disaster to the people of Canada. (Cheers.) I do not say that the government or the people of Canada should feel themselves bound up in the interests of the gentlemen who compose the company or the directorate of the Canadian Pacific Railway; but I do say, that we are so situated in Canada, that the construction of this railway has been so identified in the public mind, not only here but in Europe, especially in Great Britain, with the prosperity and progress of

the Dominion, that the stoppage of the line must mean disaster to the country itself. The hon. gentlemen told us that we on this side of the house had complained of the conduct of the hon. member for East York, when he was at the head of the government, in building the line from Port Arthur to Winnipeg. That was not the complaint. What we did complain of—what was complained of everywhere—was that the hon. gentleman built the two ends and left the centre section untouched—not that he built, but that he did not build the railway. (Hear, hear.) That was the cause of our complaint; and what we complained of in him then, we feel that the public would be entitled to complain of in us now, if, after having gone so far with the construction of this railway, we were to stop the work or lessen its speed, or to refuse, with reasonable guarantee for its repayment, such an advance as will ensure the desired speedy construction.

CHARACTER OF THE RAILWAY.

Then we were told by the hon. gentleman, contrary I think to what everybody has thought heretofore, that the railway is not such a railway as we ought fairly to expect, and we have had a reference made to the gradients in the Rocky Mountains which, he says, are somewhere about 116 feet to the mile. That seems a very heavy gradient I admit. I believe it extends from the summit to the Columbia river, somewhere about ten miles in length; but it is not as high a gradient as is to be found on the American Pacific Railways, nor as high as that which you will find on a railway which is to-day almost a controlling line in eastern and western transport—the Baltimore and Ohio road. On that railway there is a gradient much higher than this 116 feet. But I think that everyone will admit, who has been through this country—that is at least the testimony of everyone I have heard speak of it—that the railway has been substantially built, that the company have built it in a manner indicating their intention to work it, and indicating their interest in its economical working after it is built. (Cheers.) In that respect, at any rate, the people of this country have no reason whatever to complain.

GUARANTEES FOR COMPLETION.

Then we are told by the hon. gentleman—and that, I admit, is a point upon which we require to have the most complete assurance

and guarantee—of the difficulty of determining the time in which the railway may be completed through those difficult sections. He pointed out, very properly, that on the prairie section it is not difficult to determine how the railway might be built, and in what time it might be built, with the experience we have to-day; but that those sections which are now to be constructed are the difficult sections and that therefore it required close calculation to determine whether we could build them within the time mentioned or not. I sincerely trust—I do not know what the intentions of the government in the matter are—but I sincerely trust that when this bargain is implemented, that when this agreement is made, we will have in it some guarantee that the railway is to be completed in the shorter time proposed; and further, that provision will be made, by special supervision on the part of the officers of the government itself, to see that the road is being constructed and the money being expended in such a way as will secure its construction within the stipulated time. (Hear, hear.)

Sir CHARLES TUPPER—If the hon. gentleman will allow me to interrupt him, I will say that it is never possible to embrace within resolutions of this kind everything connected with them, but it is the intention of the government, as is indicated therein, to provide by the bill which will authorize the agreement for the most adequate security for the completion of the road within the time stated by me to the house, and also to provide that not a single dollar of the money advanced by the government to the contractors for the work shall be advanced except upon the evidence that such money has gone into the road. (Cheers.)

Mr. WHITE—I am quite sure that the assurance of the hon. minister of railways on these two points will be exceedingly satisfactory not only to this house but to the country, because the only reason, as I can understand it, for undertaking this new obligation—and obligation it undoubtedly is—is the importance of having the railway completed within the shorter time specified in the letter of the president of the railway company and affirmed in the statement of the hon. minister.

THE CONSTRUCTION COMPANY CONTRACT.

The hon. gentleman has referred to this construction company as affording positive proof either that the company gave a great deal too much to the construction company or that the

amount now estimated for the completion of the railway is an amount altogether inadequate. We have not, at this moment, I quite agree with the hon. gentleman, all the papers we would like to have for a discussion of a subject of this kind; but I do not regard that, as I shall show you presently, as a matter of so great consequence as the hon. gentleman does. But, sir, I believe the fact to be that the contract with this construction company was entered into on the 12th December, 1882, that is, about fourteen months ago. Now, sir, at that time, it is well known that the company were desirous of floating their capital, of floating their scheme; that it was, therefore, a matter of consequence that they should have a contract made, so that the public who would invest their money in this enterprise would know reasonably what the enterprise was going to cost. There has been since that time nearly 600 miles of railway built. There have been very considerable surveys made; there have been re-measurements, and there is very much better evidence and information now than could possibly have existed at that time. We know that, so far as this construction company is concerned, they were to have taken a certain portion in cash and a certain portion in stock; but, as I believe to be the fact, so far as their work went, the expenditures which they made were simply made for them by the company, and when they were unable to float the stock which it was their business to float, the contract was abrogated, I think in the month of October last, before there was any question whatever of applying to parliament for an advance such as is applied for to-day. (Hear, hear.)

Mr. BLAKE—About the end of November.

Mr. WHITE—I am told the deed was signed in November. But, whether it be the one month or the other, what I say to the hon. gentlemen is this, that it was before any question of this kind could have arisen. It was just at the time that the company expected that the arrangements which they had made with the government for the guarantee of 3 per cent. for ten years, would have carried them through, and that they would have been able to complete the contract by the sale of the stock on the open market. (Hear, hear.) That was the position at the time they abrogated the contract. Now that contract is abrogated. It is not a contract to-day, and under the circumstances, I do not think it is a matter of so great consequence

that we should have all the details of a contract which existed for only a few months comparatively—for less than a year—under which, as I understand it, money was paid only for work actually done, which was abrogated on account of the failure of the contractors to implement their contract by selling the shares, and which is therefore a matter which, in so far as this particular arrangement is concerned, is of no value or effect whatever. (Cheers.)

PROSPECTS OF EARLY COMPLETION.

What we know is this, that we have the statement of the chief engineer of the department of railways as to what the cost will be of the completion of this railway. What we know further is this, that the money which is to be paid for it, the money which we are voting, is to be paid *pro rata* as the work proceeds, having regard to the amount required for the absolute completion of the road; and that, therefore, we have in these arrangements,—first, in the report of the chief engineer, which confirms the reports of the engineers of the company itself, and next, in the fact that the money is only to be paid out as the work proceeds—a sufficient guarantee that at any rate the money will complete the railway as is proposed. But we have further than that. I believe that the difficulties which the company have had up to this time in selling their stock upon the open market have been due very largely to the determination on the part of rival companies to prevent the completion of this railway. The moment you prove to these rival companies, and to all interested in these rival companies, that this railway is going to be built, the moment you prove to them that the company have been able to make arrangements by which they are practically independent of the stock market altogether in the completion of the railway, that motive at least is gone for the depreciation of the stock, and, that being the case, the investing public will have the opportunity quietly, without influences of that kind surrounding them, of investigating the character of this enterprise, its commercial value, the probability of its paying dividends upon the stock it has issued, how it stands in relation to other transcontinental railways of this continent; and I believe that, before the two years are up within which this road is to be built, the stock will be at such a rate that it will be a question for the government whether they will allow the \$35,000,000 to

be sold on condition of the \$22,500,000 being repaid to the government. (Cheers.) But, independent of that, the assurance we have from the chief engineer of the company, and the assurance we have had to-night from the hon. minister, that there is to be proper supervision in the expenditure of this money, in such a way that it shall only be spent having regard to the completion of the railway within the amount voted, affords to us the most perfect guarantee that can be afforded in any business transaction, that the railway will be completed within that time, and for no further sum of money than is here proposed to be voted. (Cheers.)

THE QUESTION OF THE GUARANTEE.

Now, sir, the question, and really the only important question is, what guarantee have we that this money will be repaid? Are we simply launching out \$22,500,000 or \$30,000,000—if the hon. gentlemen choose to assume that the second instalment of the purchase money of the annuities will not be paid—are we simply spending that \$30,000,000 without any prospect whatever of getting it back? Sir, we have, first, the lands of the company. Now, I think, in view of what hon. gentlemen opposite have said as to the value of these lands, in view of the extravagant statements they have made as to the enormous subsidies which have been given to this company, based upon an estimate all the way up to \$5 and \$7 an acre, we may fairly assume that the average price received up to this time will be realized in the future for these lands. We find that the Northern Pacific Railway, which runs through a territory very much like that of our own Northwest, inferior to it as it seems to me—because they have to take the land irrespective of whether it is fit for settlement or otherwise—during the last year sold upwards of 750,000 acres of land at an average price of \$4 an acre, not counting their town lots at all, for which they received something like \$332,000. We have the evidence of our own Canadian Pacific Railway Company which has sold up to this time its land at \$2.36 an acre. They have sold up to this time land to the value of nearly \$9,000,000. If we receive but \$1,250,000 a year from the sale of land—and remember that every dollar received from the sale of lands goes into the hands of trustees for the repayment of the interest and principal of the loan we are now advancing—we have the interest upon this \$22,500,000 paid to us, and the loan is not a

charge upon the people of this country at all. (Hear, hear.) We are practically buying back, if the worst came to the worst, about 21,000,000 of acres of the lands in the Northwest, which hon. gentlemen, in estimating the subsidies given to the company, have told us are worth \$5 an acre, and giving \$22,500,000 for them. (Cheers.) That is practically the first security we have. You will remember, sir, that when this contract was let, one of the charges made against the government, one of the complaints made with regard to the contract was this: When it was compared with the arrangements proposed by the hon. member for East York (Mr. Mackenzie) while at the head of the government, for the construction of this railway by a company, that gentleman's answer was; it is quite true—we offered large subsidies, but we made a provision in the act by which we could buy back the railway after it was built, at 10 per cent. over and above the cash that had been paid for it, less the subsidies in land or money which had been given to it by the government. Now, sir, suppose the worst came to the worst, what would be our position in this? We would practically be carrying out the very policy which hon. gentlemen opposite embodied in the act of parliament of 1874—we would be buying back the railway at very much less than the money put into it, deducting the subsidies received from the government, whether in land or money. (Cheers.) Because, Mr. Speaker, until this money is paid back, until the country stands in the position in which it stands to-day, before we have voted this grant—until that is the case, not one single dollar can go from the sale of these lands into the pockets of the company. It goes altogether into the treasury of the Dominion. Under these circumstances, therefore, I think the land must be regarded as a valid security, removing the arrangement altogether from the class of arrangements which we have made in the past. Then, sir, we have, in addition to that, the \$35,000,000 of stock. When the hon. gentleman was dealing with the contracting company he chose to assume that stock at 60 cents on the dollar. If that is a fair estimate we have in that stock enough to repay us for the advance of this \$22,500,000. And then, sir, we have, in addition, to all that, a mortgage upon all the property of the company in addition to the property which we ourselves have contracted with them to build—because it should

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never be forgotten that the contract between the Canadian Pacific Railway Company and the people of Canada is for the construction of a railway west of Callander to the Pacific Ocean. Everything they do east of that is done simply as an ordinary business corporation, and parliament has, in fact, little or nothing to do with it. We have contracted with them to build west of Callander, but we will have a mortgage, not only upon what we contracted with them to build west of Callander, but upon everything else which they have obtained, including their eastern extensions down to Montreal and Brockville, with their branches and everything connected with the railway. (Cheers.) That I think would be looked upon by an ordinary loan company as a tolerably good security for \$22,500,000—anything better it would be difficult to imagine. (Cheers.) We are, therefore, simply advancing that money, and holding in our hands the assets which, from year to year, as they are realized in the sales of lands, must pay us interest upon them, and of which, ultimately, the securities that we take are certain to secure the absolute payment. Under these circumstances, Mr. Speaker, are we in a position to enter into this bargain? The hon. gentleman who last addressed the house referred to

THE FINANCIAL POSITION OF CANADA.

He referred to the difficulties, to the dangers, as he said, in which we stood of running too much into debt. He told us the old story of how rapidly the debt of Canada had increased from 1867 to 1873. He told us of the terrible extravagances which had characterized that increased expenditure. He did not, of course, quote to us the famous circular issued in England, in which he pointed out to investors in that country that all those expenditures inured to the advantage of the country, and were all practically money-producing investments, directly or indirectly. (Cheers.) But he told us of the position in which we stood, and he referred to the fact that the hon. the Finance Minister would be compelled, within the next year or two, to raise by loan something about \$50,000,000 in the English market. Well, sir, what is that \$50,000,000 to be raised for? We know that this year, by the estimates that have been laid on the table, in spite of all the large expenditures which have been made, in spite of this enormous increase of the debt—which I find has even been telegraphed to England and published in the *Standard*, to warn people

there from having anything to do with Canadian investments—

Sir LEONARD TILLY—That was a false statement too.

Mr. WHITE—Of course, there are no statements telegraphed to England but false statements from the American press just now, and through the ordinary channels of communication. (Hear, hear.) As I was saying, we find that in spite of all this increase of expenditure from year to year the estimates show a reduction in the charge for interest upon the people of Canada in connection with their debt of nearly \$250,000 (Cheers.) That is the position we will stand in the next year, as compared with the current year. Then what are we to do? What is this money to be obtained for? It is true, the hon. Finance Minister has to go to England, but he goes there to redeem \$33,500,000 of the debt of Canada which bears to-day 5 per cent. He will be able to make an arrangement by which it will be no additional charge upon the country. It is simply an exchange of 4 per cents. for 5 per cents., and if he succeeds in doing it he will further reduce the annual charge upon the people of this country by \$134,470 by that transaction. (Cheers.) Is that a thing to be alarmed at? Is that an evidence that this country is overburdening itself, is increasing its debt in such a way as seriously to imperil its future? On the contrary, Mr. Speaker, as regards \$33,000,000 of that \$50,000,000, to obtain which the hon. Finance Minister will have to go to England, it will not be an increase of our debt—measuring our debt by the annual charge upon the people, which is the true and proper way to measure it; it is actually a transaction by which we are to reduce, by over \$400,000, the charges of that debt upon the people of this country. And, as to this \$22,500,000—the balance of this money—that is a sum for which we are actually to receive 5 per cent. I attach no importance to the fact that we may be able to borrow money at 4 per cent. and loan it at 5 per cent. That may be an incident of this bargain. But what I do attach importance to is that this advance of \$22,500,000; that this \$33,000,000 which has to be borrowed on the English market; that this addition to our debt of \$50,000,000 which we are asked to contemplate with horror by hon. gentlemen opposite, is an addition to our public debt which, so far from increasing our annual burdens, will reduce them by about \$500,000. (Cheers.) That

is the position in which we stand financially, and I challenge the hon. gentleman to find a flaw in any single statement in connection with it. He may say: What evidence have you that you will get your 5 per cent. on the \$22,500,000? Sir, we have the evidence of 21,000,000 acres of land to be sold to settlers who may go into the country, the money coming into the treasury of the Dominion, to be applied to the interest upon this money. So that, sir, there is nothing, as it seems to me, in the financial position of the country to cause us any alarm; but, on the contrary, I think we may congratulate ourselves, and I think the hon. the finance minister may congratulate himself, upon the prospect that when he goes to the elections of 1887, with this railway completed and running through the Dominion to the Pacific, so that people who take the train at Halifax may go to Port Moody over Canadian territory without changing cars—when he will be able to show that accomplished, while the annual charge for interest upon the public debt is less than it was in the elections of 1882—I say I think he may fairly look forward to a position stronger than that which any public man has ever occupied before the people of this country. (Loud cheers.) Sir, that will form a striking contrast to the position which the hon. gentleman occupied when he left office in 1878. (Hear, hear.) He talks of increasing the public debt. Does he remember that during the five years he controlled the finances of this country the public debt increased about \$40,000,000? Does he remember that every charge connected with public debt increased enormously while he was finance minister? Does he remember that the people of this country were compelled to do without expenditures for those useful objects which a new and growing country like this always requires, because of the manner in which the finances were administered, and in which a policy was carried out of annual deficits instead of annual surpluses, as we have had since that time? (Cheers.) The hon. gentleman tells us that in this country sometimes we have a great revenue and sometimes a small revenue. That is true. I think we had, for a while, a too great revenue. I do not hesitate for a moment to say so, and I have not hesitated to make that assertion. I was among the first to warn the merchants of Canada, as a journalist, against the danger of over-importing, and the possibility of that great boom in the Northwest collapsing, as unfortunately it did collapse—

but, I hope, only for a short time. But I think we may fairly say, with the prospect which the completion of this railway holds out to us—with the prospect of the settlement which is certain to take place in the Northwest, we may fairly look forward, under our present tariff, even with a continuance of those reductions which the hon. Finance Minister has been able to make almost ever since the tariff was introduced in 1879, to having such resources as will enable us to carry on those reasonable works of public improvements in every part of the country, which it must be the interest of the people of Canada at large to have. (Cheers.)

OUTSIDE ENTERPRISES OF THE C. P. R.

One of the objections, and it seems to me the objection of which I have heard most to this arrangement, has been that this company has busied itself with other enterprises; that it has overburdened itself by undertaking a number of other enterprises. I have no hesitation in saying that, as regards the Ontario and Quebec Railway and the Credit Valley Railway, I think it would have been better off if it had not touched them; but I am not responsible for its having touched them, for, as an independent member of parliament, I did what I could last year to prevent the arrangement under which those lines were taken over. I cannot, however, overlook the argument of the hon. member for Richmond and Wolfe (Mr. Ives), which is not an unreasonable one. Of those railways, the Credit Valley was already built, and the Ontario & Quebec was advancing towards completion. It was really not a question as to whether there should be opposition to the Grand Trunk or not. The Canadian Pacific Railway Company, as I understand their arrangement, have not put one single dollar of capital into either of those enterprises. The only enterprises into which they have put capital are those which properly belong to their great enterprise—that is the enterprises which bring the traffic of the Canadian Pacific Railway to the seaboard at Montreal and Quebec. They have leased the other railways mentioned. They think they are advantageous to them. They believe this year they will be able, by the Ontario & Quebec, and the Toronto, Grey & Bruce, which they have also leased, to carry the traffic and the immigrants to the Port of Owen Sound, and make of that port, what it has never been to the same extent, a great port for the transshipping of immigrants and

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freight between the great West and the eastern provinces. The company think that is advantageous, and they have gone into it. To my mind, having regard to this particular scheme, it is a matter of no consequence whether they acted wisely or unwisely in doing it. They have done it. The Parliament of Canada has sanctioned it. The people of Canada will get the advantage of competition through a great corporation, not through a miserable, small struggling corporation, whose owning of a railway is, perhaps, one of the greatest curses which can befall the country through which it passes, but by this great corporation they will be saved from the monopoly which hon. gentlemen opposite fear so much in the Northwest; and so far as we are concerned, in connection with this particular enterprise, it is a matter which does not effect it in the slightest degree.

INFLUENCE OF THE RAILWAY ON SETTLEMENT.

But the hon. gentleman (Sir Richard Cartwright) tells us that the construction of this railway has done more harm than good to the Northwest; that the farmers of the Northwest would have been better off if the company had simply built the railway to Winnipeg and there stopped, and we had allowed them, with their own lands, to go on with the work and build the railway beyond that point. Why, we have been giving lands to private companies to build railways throughout that country; we have been affording opportunities to railway companies by granting subsidies of a valuable character to build railways there, and I am not incorrect when I say that the experience, so far as the rapid construction of the railways is concerned, and as regards affording railway facilities to settlers, has not been a very assuring one. (Cheers.) It surely is little less than an insult to the house and to the country that any hon. gentleman should rise and say he believes that the farmers in that Northwest country, with whatever grievances they may have to complain of, would be better off if they had not had a railway running from Winnipeg to the Rocky Mountains, as they have to-day. It has been a matter to them of the greatest possible consequence.

A CONTRAST IN SETTLEMENTS.

It is quite true they complain of their grievances, and doubtless they suffer the incidents of settlement in a new country. But it seems

to me, when I look back at the early history of this country; when I remember, as I have had recounted to me personally, the records of the fathers of some of the men who have gone into the Northwest and are now meeting in convention for the purpose of declaring their grievances; when I remember how those sturdy pioneers went into the backwoods of old Canada with axes over their shoulder and hewed out for themselves a home; how these men had to carry on their own backs their bags of grain to the mill, eight or ten miles distant, in order to have it ground and take back the flour with which to feed their families; when they had to go miles and miles, leaving their wives and children in the forest clearing, to get the nearest doctor in order that they might have the advantage of his attention when sickness occurred; when they were removed from all the advantages and associations of civilized life, and yet when you go to Ontario to-day and find those old men with their families round about them, and hear them tell the story of their settlement, one cannot but feel almost indignant that their sons should be grumbling because they have not a railway to their own doors. (Cheers.) The grievances in the Northwest, what are they? Hon. gentlemen opposite have manufactured the most of them; hon. gentlemen talk about the land policy and the evils connected with it, and about people leaving the Northwest to go to Dakota, saying they might there find better land regulations than in their own country,—those hon. gentlemen have done more to stir up a sense of grievance among the people of the Northwest than any others. One would imagine, hearing them speak, even during this debate, that the land regulations of the Northwest contrast most unfavourably with the regulations in the United States. Do they so contrast? What is the fact?

AMERICAN AND CANADIAN LAND POLICIES.

Here is a comparison between the homestead policy of Canada and that of the United States, which will show which is more favourable to settlers. In Canada the head of a family or any male person not less than eighteen years of age is entitled to a homestead himself. In the United States he must be twenty-one years of age before he is entitled to a homestead entry. In Canada such entry may be for any quantity not exceeding 160 acres in any land open therefor; the even numbered sections comprising about 80,000,000 acres of the most fertile lands being free for selec-

tion. In the United States, within the railway belts, a man is only entitled to a homestead of 80 acres. In Canada a man is entitled to a pre-emption of 160 acres. In the United States pre-emptions have been abolished. In Canada he obtains his patent at the end of three years' residence. In the United States not until the end of five years. In Canada he may have a second homestead entry. In the United States he cannot have a second homestead entry. In Canada he may commute, by purchase, after a year's residence. In the United States he may commute by purchase, but it is recommended at this moment that that privilege should be restricted. Now that is a contrast between the land regulations of the two countries. (Cheers.) We hear hon. gentlemen telling us, and in such a way as to induce settlers to believe it, that the people are leaving the Northwest because of the land regulations, and are going into Dakota, where, presumably, they will enjoy better regulations. Let these hon. gentlemen say that something might be improved, that the government might do differently from what they are doing; but in the name of all that is patriotic, in the name of all that is true, in the name of all that is decent, let them not say—or make their statements in regard to our country in such a way as to imply when they say that people are going into a foreign country to escape the conditions here—let them not make them in such a way as to leave the impression that the conditions there are better than in our own country. (Cheers.)

HOW AMERICANS DEFEND THEIR COUNTRY.

The hon. gentleman was kind enough to say that the American press always had a keen sense of the honour of their own country, and I believe the public men of the United States always have a keen sense of the honour and prosperity of their own country. You do not find them complaining to the world of the character of the land laws of their own coun-

try; you do not find them giving to their enemies opportunities of quoting from their journals paragraphs which tend to prevent people from coming to that country. I heard of an editor at Fargo, in the northern part of Dakota, who, when driven from the lower flat of his office by the floods, went up to the upper flat and sitting on a high stool, and putting his feet on a chair in order to keep them out of the water, proceeded to write. And how did he write: "Magnificent overflow of the Red River! Splendid prospect for the crops for the coming season!" (Cheers.) That is the kind of spirit which makes the American Northwest, and the opposite of it is the kind of spirit which is doing so much harm to our country. We have much more to fear to-day from the feeling which seems to prevail with hon. gentlemen opposite, that their only chance for success as politicians in this country depends on the ruin of the country. We have much more to fear in regard to this country from their doing everything they can do to depreciate the country and alarm the people who may be proposing to come here and share our lot—I say we have much more to fear from that than from the financial position of the country, or from our loaning on good security to the Canadian Pacific Railway \$22,500,000, which we are certain, by the conditions of the bargain, to get back; and for one, Sir, I have no hesitation in saying—and I have no doubt whatever what the result will be when the matter comes to be discussed by the people of this country in the future—that the government would have been recreant to their trust if, having so favorable an opportunity to secure the completion of the Canadian Pacific Railway, they had, from timidity, from fear, from the danger of meeting with opposition to their scheme, failed to put forward their hand and secure for the people of Canada the early construction of the Canadian Pacific Railway. (Loud cheers.)

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THE BUDGET DEBATE.

SPEECH OF MR. THOS. WHITE, M. P.

The following is the Hansard report of the speech of Mr. Thos. White, M.P. for Cardwell, delivered in the House of Commons on Tuesday evening, March 4th, in reply to Sir Richard Cartwright :—

Mr. Speaker, I would very gladly, had it suited the convenience of this house, have replied to the hon. gentleman on Friday last, because I think that every one who has read the speech which the hon. gentleman delivered will admit it was one to which it would have been better to reply on the spot. If, sir, the reasoning and the facts advanced by an hon. gentleman who addresses this house are to be judged by the conclusions at which he arrives, I think we may fairly assume that, so far as the public outside are concerned, if they take the trouble to follow the hon. gentleman to his conclusions, there is not much likelihood of any serious damage being done by the speech he delivered. I find that after the hon. gentleman had given us numerous details as to the loss this country had sustained, he concluded with this extraordinary statement :—

“ For myself, I will not hesitate to say that, looking at the thing all round, I believe we would have done better if we had borrowed \$300,000,000 or \$400,000,000 and thrown the money into the sea, or had blown it away in fireworks, as other nations have done, than allow these honourable gentlemen to control the administration of this country. Five years of their government have done as much mischief to Canada, relatively to our population and resources, as four years of civil war did to the country and the people to the south of us.”

When an honourable gentleman, who has occupied the position of Finance Minister in this country, whose position in this country was so high that he has been honoured by his Sovereign by being decorated, will venture to make a statement of this kind in the face of Parliament and the country, I think we may fairly say, either that he has lost all sense of that responsibility which should

attach to honourable gentlemen when they address Parliament, or that he has become thoroughly reckless as to the effect anything he may say will have. (Cheers.) Not only did he state this as his first conclusion, but his second conclusion was also remarkable :—

“ More, sir; I say it with regret, but I say that the people of Canada have deliberately retrograded; I say that the people of Canada have not shown, as a whole, that regard for their liberty, that jealous watchfulness of people in power, that is the price that every free nation must pay for being properly governed. I say that to-day, in Canada, to our shame and loss be it said, public morality is painfully low and public opinion is painfully weak.”

That is the statement of the hon. gentleman, who appears now to rejoice in having made it. I tell the hon. gentleman that the people of this country will weigh those words and ponder over them; I tell the hon. gentleman that the people of this country will not quietly submit to insult, simply because they have chosen to believe that the hon. gentleman's administration of their affairs was not in the interest of the country, and therefore exercised their undoubted right of relegating him to the position he now occupies. (Cheers.)

THE REPRESENTATION DISTRIBUTION ACT.

The hon. gentleman commenced his speech by telling us that an act of parliament had prevented his being here during last session. We have heard that statement before from other quarters, but what is the fact with regard to the hon. gentleman himself? He represents to-day a constituency for which he might have run, if the people would only have selected him, in 1882—a constituency which he represents to-day, as the result of the great pressure brought to bear upon a representative assembly of the liberal party in that constituency by the hon. leader and the ex-leader of the opposition, who told them that the discussion of financial questions in this house was likely to occupy a much greater amount of attention in future, and

that the presence of the hon. gentleman in parliament was of great importance to the party, and who thus succeeded by a majority of two in an assembly of some one hundred and twenty of the liberals of the riding in inducing them to nominate him and to send him here to occupy the position he now holds. (Hear, hear.) I dare say the hon. gentleman felt keenly the rebuke, for it was practically a rebuke which was administered to him by that convention at that time; I dare say he is still smarting under that rebuke to-day when he tells that the seellhem, ecuntry, that they have wofully retrograded, that their moral tone is lowered, and their public opinion painfully weak. Does the hon. gentleman say that he was out of parliament last session in consequence of an act of parliament? Where was the county of Lennox which he had represented for years, and which he used to carry by from six to eight hundred majority? It was open to him, if he had so chosen, to go there. (Hear, hear.) The party in power to-day had been in office for four years; their policy was before the country; its effects were known to the people; the hard times which, he said, had deceived the people into supporting his opponents had passed away, and he might have gone back to his old constituency. But no; he did not go then, and what is more, he did not go even at the last vacancy in that constituency where he was best known, but preferred, on the contrary, that the extraordinary course should be pursued of opening what was probably the safest constituency for the party in the province of Ontario, in order that he might take his seat in this house. (Cheers.) And, sir, in the constituency which he did run for, in the constituency of Centre Wellington, what was the fact? Was he left out of that constituency by the effect of an act of parliament? Was that the cause of his defeat? Why, sir, in the townships composing that constituency which were in the constituency in 1878, and where my hon. friend who now represents it obtained at that time a majority of only six, the hon. gentleman was left in a minority of 130, with all the prestige of his position surrounding him. (Cheers.) And with these evidences that the people, at any rate, have no confidence in him, he comes to this house, under the peculiar circumstances under which he has come to it, and deliberately, in the first serious speech he has to make, insults the people of Canada in the manner which I have quoted here. (Cheers.) The hon. gentleman told us that

THE TONE OF THE FINANCE MINISTER

was somewhat different from the tone of the Finance Minister at the last session of parliament, and he, apparently in a tone of rejoicing, suggested to us that this policy, it was now admitted, would not avert over-production and consequent injury to manufacturers, or avert loss of wages to their unfortunate employees, that it would not avert poor harvests or give larger markets for lumber, or check over-importation, and he tells us true enough. Yes, true enough, but was that an evidence that his policy was correct? Because, forsooth, there are certain things that no policy which can possibly be adopted can avert, therefore the doctrine of the hon. gentleman, as carried out when he was in office, was that those evils which may be averted, those things which may be done, shall not be done, but we shall fold our arms and look on, and, admitting that Providence over-rules us, admitting that harvests may be had without our influence, admitting that merchants may over-import, that manufacturers may over-produce, admitting all these things, we will simply fold our arms and refuse to do the things which we can do and which the policy of the government has shown we can do wisely and well, for the promotion of the interests of the country. (Cheers.)

THE QUESTION OF TAXATION.

The hon. gentlemen then went on to speak of the enormous taxation which exists in Canada to-day, and, with a forgetfulness of the exact facts of the case, he made a statement which, in view of the fact that he has been Finance Minister and is to-day the financial exponent of a great party in this country, I think he ought not to have made. He tells us that the taxes of this country to-day are \$35,000,000, and upon that basis he undertakes to compare the position of Canada with the position of the United States and with that of England, coming to the conclusion, advising all and sundry who may be interested in knowing anything of our position, that the people of Canada are in a worse plight than those of the mother country or of the United States in respect of taxation. Why, the hon. gentleman knows that, of that \$35,000,000, there were at least \$6,524,950 that were not taxes in any form or shape. As well might the hon. gentleman charge that the merchants of Canada are paying taxes for the freight charges they pay to the independent railway companies of the country as to say that they are suffering taxation

from the fact that they are paying for the transport of their goods over the Inter-colonial Railway. As well might he charge that the people of this country are suffering taxation for any service that is performed for them, as to say they are suffering taxation from the postal service that is provided for them. And so with other branches of the public service. As I say, of that \$35,000,000, no less than \$6,524,950 cannot, by any fair statement, be called taxation for the people of this country. (Cheers.) But the whole system, as it seems to me, of charging the revenues of the country as taxation, and of citing that as the measure of the burdens of the people is an entirely fallacious system. Let me point out one or two facts in connection with it. I take 1874-75, and I find that the revenues which the hon. gentleman had during that year were \$24,648,715. I take 1877-78, and I find that the revenue which the hon. gentleman had was \$22,375,012, or a decrease of revenue during that period of \$2,273,703. Does the hon. gentleman prefer to tell us that the taxation of this country was higher in 1874-75 than in 1877-78? (Hear, hear.) Why, he had introduced amendments to the tariff adding \$1,600,000 to the taxation of the people of this country during that interval, and, so far from it being a measure of the burdens of the people, it was in fact but a measure of this, that the people in 1877-78 were less able to purchase goods, were less able to enjoy luxuries, were less able in fact to live comfortably, and therefore, the receipts by the government were less than they were in 1874-75. Why, the rate of duty paid by the people of Canada in 1874-75 was 12.83. In 1877-78 when we had the smaller revenue and therefore the less taxation, it was 14.03 per cent. That was the condition of things between those two periods! (Cheers.) Then I take other periods. I take 1867-68 and 1873-74, and I find that our revenues in 1867-68 were \$11,700,681, and in 1873-74 they were \$20,129,185; and that, between those periods, the government of this country had actually reduced taxation by taking duties off a number of articles which were taxable in 1867-68. Will it be pretended that the burden of taxation in this country was greater in 1873-74 than it was in 1867-68? I venture to say that no man outside of this house or inside of this house, who looks at this question fairly and desires to deal with it fairly, will pretend for a moment to say that the receipts of the government are the measure of the bur-

den of taxation of the people of this country. Why, during the last half year, we have had a great reduction in the receipts by the government. Have taxes gone down? The greater part of the hon. gentleman's speech was devoted to telling us that the people of this country were worse off than they were in the corresponding period of the previous year. Surely they were not worse off by the fact that they were less taxed. That was not the reason for their being worse off. Therefore, this whole system of taking the receipts of the government as a measure of the burden of taxation in this country is an utterly fallacious system which I think the hon. gentleman ought not to have resorted to in the discussion of a subject like this on the floor of parliament, in view of the fact that all his utterances—unless indeed people will go to the end of his speech and read the two passages which I quoted in opening my remarks—everything that he says here, may be used outside to the prejudice, not of a party in power, which is a matter after all of secondary importance, but to the prejudice of the country itself, and of its best interests. (Cheers.)

INSOLVENCIES AND DEPRESSION.

Now, it is said, and truly said, that we have had a period of less prosperity than we had a year ago. It is quite true that there have been some insolvencies, some failures in the country.

Mr. PATERSON (Brant.) Surely not.

Mr. WHITE—But what are the facts in regard to these? I find that during the last year the number of insolvents was 1,384, and the amount of liabilities \$15,949,361. I find that in 1879, which was the year when we felt the greatest effect of the depression which existed previous to that time, we had 1,902 failures, and \$29,347,937 as the liabilities of those failures. But, sir, in reference to the failures of last year it is only fair to refer to those which occurred in Manitoba and the Northwest. The hon. the Finance Minister, in referring to this matter the other day, spoke of the failures in Winnipeg—I presume he meant those in Manitoba and the Northwest; and I find, sir, that the failures in Manitoba and the Northwest during the last year were 232, with liabilities of \$2,869,000. So that, taking a fair comparison of the failures in the two periods I have mentioned, we find that the failures during last year were 1,152, and the amount of liabilities \$13,080,000, as against 1,902 failures in 1879, and liabilities

of \$29,347,937. But, sir, if we take the increase in the number of traders in that time we will find the comparison still more significant. In 1879 there were 56,000 traders in Canada, and 1,902 failures, or one failure to every twenty-nine traders; while in 1883 there were 65,000 traders with 1,384 failures, or one failure to every forty-seven traders. That was the difference between the two periods of 1879 and 1883. (Cheers.) Now, sir, there were failures in the United States during that period as well. The failures there increased almost exactly in the same proportion that they increased in Canada during the last three years. In the United States the number of failures rose from 4,735, in 1880, to 9,184, in 1883, and the liabilities from \$65,752,000 to \$172,874,000. Now, sir, what was the opinion of those who, after all, have, perhaps, the best means of knowing the exact condition of the country? I find that Dun, Wiman & Co., in their report, referring to the condition of things in the United States, in spite of those large failures, said this:—

"While on the one hand, the disasters of the year that is closed have shown weak spots in the commercial fabric, which were least expected in prosperous times, there are undeniable evidences of a stability and profit existing which few occurrences make public. It is safe to say that there is to-day in the United States a greater number of successful business men than ever before; that there are numerous departments of manufacture and trade which are yielding a liberal return, that corporations of immense wealth, influence and usefulness are prosperous beyond what they have ever been before in their history, and that monetary institutions throughout the land are on a generally safe and paying basis. The season just ended has been an extremely favourable one for the 'cattle upon a thousand hills,' taking into the winter all four-footed animals in the best condition, and leaving them less dependent upon winter supplies, which will thus be saved. The additions to our population by immigration, and the contributions to the wealth of the country from that source have been greater than in any previous year. Sections of the country, which in former years were either unproductive or depressed, are now thriving beyond all former experience."

Now, sir, that was the statement of Messrs. Dun, Wiman & Co., in relation to the failures in the United States, which had increased in the same proportion as they have increased in Canada. (Hear, hear.) What was the statement of the same firm in relation to Canada itself, last fall, in the city of Montreal, which, I suppose, I may say is, to a very considerable extent, the barometer by which may be tested the commercial condition of the Dominion of Canada? There were parties in that city

attempting to create almost a panic in connection with commercial matters, and Mr. W. Johnston, manager of Dun, Wiman & Co., Montreal, published the following circular, dated 28th October, 1883:—

"It is to be deeply regretted that sensational rumours and innuendoes reflecting upon the collective and individual credit of our banks and merchants are daily circulated. For a month past every day has brought with it a crop of these exciting causes of uneasiness, no class of trade interests being exempt from attack.

"In our opinion, after gathering pretty close data at most points, there is no good reason for apprehending any general commercial distress. The conditions which lead to general weakness are largely non-existent. No one short crop will cause any great or lasting trouble. With the effect still felt of previous fair harvests in our favour the temporary evil of one low average growth can well be endured. Commercial interests will still maintain sufficient vitality to be secure from serious interruption.

"Most of the stoppages we have seen have been created by the most natural causes—would occur in the best of times and carry but little real significance with them—in so far as their reflection upon a community is concerned. If such interests drop quietly out from time to time it is a positive help.

"Many will remember the excitement of last spring and the character of most of the concerns which went to the wall. Wonder was afterward commonly expressed that the sensations of that time should have reached the pitch they did.

"Within the past ten days we have been asked the most ridiculous questions about some of our oldest and strongest houses. One of the latest—a house handling a capital of several hundred thousand dollars, with a bank balance in its favour of \$50,000 or more, and with a well managed business; another with a balance in its favour of near \$30,000, conservative and able to pick its custom.

"No censure can be too severe upon the authors of these rumours, and, if created in selfish interests, they take on a colouring disgraceful and unworthy in the extreme."

That was the opinion of the local manager of Dun, Wiman & Co., in the City of Montreal, in relation to the condition of trade in that city at that time. (Cheers.)

OPINIONS OF MERCHANTS AND OTHERS.

Well, sir, I go further. At that time a number of the merchants of Montreal were interviewed, and their views were obtained as to the absolute condition of trade. I will not trouble the house with reading all these statements, but I find that almost everyone spoken to gave testimony to the effect that, while business was quiet, there was no ground for serious alarm; there was soundness at bottom and there was no serious fear as to what the effect of the temporary depression would be. I find, for instance, that Mr. A. F. Gault said:—

"The merchants generally, he believed, looked forward to a fair trade in the spring. The importations were considerably less this fall, as compared with the last two or three years. The cotton trade had improved somewhat since the last reports."

I find that Mr. J. S. McLachlan, of the firm of McLachlan Bros. & Co., reported :

"A fair fall trade, but payments had been delayed, owing to the late harvest, which had been fully two weeks behind any previous year. Importations were, of course, lighter than during the past two or three years, owing to the increase in home manufacture. The importations for the spring trade, he thought, would be considerably lighter than last year. In all classes of home manufacture the prices had been lower than they had ever been before."

Then, sir, I find that the Hon. Mr. Thibaudet, whose opinions, I presume, will be accepted by hon. gentlemen opposite—unless, indeed, the vote he gave in another place last night may have some effect upon them—but I find that he is reported to have stated :

"That while the sales have not been very good, the remittances have, on the whole, been satisfactory. The stocks held generally throughout the country were light, and business in the town and other small centres was not, in his estimation, overcrowded. There had been a large number of failures during the first six months, but during the latter part of the year the number had been very limited, indeed. The importations had been much lighter this fall than during the last two or three years, and their orders for the coming spring were about 25 per cent. less than last year. The state of the cotton trade had, he thought, been grossly misrepresented, and was not nearly so bad as some people tried to make out. He did not believe, either, that the manufacturers were so overcrowded with goods as had been stated."

Then, sir, I find that Mr. James O'Brien, of the firm of James O'Brien & Co., wholesale clothiers, reported :

"A splendid fall trade, with very fair payments. The stocks held throughout the country were not, generally speaking, large, and the business in the towns was not more overdone than it had been during the last twenty years."

Messrs. Cantlie, Ewen & Co., reported :

"The trade this fall rather quiet, but still what business was being done was a good sound business. Remittances were very good, the importations had been much lighter this fall than during the last few years, and one wholesale dry goods firm had reported to them that their importations for the spring would be £11,000 less than last year. This did not mean that the sales of this firm would be any less than this year, but simply that they would sell just that quantity of Canadian instead of imported goods."

Mr. Thomas Workman, whose opinion as a merchant, I fancy, will have some weight in this house, declared that

"The volume of business doing was scarcely equal to last year. But still it had been very satisfactory so far, and payments had been

very fair. The stocks held throughout the country were, if anything, a little large, and there were rather too many people in business in the towns, but he did not feel at all discouraged; he thought that the future was very promising. There would not, he thought, be a very extensive business done during the coming season, but he could not see any elements of danger, which some people seemed to anticipate."

I might go on reading a number of these, but I will not detain the house with reading more than this additional one: Mr. Hutchison, vice-president of the Dominion Commercial Travellers' Association, a body of gentlemen who have probably as good means of knowing what the condition of trade is as any person can have, at the annual dinner of the association, given in the Windsor Hotel at the end of December last, made this statement :

"Let me say shortly then, as the result of personal experience, as well as information gathered by comparing notes with brother travellers, we do not regard the commercial outlook of the country such as by any means to occasion alarm."

That, sir, was the position of trade in the estimation of a gentleman whose means of knowing what was going on were probably as good as those which almost any other gentleman could possess. (Cheers.) Then I find on December 1st Mr. Smithers, manager of the Bank of Montreal and president of that institution, made this statement:—

"They did not anticipate any serious difficulty on the part of importers and manufacturers in meeting their engagements falling due in February and March, and they had no indications of any strain on the mercantile community. They could not recall the name of any firm that had made any unusual propositions to them, their lines of discount being all down and very reasonable."

And the managers of the Merchants', Commerce, People's, British North America, Molsons, and Toronto Banks all expressed practically the same opinion at that particular time, in relation to the condition of trade in this country. (Cheers.)

Mr. PATERSON (Brant)—Might I ask the hon. gentleman, without interrupting him, the date of Dun, Wiman & Co.'s letter.

Mr. WHITE—October 20th. Then, sir, I have an authority as recent as December 1st, 1883, which hon. gentlemen opposite usually regard as a tolerably good authority, I mean the authority of the *Toronto Globe*, which, in a lucid interval, said as follows, in regard to the condition of trade:—

"Our export trade has grown rapidly. In nine months of this year the value of cattle and sheep sent to Great Britain exceeded the value of the wheat and flour we sent. This year we have had a magnificent hay crop, and

the root crop has been good in many sections. We should, therefore, be able to export more cattle and more butter and cheese, and thus make up to a great extent for the shortage of the grain crop. Our lumber trade, too, is depressed, but it is not by any means in as bad a condition as it has often been before. On the whole, the prospect, although clouded and somewhat gloomy, is not such as to justify the alarm which seems to be felt in some quarters." [Cheers.]

These are the opinions of a number of persons in relation to the condition of trade.

THE TEST OF THE BANK RETURNS.

But we have another test, and after all, perhaps it is one of the best tests that can be applied as to the condition of trade, and that is the position of the banks in the different intervals. I find, sir, the condition of the banks at the end of 1882 and 1883 respectively, gives us an exceedingly good estimate of what was the condition of trade. The following are the figures:—

CIRCULATION AND LOANS.

	Dec., 1882.	Dec., 1883.
Circulation.....	\$ 36,501,694	\$ 33,589,454
Loans on stocks...	\$ 16,861,583	\$ 10,415,155
Loans to commercial companies..	12,153,532	15,254,866
Discounts.....	144,414,108	133,378,550
Over-due debts....	3,131,551	4,396,298
Total loans....	\$176,560,774	\$163,444,869

Then I take the cash resources of the banks, which were, in fact, much larger in 1883 than 1882. They increased in the aggregate—I will not trouble the house with going over the details—from \$41,077,273 to \$52,184,833, an aggregate increase during that time of \$11,000,000. (Hear, hear.) Then the condition of the exchanges was exceedingly favourable to the banks, comparing these two periods. The statement is as follows:—

	Dec., 1882.	Dec., 1883.
Due United States...	\$ 211,375	\$ 155,141
Due Great Britain...	1,349,442	1,430,171
	\$ 1,560,817	\$ 1,585,312
Due from United States.....	\$11,140,072	\$18,060,156
Due from Great Britain.....	1,813,235	4,225,913
	\$12,953,307	\$22,286,069
The deposits were practically maintained during the period. They were as follows:—	Dec., 1882.	Dec., 1883.
Dominion Government deposits.....	\$ 8,468,228	\$ 7,032,410
Provincial Government deposits.....	2,192,045	3,176,330
Public deposits.....	96,879,544	96,609,746

VALUE OF BANK STOCKS.

But I come to another point, and that is the condition of bank stocks. The hon. Finance Minister has made reference to this matter. I am aware that the condition of bank stocks is not always to be taken as an absolutely accurate test of the condition of the commerce of the country; but it has its influence, and it must be regarded as an important factor in determining that condition. Sir, what do we find? That for eleven banks Montreal, Ontario, Peoples, Molsons, Toronto, Jacques Cartier, Merchants, Eastern Townships, Commerce, Quebec and Hamilton, the aggregate value of those stocks on January 2nd, 1879, amounted to \$38,357,000, and on the 2nd January, 1884, to \$48,803,000, or an increase in the value of the stocks of those eleven banks during the period from 1879 to 1884 of no less than \$10,446,000; and curiously enough since this parliament opened we have had an increase in the value of the stocks of those eleven banks, amounting to nearly \$3,000,000, the exact figures being \$2,977,000. But still more strange, I find that since the speech of the hon. gentleman, since the commercial people of Canada have had the opportunity of knowing what terrible losses this country has sustained, since they heard that there were some \$300,000,000 or \$400,000,000 which might as well have been thrown into the sea, or sent off in fire-crackers, as other nations have done, the stocks of these banks have increased nearly \$500,000. They are actually to-day more valuable than they were five days ago, according to the reports of yesterday's transactions on 'Change, by the sum of \$430,000. (Cheers.) I think I may accept that fact as an evidence at any rate, that whatever effect the hon. gentleman's speech may have had in this house, it did not very seriously alarm those who are in the habit of dealing in commercial transactions, and of studying precisely what is the position of commercial affairs. (Cheers.) Then with regard to the shipping trade, how was it during the last year? I find that the total tonnage of vessels arriving in the City of Montreal in 1880 was 628,271; in 1881, 531,929; in 1882, 554,646; in 1883, 664,263; or an increase of very nearly 111,000 tons last year as compared with the year before in the tonnage of vessels which visited the port of Montreal. These figures certainly do not look as if we were suffering very seriously in connection with the commerce of the country, in spite of the quietness which

prevailed in many respects. Let us take next the

POST OFFICE AND GOVERNMENT SAVINGS BANKS.

The Finance Minister has already given us the figures, the total deposit for the year amounting to \$17,722,094. There has been a steady increase in those deposits, as the following figures will show: The increase in 1879 was \$716,669; in 1880, \$1,845,272; in 1881, \$4,783,715; in 1882, \$5,931,989; in 1883, \$4,450,445. (Hear, hear.) Those were the increases during the last six years. Last year, with all the depression of which we heard, with all the misery that was said to exist among the people of this country, there was actually an increase of \$4,500,000 in the deposits of the people in the government and post office savings banks of the country. The hon. gentleman was kind enough to say that he did not regard those figures as an absolute evidence of prosperity, or as a thing to be rejoiced at. He told us that they indicated two things: First, that the government were paying 4 per cent. for money, which in ordinary banks of the country, was worth only 3 or 3½ per cent., and that therefore they were outbidding the chartered banks for deposits of the people's earnings. Then he told us further, that it was an evidence that this money, which was lying in the post office and other government savings banks, ought to be employed in ordinary commercial or industrial pursuits outside. As to the latter argument I confess I was somewhat astonished when I found the hon. gentleman after laying down that doctrine, telling us that already there were ten millions of the people's money in this country invested in non-productive industries. (Cheers.) What does the hon. gentleman want? If the people put their money in the savings banks they are told that they are making a great mistake, and they should put it in the productive industries. If, on the other hand, they put their money in productive industries, they are taunted with putting ten million dollars of their money in what the hon. gentleman describes as non-productive industries, to the great loss and danger of the people of this country. (Cheers.) But is it a fact that the government are outbidding the chartered banks for these deposits? If that argument were true the hon. gentleman should be able to show that the deposits in the regular banks of the country have decreased during the period to which he refers; but so far from that be-

ing the case I find that from the 31st of July, 1879, to the 31st July, 1883—and, as I have shown from the other figures I have quoted, they were practically the same at the end of the year—there was an increase in the deposits in the ordinary chartered banks of the country of no less than \$35,393,180. (Cheers.) So it cannot be said by any process of reasoning that the country has lost in consequence of these deposits having been made in the savings banks. But, sir, the hon. gentleman did not always think it was a bad thing to cite the deposits in the savings banks as an evidence that the country was tolerably prosperous. I am not going to quote hon. gentlemen against themselves, because I think that is a practice more honoured in the breach than in the observance; but, I think, we may fairly in this case, when the hon. gentleman comes back to us as he does, announced in advance as the financial exponent of the party of which he is a member—I say we may fairly refer to what he said, not on the floor of parliament, but in the most formal way in which a minister can make such a statement, namely, in a circular addressed to investors in England, as an evidence of the views he entertained at that time. I find in that circular, issued in 1874, Mr. Cartwright stated:—

“The deposits in savings banks and societies have increased from £1,240,059 sterling in 1867 to £3,754,820 sterling in 1875.”

At that time it was a matter to be rejoiced at, a matter to be presented to the investors in England as evidence of the prosperity of this country, that there were large deposits in the savings banks, and the hon. gentleman very properly used it for that purpose. (Cheers.) But to-day, when he finds that those increases stand in the way of the gloomy picture which he desires to paint, he tells us that these figures are an evidence either that the government have been outbidding, and improperly outbidding, the banks for deposits, or that money has been put in the savings banks which should have gone into productive industries outside. As to this question of money going into productive industries, I may point out that of this \$17,750,000 at deposit in the savings banks at the close of last year no less than \$11,976,237 were in the post office savings banks. Now, it is well known that a depositor of the post office savings banks cannot have at his credit, at any time, more than \$1,000. Well, what do we find? I find that there are, at this moment, no less than 61,063 depositors in those post office savings banks, persons who have

accounts in those institutions, and that the average amount to the credit of each depositor is considerably under \$200. Now, I think, we may fairly assume that the 61,000 persons who average \$200 each in the savings banks of the country are hardly in a position to invest in those productive industries which the hon. gentleman says ought to have absorbed this money, but that, on the contrary, a fair inference from the figures is, that the people of Canada, the working people of Canada, the ordinary wage earners of Canada, are the persons who have been depositing, and are keeping accounts in the post office savings banks of this country, and that the fact that this large amount lies in these banks to their credit, ought to be the best evidence we can have, that there is no such distress in Canada as the hon. gentleman desired to picture. (Loud cheers.) We are told that there is great

DESTITUTION AMONG THE PEOPLE

and the hon. gentleman referred us—and indeed we were referred once before in this parliament—to this fact that here and there soup kitchens have been established, as evidence that the National Policy, forsooth, has not succeeded. Now, sir, there are, undoubtedly, in all our large cities and centres of population, the poor who have to be attended to. It is one of the glories of this country, I think, that by a system of voluntary contributions from the people, in Montreal—and I believe the same remark applies to Toronto and other cities—commodious establishments have been erected which are devoted expressly to the care and maintenance of the poor, whom we are told by Him who spake as never man spake, we will have always with us. It is quite true that we have this class of people in the country; but let me give you one or two illustrations. In the city of Hamilton, at the opening of the present municipal year, my very dear personal friend, though political opponent, the present Mayor of Hamilton, made his inaugural address, in which he so far forgot the mayor in the politician as to venture a remarkable statement regarding the terrible amount of misery in that city. A member of the council at once called upon him to give particulars. He declined to give particulars; but at the very next meeting, if I mistake not, of the city council, the mayor came down and withdrew everything he had said, and declared that among a large number of families, some 110, whom he had visited in com-

pany with two of the aldermen on a charitable mission, he had not found more than one or two mechanics out of employment. They were the old, the decrepit, widows and orphans—that class of people for whom we always make contributions, and properly so, and whom we ought to make our best endeavour always to assist. (Hear, hear.) Then, in the local house, a member representing one of the ridings of Wentworth made a statement regarding the condition of his riding, which the town council of Dundas repudiated as injurious to their town, and as not properly representing the condition of the industries and the people of that town. Again, sir, before one of the committees of this house—if I may be permitted to refer to it—we learned that among those who are the subjects of charity in the city of Toronto, 226 are old men and women and 400 children. I venture to say, sir, that if you will go through our cities to-day you will find very few men able and willing to work who are out of employment. Wages may not be so great as they were a year or two ago. The same conditions are obtaining here as obtain in the United States and in England at this moment. Wages are going down in consequence of the general depression and the decrease in the value of goods. These things happen everywhere in spite of every policy. They are found in England under free trade, in the United States under absolute protection, and in this country under *quasi* protection which in the United States would be regarded as almost free trade.

An hon. MEMBER—And in France.

Mr. WHITE—In France as well. Everywhere you find these conditions; you find that working people must take less for their labour, just as people take less for their goods. But I venture the statement, that there is not to be found in the cities and towns of the Dominion any such condition of things as that which we were compelled to face in 1877 and 1878, when, sir, we had bread riots in the city of Montreal; when we had what were almost bread riots in the city of Ottawa, and when there were, in almost all the cities and towns of this country, men able and anxious to work, who could not get employment. (Cheers.) There is no such state of things at this moment. Is our present condition exceptional? I said that the same thing exists in England. I have here an extract from a leading editorial in the London *Daily Telegraph*, of February 14th, which is as follows:—

"Times are bad all round. There is difficulty and despondency not in one trade but in all. A liberal authority states that the year has begun badly everywhere for business men; the depression of twelve months ago has been intensified. On all sides we see evidence that business is unprofitable and that production is to be curtailed. Wages throughout the country are falling fast. It is a common saying in the city that there is at the present time no trade so bad as the iron trade except the grain trade, and that the cotton industries are worse than either. All this will lead to thousands, perhaps hundreds of thousands, being thrown out of work."

Mr. PATERSON (Brant)—What paper is that?

Mr. WHITE—The *London Daily Telegraph*.

Mr. PATERSON—What an unpatriotic paper.

Mr. WHITE—Possibly. We are dealing with questions seriously in this house, although I have no objections to try conclusions with the hon. gentleman in the other tone if that be the tone he desires to adopt. So much, sir, for the condition of trade in this country at the present moment. (Hear, hear.) Then, sir, the hon. gentleman told us that this policy had failed because it had not brought about that

INCREASED TRADE WITH GREAT BRITAIN

which it was predicted it would bring about, and he took for his comparison the years 1873 and 1883. Why should he have taken those two years? Does he not know that in 1833 the condition of the United States as to the price of labour, as to the cost of production, and as to the price of commodities of every kind was such that it operated as a better protection to the people and manufacturers of Canada than any protection we have had since or before. Does he not know that at that particular time you could buy goods in Canada at our retail stores for almost half—certainly three-fourths—of the price paid for them in the United States? Does he not know that the United States in those days was an exceedingly dear country owing to conditions that still remained, arising out of the inflated currency which had been in circulation. Sir, a comparison between the years 1873 and 1883 is not a fair comparison; but what would be a fair comparison would be a comparison of the period from 1873 to 1878, with the period from 1879 to 1883, and I take these periods, because the trade returns are made in the same way from 1873 to 1878 and from 1879 to 1883, and the disturbances referred to by the hon. gentleman do not exist; and, sir, what do we find? I find, sir, that from 1873 to 1878, our imports from the United States increased from

\$47,735,678 to \$48,631,739, or an increase of \$1,100,000, and I find that from Great Britain during that period, our imports decreased from \$68,522,776 to \$37,431,180, or over \$31,000,000, so that during the period in which this hon. gentleman controlled the affairs of this country, during the period in which he had, for the sins of this people, charge of its finances, while the imports from the United States increased \$1,100,000 the imports from Great Britain decreased over \$31,000,000. (Cheers.) That was the position in which we then stood with regard to our imports. With regard to our exports, I find that during the same time our exports to the United States decreased from \$42,072,526, in 1873, to \$25,244,898, in 1878, or a decrease of \$16,827,728; and while our imports from Great Britain were decreasing in the enormous ratio I have mentioned, our exports to Great Britain had increased but \$7,197,691. What was the condition of things from 1879 to 1883, during which period the hon. gentlemen now occupying the treasury benches have been in office and the national policy has been in force? The imports from Great Britain increased from \$30,993,130 to 52,052,465, or an increase of \$21,059,365; while the imports from the United States, though they also show an increase, show but an increase of \$12,293,114. Our exports to Great Britain in this period increased \$10,849,499, and our exports to the United States \$13,503,222. But if we analyse the trade between the two countries, we will find that our importations from Great Britain of the manufacturing products of that country which it is their interest to export, increased in a far greater ratio relatively than the figures I have just given indicate to us. The imports from the United States from 1878 to 1883 increased \$7,400,594, but the increased importation of raw material and machinery alone amounted to \$9,483,652, or \$2,082,058 more than the entire increase; so that over two million dollars more than the entire amount of the increase of our imports from the United States, were in raw material, and machinery which is certainly an evidence of the growth of manufacturing industry in this country, and went into the development of that industry. (Cheers.) If we take railway supplies and settlers' effects, we find that the imports from the United States of raw material, machinery, railway supplies and settlers' effects altogether amounted to \$5,483,240 more than the total increase in

imports from the United States. What has been the result with regard to Great Britain? From Great Britain our total increase was \$14,621,285, in which raw material, machinery, railway supplies and settlers' effects amounted to \$4,693,286, or an increased importation of ordinary manufactured goods from Great Britain of \$9,927,999, or \$10,000,000 in round figures; so that the effect of the policy which has been adopted, so far as that effect has developed itself in our trade returns up to this time, has been that while the importation of ordinary manufactured goods from the United States has decreased \$5,500,000, the importation of the ordinary manufactured goods of Great Britain has increased upwards of \$10,000,000. (Cheers.) I take another evidence of the effect of this policy on the trade of the two countries respectively as to its being a policy inimical to Great Britain, because that was, as I understand it, the point the hon. gentleman desired to make. I find that the rate of duties on imported goods from Great Britain increased from 16.1, in 1877, to 19, in 1883; and from the United States it increased from 08.5 to 14.5 in the same period. That is to say the increase in 1883 over 1877 on goods from Great Britain was 02.9, and on goods from the United States 06, or, taking a per centage of increase on the duty itself, the duty on British imports was increased 18 per cent. on the duty itself, while the duty on imports from the United States was increased upwards of 70 per cent. on the duty itself. (Cheers.) That is the result of the statement furnished by the trade returns in relation to our trade with Great Britain. Then we come to

THE QUESTION OF THE BALANCE OF TRADE

to which the hon. gentleman was good enough to refer. I find that our entire imports in 1878, were \$93,031,787, and our exports \$68,158,789, of the produce of Canada alone, not including the produce of other countries, making an adverse balance of \$24,922,998. The adverse balance in 1885, was apparently very much greater, the imports amounting to \$132,264,022, and the exports to \$88,334,031, making an adverse balance of \$43,919,804. But when you come again to deal with the question of raw material, railway supplies and machinery, whose importation was in fact the test of the development of manufacturing industry in this country, I find that, leaving those out, the actual adverse balance in 1878 was \$12,-

114,919; and in 1883, \$12,401,121; and that in spite of the fact that we had so largely increased our imports from abroad. (Hear, hear.) Comparing 1874 and 1875, during each of which years there was a balance of trade against us of upwards of \$50,000,000, I think we can fairly say this tariff has not been a failure in producing, as near as possible, an equilibrium between our imports and exports. The hon. gentleman dwelt at considerable length on

THE EXPENDITURE IN THIS COUNTRY,

and he sought to leave the impression on the minds of those whom he addressed, in so far as they were disposed to take impressions from him, that the expenditure of this country had been terribly extravagant, and that, if he and his friends had remained in office, \$25,000,000 would have been the limit of the expenditure necessary to carry on the affairs of the country. What are the exact facts? In 1878 the expenditure was \$23,503,158; in 1883 it was \$28,730,157, a difference of \$5,226,999. But when you come to analyse this increase, you find that in the items of the interest on the public debt, sinking fund, subsidies to provinces, legislation, immigration, public works, Indian accounts, militia, and the collection of the revenue, no less than a sum of \$4,537,041 included under those heads. It may be that the hon. gentleman, had he been in office, would have been able to lessen the expenditure in regard to those items. It may be that he could have reduced the interest on the public debt, but judging by the way the interest was increased when he was in office, I may be permitted to have my doubts as to the success of the experiment. (Hear, hear.) It may be, sir, that he would have been able to decrease the amount payable for the sinking fund. It may be that he would have refused to give any additional subsidies to the provinces, and in that respect he might have decreased the amount. It may be that he could have decreased the amount payable for legislation, although I think that the members of this house and the people at large will say that, if anybody is responsible for the extent of the expenses of legislation, hon. gentlemen at all events must take their full share of the responsibility. (Cheers.) It may be that he could have decreased the amount for immigration—that is a matter of public policy. It may be that he would have decreased the amount for public works, \$861,000, but, if he did, the people

who have had that expenditure in public works all through this country, would have been deprived of the advantage of that expenditure, and I venture to think that they very much prefer the condition of things as they exist. (Hear, hear.) It may be that he would have decreased the cost of the militia. It may be that the collection of the revenue would not have cost so much under him as under this administration, although, if one is to judge of the results by the five years during which he controlled the finances, he would not have been very successful in that particular. (Hear, hear.) There was an increase on these items alone of \$4,500,000, which, added to the \$23,500,000 would make \$28,000,000 as the amount of expenditure, even if hon. gentlemen had been in office and had exercised all the economies they could have exercised, and not the \$25,000,000 he says would have been the limit of the amount he would have expended. I take the item of collection of revenue. It is a large increase, it is true, \$1,321,631, but two items alone of that increase make up \$1,234,590, and, while the increase in the expenditure has amounted to that, the increase in the revenue from those two branches of public works and post office has amounted to over \$400,000 in excess of that, so that we certainly have not lost much under the circumstances in that operation. (Cheers.)

COMPARISON OF PROSPEROUS YEARS.

But a better comparison to take, as an indication of what would have been the expenditure if the hon. gentlemen had been in power during the prosperous time we have had, and which they tell us would have been prosperous if they had been here quite as much as under the present administration, is to take the years 1875-76, when they were fairly seated in their saddles and in a position, as they thought, of going on in a prosperous career of administration for years. We find that the total expenditure in 1875-76 by hon. gentlemen who tell us to-day that they never would have increased the expenditure beyond \$25,000,000, was \$24,488,372, and that, as compared with the expenditure of last year, leaves a balance of \$4,241,785 in excess. I take special items in regard to that. Take the ordinary expenditure which may be said to be controllable expenditure. I find that the increase in the ordinary expenditure was \$684,096, and that the increase in the Indian grants included in

that ordinary expenditure was \$830,636, or more than the entire increase of the ordinary expenditure. So, leaving out the Indian grants, which, I think, I may fairly assume to be to a large extent beyond the control of any administration, if we are to adopt the principle of feeding rather than fighting the Indians in the Northwest—a policy which everyone will say is a wise policy—then the ordinary expenditure was actually less by \$146,540 in 1883 than in 1875-76. Then I take the collection of the revenue and I find the increase in that was \$1,853,516, of which \$1,773,641 was for post office and public works alone, the revenue from public works and post office increasing during that period \$546,126 more than the expenditure. This leaves an increase for the collection of all the other revenues of the country, outside of the two items of post office and public works, of \$79,875, the increased revenue from those other sources having been \$10,887,296, while the debt and subsidies increased no less than \$1,731,172. That is the position of a comparison between 1875-76, when hon. gentlemen were in the full swing of their administration of the affairs of this country and 1883, which was an exceptional year of great prosperity, when, by a policy accepted by parliament, and accepted by the country, the government were generous in their contribution to the public service, especially to public works, for the benefit of the people at large. (Cheers.)

THE INCREASE IN THE PUBLIC DEBT.

But we are told that the debt has increased. Well, the debt has increased. It increased, in seven years, from 1867 to 1874, by \$32,596,323, or an annual average increase of \$4,370,903. I do not think the hon. gentleman can complain of that. That increase had taken place when he went to England to make his loan. When he issued his famous circular to the investors, to the money-lenders of England, I find that he makes this reference to that increased debt:—

"The whole of this debt has been incurred for legitimate objects of public utility. Though many of the public works have so far yielded but a small revenue in comparison with the interest on their cost, much of the expenditure has been regarded by the Imperial and Dominion governments as necessary, not in the interests of Canada exclusively, but also on national grounds, so much so that at various times the Imperial Government has sanctioned guarantees in aid of their construction to the extent of £8,400,000."

That was the testimony of the hon. gentleman as to that first increase of debt. (Cheers.)

Then the hon. gentleman came into office, and during the period from 1874 to 1879 the public debt of this country increased \$34,665,223, or in five years an average of \$6,933,040. I know that the hon. gentleman tells us that he is not responsible for that increase. I know that he tells us that that increase was necessary because of obligations which they inherited from the party who preceded them in office.

Sir RICHARD CARTWRIGHT—Hear, hear.

Mr. WHITE—I understand the hon. gentleman to concur in that view of his argument. Now, sir, what was the obligation which they inherited? Was it the deepening of the canals? Why, that was a matter under the Confederation Act made contingent on the condition of the finances of this country, and, when those gentleman came into office, so far were they from assuming the obligations incurred by their predecessors that they actually cancelled the tenders sent in for the works on the Welland canal and advertised on their own responsibility for new tenders for the construction of that work. (Cheers.) It does not, therefore, lie with them to tell us that they inherited that responsibility from the party who preceded them. They might, under the Act of Confederation, if they thought the finances of the country did not justify it, have postponed indefinitely the enlargement of the canals as far as any obligations were concerned. Then they say the Pacific Railway was an obligation. If so, it was an obligation that we should within ten years, or as near that as possible, construct a railway to connect British Columbia with the railway system of old Canada. Did they regard that as an obligation? Did, they, when the first contract was proposed to be let in 1880, regard it as an obligation? No; they voted in a body against it, declaring that the measure of the obligation was the financial condition of the country. (Cheers.) Therefore, they assumed that responsibility of their own motion which they might have left over, if they had chosen so to do, assuming, of course that the position they took in 1880 was a correct position. Sir, there were no obligations incurred by those hon. gentleman, the responsibility of which, in view of what has taken place since they left office, they are in a position to throw upon their predecessors in office. They assume those responsibilities themselves, they entered upon the construction of those public works, they incurred that debt, of their own motion, and having incur-

red it they ought not in all fairness, in all reasonable decency, to come down and say: "We had to do this because the obligation was thrown upon us by our predecessors in office." (Cheers.) No, sir, they increased the debt by an annual addition to it of \$7,000,000, in round figures during the period they were in office. Well, hon. gentlemen on this side of the house came in, and they have increased the debt from that time to the present by \$15,476,547, or an annual average increase of \$3,869,037. But, when you come to deal with the progress of the interest charges—which after all is the measure of the burden of this debt upon the people of this country—you will find that the condition is much more favourable to hon. gentlemen on this side of the house. From 1867 to 1874 the annual increase in the interest charge was \$207,715 per annum; from 1874 to 1879 it was \$222,345 per annum—and I am now taking the net interest charge not the gross interest charge. From 1879 to 1883 there has been an actual decrease in the net interest charge on the people of this country of \$60,866. So that if, since the conservative party came into office there has been an increase in the debt, that increase, measured by the annual burden, measured by the interest charge—which is the true measure of its burden on the people of this country—has actually decreased \$60,866. (Cheers.) Then, sir, if you take the gross interest charge, we find this: That from 1867 to 1874 the interest charge increased \$181,595 per annum; from 1874 to 1879 it was \$279,067 per annum; while from 1879 to 1883 it was \$82,035 per annum. (Cheers.) Then, sir, what has been our position with regard to

EXPENDITURE UPON CAPITAL ACCOUNT?

The debt has been increased, we admit, but what have we been doing with it? Why, sir, I find that the expenditure on capital account in excess of the additional debt from 1867 to 1874, was \$13,778,937; from 1874 to 1879 the addition to the debt in excess of the expenditure on capital account, was \$6,720,083, that is to say, those hon. gentlemen added that much to the public debt for carrying on the ordinary affairs of the administration of the country, and not in public works in any sense whatever. From 1879 to 1883, we have spent on capital account in excess of the increased debt \$22,463,439. That is the position in which the two parties stand in relation to the

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debt of this country. (Cheers.) I have not said a word here as to the point which the hon. gentleman disputes, namely that of the increase of that earlier conservative period, a sum of upwards of \$14,600,000 was a mere matter of account, was an assumption of the debts of the provinces, which passed from the people in the several provinces to the people in the Dominion—I have not dealt with that at all; I have assumed the whole. There is an increase in the public debt which has been made by both parties, and the result, I think, is one of which the conservative party need not be in any way ashamed. (Hear, hear.)

THE QUESTION OF SURPLUSES.

But, sir, it has been said that the policy of the present government has been to pile up surpluses, and we are told that it has involved a terrific tax on the people. Well, sir, the hon. gentleman did not always hold it to be a bad thing to have a surplus. I can remember what he said in that famous circular—a circular which is invaluable as a model in presenting the position of this country to the people outside. We find that the \$13,000,000 of surplus that occurred during the earlier years of confederation, was not then regarded by him as in the slightest degree a ground of complaint; on the contrary, it was presented to the people of England as a thing we ought to be proud of, as an evidence of the increased stability and the greater credit of the people of Canada. Here is what the hon. gentleman said:—

"The revenue has shown a continuous surplus during each year since confederation in 1867, although it has in the interval been charged with much heavy expenditure of an exceptional kind. The eight years since confederation, therefore, exhibit an aggregate surplus of £2,443,111 (sterling), not including the sinking fund, which has been partially applied in redemption of debt and partly expended on new works."

That was the statement of the hon. gentleman as to the position of a surplus at that time, when he was able to go to England and present to the people there the fact that during the preceding six or seven years there had been this large surplus in the public treasury. (Cheers.) But when we come to deal with the question of the

COST OF COLLECTING THE REVENUE,

we find another significant contrast. The hon. gentleman tells us that the country has been extravagantly managed, and that they would have managed it much more cheaply. Well, let me give one illustration, one contrast, of the manner in which the revenue

was collected under their administration and under the present one. Take the cost of customs collection. I find that in 1878 the customs receipts were \$12,795,693, while in 1883 they were \$23,172,309. I find that the cost of collection in 1878 was \$714,527, while the cost of collection in 1883 was \$757,245; that is, our revenue increased during those years no less than 81 per cent., while the cost of collection increased only 6 per cent. (Cheers.) Now, sir, in reference to that cost of collection, it is to be remembered that in the five provinces east of Manitoba, namely, Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island, the number of ports increased during that period from 295 to 314; and yet the cost of collecting the revenue in that increased number of ports was decreased by \$9,919. Then, sir, the increase in the cost of collection in Manitoba was \$29,770, but the revenue increased during that period from \$223,530 to \$1,764,806. In the Northwest Territories the increased cost of collection was \$4,121, while the revenue increased from \$19,098 to \$68,165 during the same period. The outside service in the customs department, namely, the experts which have been employed, and the detective service, which have been rendered necessary by the changes that were made in the tariff, was \$12,526. Now let me give you another contrast: In 1873-74 the imports were \$128,213,532, the duties were \$14,421,883, and the cost of collecting was \$567,765; while in the year 1878-79 the imports were \$93,081,787, the duty collected was \$12,795,693, and the cost of collecting was \$714,527; or, in other words, during the period that hon. gentlemen were in office, when they were economically managing the affairs of the country, when they were establishing for themselves that claim to condemn the alleged extravagance on the part of their opponents, I find that the imports decreased 28 per cent. the revenue decreased 11 per cent., while the cost of collection increased 27 per cent. (Cheers.)

ALLEGED ENHANCED COST OF GOODS—SUGAR.

But, sir, we are told by the hon. gentleman that there has been increased taxation to the people of this country in another form—that we have enormously increased the taxation of Canada by the increased cost of goods as a result of the protective duties which have been imposed. The hon. gentleman estimated this loss to the country at \$50,000,000; I wonder

he did not make it \$100,000,000. Let me give the house one or two points which the hon. gentleman made with respect to it. Take first the article of sugar. The hon. gentleman said:—

“To-day, I am informed by men of high standing in the trade, you could put down at Montreal, free of duty, those classes of sugar which are most in demand in Canada at the rate of \$5 $\text{\$}$ 100 lbs. I am informed by those gentlemen also that if they buy those sugars from Canadian refineries they have to pay \$8 $\text{\$}$ 100 lbs., being an excess of \$3. We consumed in 1883 152,000,000 lbs. of sugar. I will allow a large percentage, 12,000,000, to go into the accounts for the waste in converting that into such sugar as the people require; but every man can see for himself that if you could buy that sugar at 5 cents $\text{\$}$ lb., duty free, and are obliged to pay 3 cents more to the refiner, what the cost to the people of Canada that extra 3 cents $\text{\$}$ lb. is. It is \$4,500,000. Of that sum \$2,467,000 went into the treasury and \$1,500,000 was lost.”

That is the statement of the hon. gentleman. Now, sir, I do not know to what kind of sugar the hon. gentleman refers as being that consumed by the great majority of the people of Canada, whether he refers to granulated or yellows. If he refers to yellows, the price in Montreal to-day, and it has been so for some little time, varies from 5½ cents to 7½ cents, the latter being almost as pale and bright as granulated sugar. And granulated sugar in Montreal to-day is worth 8½ cents per lb. But we are not left to surmise in regard to the prices of sugar: and it is a fortunate thing for us we are not. When the hon. gentleman roams into the regions of surmise he is immense; 300,000,000 or 400,000,000 are matters of little consequence to him. But in this matter we are not, as I have said, left to surmise; we have the actual facts with which we can deal. As to this sugar question generally, I think the hon. gentleman admitted that as regards the \$1,500,000, which he said was lost, some little advantage accrued to the country from the increased shipping brought to the port of Montreal. Well, Mr. Speaker, that is an important factor in the trade of this country. If we can build up a trade with the sugar-producing countries of the world, giving to them in return for their sugar, fish and other products we may have to send them, we have accomplished a great deal towards promoting the trade of the Dominion. I find that one of the results of this policy has been that, while in 1878 we imported from the West Indies only 7,500,000 lbs., and from Brazil *nil*, (we had been doing a little import trade with South American ports, but it had

dwindled away to nothing), we imported in 1883 from the West Indies 72,750,000 lbs., and from Brazil 36,886,052 lbs.—a branch of trade which every one will admit is of very considerable importance. (Cheers.) That is to say, we imported from those two countries 85 per cent. of our entire import. We imported 8½ per cent. from the East Indies, China, etc., and 6½ per cent. from Great Britain and the United States, this being refined. Now, sir, in 1878 the total import was 108,951,920 lbs., the duty on which was \$2,567,803. Of the total quantity imported 95,154,570 lbs. were above No. 13 Dutch standard, and the duty paid was \$2,289,840. In 1883 the total imports reached 156,697,834 lbs., of which 4,283,488 lbs. were above No. 14 Dutch standard—the line being increased to 14 instead of 13 as was the case under the policy of hon. gentlemen opposite. The total duty paid was \$2,666,763, of which \$103,407, was for sugar above No. 14 Dutch standard. As to the question of the enormous protection given to the refiners under the present rate of duty, let me point out this fact; last year, on the average price in New York, less drawback, \$5.70 per 100 lbs, the duty by the Cartwright tariff would be \$2.43. The actual duty on the refined sugar imported was \$2.50. So that the protection we have had in connection with this duty amounts really to only 12½ per cent. I venture to say there is no industry in Canada with so small a protection, when you come to consider the relation of the raw material to the refined article, as has the sugar industry. (Hear, hear.) As to the question of prices and what we have paid for the sugar: The average price in New York, that is to American consumers, was \$3.64. The average price in Montreal for the same period was \$3.40; so that the people of Canada were actually obtaining their sugar on that basis at 24 cts. per 100 lbs, or nearly a quarter of a cent per lb less than the people of the United States were paying for sugar from American refineries. But taking it under the Cartwright tariff, with duty and charges added and drawbacks deducted, the average would have been \$8.93; while in Montreal, as I have said, the actual average was \$8.40, or a difference in favour of the present tariff to the consumer, as compared with the tariff of hon. gentlemen opposite of 53 cents per 100 lbs, or a little over one half cent per lb. (Cheers.) Taking the consumption at 140,000,000 lbs, the hon. gentleman's own figures, as representing the refined sugar provided for

consumption from the 152,000,000 which were imported last year, we have, as a result of this policy, that instead of paying 2 to 3 cents per pound more for sugar, as has been strangely stated by hon. gentlemen opposite, we have actually had a sum equivalent to \$700,000 put into the pockets of the people as money saved on sugar, compared with what they would have had to pay under the tariff of hon. gentlemen opposite. Or if you take the price in New York to the consumer, and in Montreal to the consumer, about which there can be no question, for it is a matter which can be ascertained from lists of current prices, then the people of Canada have had the advantage of \$350,000 last year over the people of the United States as the result of our present policy. (Cheers.)

It being six o'clock, the Speaker left the chair.

AFTER RECESS.

Mr. WHITE.—When the house rose I was dealing with the argument of the hon. gentleman as to the serious taxation imposed on this country by the extra duties under the national policy, and I had referred to the article of sugar, to which he made special reference, and I pointed out what I think is the case, that so far from the national policy having imposed extra taxation on Canada it has really been a great advantage to the country even in the matter of cheapness.

THE POSITION OF THE COTTON INDUSTRY.

I come now, sir, to the article of cotton, which, perhaps, is the one that the national policy has more developed than any other industry in the country. I am quite aware, Mr. Speaker, that there has been during the latter part of the last year a depression in the cotton industry in this country. That depression has been in common with the depression in the same industry in England and in the United States. Here it has arisen from causes which were almost certain to produce a depression sooner or later, and the effect of it has been to cause methods to be adopted by the cotton manufacturers which, I believe, will render less likely a depression of that kind in the future. When you remember, sir, that as late as October, 1882, the cotton mills were unable to supply the demand in this country, that they were unable to fill the orders that were coming into them; I think you will agree with me that the collapse—if one may use that expression—was more sudden than most persons anticipated. But during that time two-

thirds of the cotton mills of Canada were running on ordinary grey cottons. It was one of the most natural things in the world that upon an industry of that kind springing into existence, the manufacturers should first produce that particular class of goods which was certain to find the readiest market. During last fall the cotton mill owners met together and resolved to lessen by a considerable proportion the production of their mills. Three mills, and only three, closed down altogether, and they closed only for a month. The Hudon mill, it is true, closed for some three weeks longer, not because of any question of depression, not because of a want of a market for the goods they were producing, but because of the condition of the water in the St. Lawrence River. But, sir, in spite of that depression in the cotton industry, one cannot but feel that an enormous development in that industry has taken place in Canada. In 1878 there were seven cotton mills in this country. At this moment there are no less than twenty, and if you take the capacity of the mills into account, these twenty are equivalent to thirty of as great capacity as the seven which were in existence in 1878. [Hear, hear.] The mills are now adopting the plan of producing different varieties of cotton. Instead of producing as they did before, almost exclusively grey cottons, they are going into, in some cases, forty or fifty different classes of cotton goods; and I am glad to know that an industry which has recently been established—or rather is about being established, for it has not yet commenced work—in Magog, that is a print factory, instead of undertaking to produce the cloth, as originally intended, is going to take the cloth from the other mills and become simply a print factory, and that alone. In that way, I think the cotton industry has before it no such gloomy prospect as a great many persons are disposed to think, but that with the conditions which at present exist, with the low prices at which cottons are being sold, with the greater facilities for production which have resulted from the establishment of these mills, in the early future the cotton industry will resume the prosperity which belongs to it, and which attached to it during the earlier period of its recent development. (Hear, hear.)

COST OF COTTON GOODS.

But, sir, in this question of the price of goods, if the argument of hon. gentlemen op-

posite be a correct argument, then ordinary grey cheap cottons in Canada ought to be at least somewhere about 30 or 35 per cent. dearer than in the United States or Great Britain. In order to establish his argument that this tariff has been an extra tax on the people, he must first establish that proposition. Well, sir, has that been the fact? I have here a statement in which the American prices are taken from the New York *Economist* of January 12th, 1884, and the Canadian prices are taken at the mills, and I find that the average prices of goods in Canada have actually been just about the same as they were at the American mills. The American price for Whitinsville 33 inch is $6\frac{1}{2}$, for 33 inch Canadian $6\frac{1}{4}$ cents; for American Phelham 35 $\frac{1}{2}$ inch, the price was $6\frac{1}{2}$, for 36 inch Canadian $7\frac{1}{4}$; for American Hero 35 $\frac{1}{2}$ inch, the price was 7 cents; for 36 inch Canadian the price was $8\frac{1}{4}$; for 35 $\frac{1}{2}$ inch American Whitinsville the price was $7\frac{1}{4}$; for Canadian 36 inch the price was $8\frac{3}{4}$; for American Dwight Anchor 36 inch the price was 9 cents; the same width Canadian 10 cents. For Langdon G. B. 36 inch the price was 10 cents; for 36 inch Canadian the price was 11 cents. But, sir, when you come to the weight of the goods—which after all is a very important factor—taking the goods by the pound, I find that the average of the United States cottons was 23 32-100c. per pound, and of the Canadian 22 31-100c., so that giving the weight of the goods, the price of these cottons was actually lower in Canada than in the United States, the prices being at the mills in both places. (Cheers.) Now, it must be remembered in the discussion of this question, that we derive our revenue from customs duty under any tariff we may adopt. I do not understand that hon. gentlemen opposite propose to adopt free trade in the sense in which it is adopted in England. I do not understand that they propose to abolish all customs duties, and adopt the principle of direct taxation in order to raise a revenue for the purposes of government. Taking a 17 $\frac{1}{2}$ per cent. tariff, which was the tariff when hon. gentlemen opposite were in power, we have a right to add, on their principle, that 17 $\frac{1}{2}$ per cent. to the cost of cotton goods coming into Canada, and if then we can show that the goods are cheaper than in the United States, their argument as to the taxation involved in this tariff is entirely swept away.

Some hon. members—Hear, hear.

Mr. WHITE—The hon. gentleman seems to doubt that. Does he pretend to say that,

adding 17 $\frac{1}{2}$ per cent. to the cost of the goods in Canada, and with a 35 per cent. duty, which does not add more than 17 $\frac{1}{2}$ per cent. to their cost in this country, the cost to the people of Canada has been increased by the increased duty? Nothing of the sort. On the contrary, the result of the larger market secured to the Canadian mills by this policy, the result of the investment of capital in those mills, the result of the market being to a greater extent, to an enormously greater extent, secured to those mills in Canada, has been to reduce the cost by the larger output of the different mills. Everyone knows as a principle, which is perpetual, which never varies in regard to manufactures, that the larger the output the less the price at which the article can be produced, and by securing all those different cotton mills, by having some thirty mills—taking capacity into account—instead of seven in Canada, and with a reasonable assurance of a market for those thirty mills, instead of for the seven, the natural result is, that we get the goods a great deal cheaper than we have had them under the policy of the hon. gentlemen opposite, and as a matter of fact, we have the goods at a lower price than prevailed under the policy of the hon. gentlemen opposite. Let me give you a fact, which can be verified by anyone who chooses to enquire into the matter, as to the cost of cotton goods in September, 1878, as compared with the cost now. The price of raw cotton in September, 1878 was 11 $\frac{3}{4}$ cents per lb., and the cost of cotton goods, 3.70 yards to the lb., was 7 $\frac{3}{4}$ cents, or 28.67 cents per lb.; while to-day—when I say to-day, I mean the commencement of this year, to which these figures apply—raw cotton is 11 cents a lb., and cotton cloth 3.35 yards to the lb., is 22 $\frac{3}{4}$ cents a lb.; so that there is only three-quarters of a cent difference in the price of raw cotton at these two periods, while the cost of ordinary cotton cloth has been reduced from 28.67 cents per lb., to 22 $\frac{3}{4}$ cents per lb. That was the result of the larger output by these mills. (Cheers.)

COST OF LOCOMOTIVES.

Then, sir, there is another article to which I desire to refer as illustrating my point; and I refer to it because an incident has recently occurred in Canada which gives an undeniable proof that the duty has not as a general thing been paid by the consumer. I refer to the cost of locomotives, as shown in a contract recently

made by the Intercolonial Railway with the Kingston Locomotive Works, in connection with which very disgraceful and unwarrantable attacks have been made upon yourself, Mr. Speaker. (Hear, hear.) Now, sir, what are the facts with regard to that contract? The hon. member for South Huron, the ex-Finance Minister, will know something about this, for, if I mistake not, he is a shareholder in that company; and the hon. member for Kingston will know something about it, for, if I mistake not, he is a director in that company. Tenders were asked, if I remember rightly, for fifteen locomotives of a certain class, from the United States as well as from Canada. The lowest tender was from the Grant Locomotive Works, for \$10,900. Now, if we add 15 per cent. duty to that—and hon. gentlemen opposite would regard that as the very perfection of a low revenue tariff—the cost of those locomotives brought into Canada would be \$12,535 each. The tender of the Kingston locomotive works was \$11,300, or \$1,235 less than the article could be brought for from the United States, with 15 per cent. duty paid on it. (Cheers.) Then there were four locomotives required of a different class. The Cook Locomotive and Machine Company, an American company, made the lowest tender, which was \$11,000 at the shop, which, with a duty of 15 per cent. added, would give \$12,650 as the price in Canada. The Phoenix works, of St. John, N.B., built the locomotives, and delivered them, for \$11,300 or \$1,350 less than the price for which they could have been imported, with the duty paid on them. Not only was that the fact, but there is another rather remarkable circumstance in connection with this matter. There were four American locomotive works competing for this contract; and the average price, according to tender, at their shops was \$11,250, while the Kingston works tendered at \$11,300; so that the difference between the cost of these locomotives at the shop in Kingston and at the shop in the United States was only \$50 each in favour of the American manufacturer. And yet hon. gentlemen will tell us that the 25 per cent. duty charged on locomotives coming into the country represents a tax on the people of this country. (Cheers.) The hon. gentleman knows that under the tariff which existed before, these works which had been in operation had practically ceased to operate altogether; they were dead—practically dead. But a new company influenced by the conviction that under this tariff they would at least

have a chance of the market in Canada, bought the old establishment out, with the result that I have just pointed out, that today we are getting locomotives in Canada within \$50 of what they could be got for in shops in the United States, or, in the contract to which I have referred, for \$23,925 altogether less than we would have been compelled to pay had we bought them in the United States and brought them in and paid 15 per cent. duty upon them. (Cheers.) Now, sir, these particulars—I do not intend to give others, although I could do so—I think certainly establish that the effect has not been to increase the price to the consumer, but they show us what has been

THE VALUE OF THE NATIONAL POLICY

to this country. I ventured to say at the commencement of my remarks this afternoon, that the hon. gentleman had, because there were certain things that we could not control, taken the ground that we should not deal with those that we could control. What was it that deepened most seriously the depression that existed in this country in 1877, 1878, and the early part of 1879? It was the fact that this country was being made a slaughter market for the surplus productions on the other side of the line. Everyone knows that at times of depression manufacturers are most anxious to find a market anywhere for their surplus products; and in order, if it may be, that they may keep up the price in their own market for the remainder, they will give the foreign market the article at a lower price. We are told that this is better for the man in the foreign country. So it may be for the moment, while the depression lasts; but the moment that depression is past, and things get back to the position which I think we may call the normal position, when the necessity of sacrificing the surplus product disappears altogether, then we find that the people who were foolish enough to suppose that it was an advantage to get this surplus product thrown into the country as a slaughter market, have to pay a higher price for the goods and the labour of a foreign country, instead of getting the same article in their own country, produced by the labour of their own country, and at a lower price than they could get it for outside. (Cheers.) I venture to say that at no time since the national policy has been established, has it been of more value to the manufacturers of Canada than it is at this moment. Already, as

everyone in business knows, owing to the depression on the other side of the line, there is a disposition manifested to repeat the process that went on in 1877 and 1878. Were the low tariff such as we had then, in existence to-day, our manufacturers, everyone of them, would either be closed up, or compelled so to work as to realize no profit, practically, whatever. (Hear, hear.) L. the policy now in operation is, at least to a greater extent than the old policy, preserving this market to the Canadian manufacturer, is preventing that slaughter to the extent to which it went on formerly, though not to an entire extent, and in that way is doing more for manufacturers at this time than it has done at any time since it has been in operation. It is precisely in times of depression that a policy of this kind is of most value to a country, and not of least value, and he misunderstands the object and the advantage of this policy, who ventures to say that because you have depression you should therefore abandon the policy which lessens and mitigates that depression, and prevents it becoming what it would become, under other circumstances. (Cheers.)

CARTWRIGHT'S PLEA FOR SOCIALISM.

Then the hon. gentleman proceeded to indulge in a screech on behalf of socialism. He told us we were building up in this country two great classes. He told us we were building up a class of subsidized millionaires, and in so doing were creating, as all history proved, according to him, a class of paupers on the other side; that wherever, as he put it, there was great wealth in the hands of individuals, there was to be found great poverty on the part of the masses. And we were told that that was one of the results of our policy, and that we were not only doing this, but doing it to an extent which would justify socialism in this country. (Hear, hear.) It occurred to me as somewhat strange that the hon. gentleman should close this part of his speech by a statement of that kind, when during the whole of the earlier part of that speech, he had been telling us that the money put into manufactures had all been lost, that these industries had been unproductive, and that instead of being millionaires those who had sunk their millions in manufactures had lost their money. Both those statements cannot be true; but what is true is that this policy is enabling men who have a business capacity and capital and who understand their work to go on and reasonably prosper; it

enables them also to afford employment in this country for the working people of this country, which would not be afforded under the policy of the hon. gentleman. (Cheers.)

THE ALLEGED EXODUS.

Now I come to a point to which, I am bound to say, I very deeply regret the hon. gentleman found it necessary to refer in the way he did. This country has some difficulties to contend against. We are just on the highway to prosperity—I am not speaking now of the national policy, but of the natural prosperity which a great country like this is almost certain to achieve for itself. We are just on the highway to that prosperity, if we are only true to ourselves. But we have excited the jealousy of rivals outside of this country and of some enemies within it, and it is a matter of the gravest regret that an hon. gentleman occupying the position which the ex-Finance Minister does occupy, should have devoted so much energy, so much study and so much labour to the production of statistics in order to prove that this country, if the same conditions continue, which, he says, have existed for the last five years, would become absolutely depopulated within the next ten or twenty years. I am bound to say that was not a fair, I am bound to say that was not—I shall not use the word patriotic, for hon. gentlemen opposite do not like it,—but it was not a true position for the hon. gentleman to take. (Hear, hear.) He has been at the trouble of getting from his friends all over the country municipal and school statistics and everything of that kind for the purpose of showing that this country is practically becoming depopulated, and, when he finds the census stands in his way, he says the census is fraudulent, is not to be believed, is utterly worthless as a guide to the conditions of this country. Well, what do we find? The hon. gentleman selected one or two counties in this country. He selected your own county, Mr. Speaker, and one or two others, and he said these counties are becoming depopulated, and therefore this whole country is becoming depopulated. No other fair inference can be drawn from what he said but that he wanted to create this impression. But what do I find in the 86 electoral divisions of the Province of Ontario? for he dealt only with that province! During the last decennial period the population in 86 divisions in that province increased not less than 320,000 people. That was not a decrease; that did not

indicate that we were becoming practically depopulated, and, sir, out of the whole of those 86 divisions, there were only 9 constituencies in which there had been any decrease; and in these 9 constituencies the aggregate decrease was under 6,000. Yet, with these facts open to the hon. gentleman, he did not hesitate to give the sanction of his important and high position in this country to the statement that we were continually losing population, that our country was becoming in fact depopulated, that it was becoming a country where we could not hold our own people, and to which, therefore, the people of other countries would be exceedingly foolish to come. (Cheers.) I remember hearing a statement of this kind made many years ago, and I know in England it did injury to Canada. It was made by Sir Charles Dilke in the House of Commons when Mr. McCulloch Torrens brought in his motion for state aid to immigration in 1870. Sir Charles Dilke then made the statement, which he probably took from the speech of some person like the hon. gentleman, who was indifferent to the effect it might produce on the interests of the country, that there were more people going from this country than coming into it, that we were actually becoming depopulated. I had, at that time, the honour of representing the Province of Ontario, in England, for the moment, in connection with emigration matters, and I had a controversy with Sir Charles Dilke in the columns of the *London Standard* on this question, and by the testimony of the *Toronto Globe*, which, after all, I must say, did me every justice in that matter, I was able then, as I trust I will be able now, to show there was no ground for the statement, but that it was made in the interests of immigration to a foreign country rather than in the interests of immigration to this colony. The hon. gentleman referred to the depopulation of some of the towns in Canada. Well, what do we find? We find that, according to the last census and during the decennial period, in forty-three towns, incorporated towns having under 5,000 inhabitants each, in the Province of Ontario, the increase of population was in the aggregate 32 per cent.; and we find that in the whole of those forty-three towns there were but two in which there was a decrease in population, and that decrease was infinitesimal. (Cheers.) Every one knows that in a new country like this towns spring up at every likely place as railways are

built, and that when the result of building a railway does not turn out to be for any particular town precisely what those who, in the first instance, hoped it would be, that town will suffer while others near it will grow up and increase. When the one ceases to prosper, the other prospers still more abundantly from the accretion obtained from the losing town. That is a kind of thing that occurs everywhere in a new country. It is no indication of a loss of prestige in the country, nor of a loss of prosperity or a decrease in population. It is simply one of the incidents connected with the development of a country and of the building up of towns in a country, as the result of railway development, and is an incident which, as everyone, as I have said, who has been an observer of things knows must and does occur perpetually. (Hear, hear.) In the nineteen towns and cities in the Province of Ontario having over 5,000 inhabitants each there has been an increase of population during the decennial period of no less than 40.2 per cent. That was the condition of things as to the increase of population in Ontario during the period to which the hon. gentleman referred.

THE MOVEMENT OF POPULATION.

It is quite true that people have gone from Canada into the United States; it is quite true that we have not been free from that tendency to migration which obtains all over this continent, and which caused the State of Vermont, for instance, in the decennial period from 1860 to 1870, to lose in population some 7 per cent., and during the last decennial period to increase only one-half of one per cent.; which caused the State of Maine to be almost stationary, and a number of the other eastern states to increase in nothing like the ratio in which the western states increased, as people move on from the east towards the west. But what do we find on comparing our condition with that of the United States? I propose, in a moment or two, to deal with the argument which the hon. gentleman dealt with, and which is a perfectly fair argument in a way—that we lose population to the nation, while they simply transfer population from one part of the same nation to another. I shall deal with that presently. But, taking the original thirteen states of the union, I find that they have lost, of their native population, according to the last decennial census, 19.08 per cent., while Canada has lost of its native born population 16.47 per cent. (Cheers.) I find

that [even the three states of New York, Ohio and Pennsylvania, have each lost a larger number of their native-born population than Canada has lost. New York has lost of its native-born population 1,189,261, Ohio has lost 1,034,373, Pennsylvania has lost 788,515, while Canada has lost 712,368. Now two of these, at any rate, Ohio and Pennsylvania, are considerably smaller in population than Canada, while New York has probably the same, or perhaps even a little more population than Canada. They are three states of the union which are esteemed to be among the wealthiest and the most prosperous states of the union. And yet, by that process of migration, by that disposition to go westward to seek for new fields, they have each of them lost a larger number of their native-born population than Canada has lost. [Hear, hear.] Even the western states, even those new states, those prairie regions, where people have gone this last thirty or twenty or ten years, as the case may be, and where they are building up for themselves homes, even those states are losing their native population. Minnesota has lost of its native-born population, going into other states of the union, 39,479. Kansas, the paradise of one hon. gentleman opposite, has lost 46,085 of its native-born population. Texas, the paradise of another of the hon. gentlemen opposite, has lost 44,315. So, even in those western states that same process has been going on of migration to the west. Taking the percentages of loss of native-born population by states, I find that Rhode Island has lost 17½ per cent., Wisconsin 15½, Massachusetts 15, New York 23½, Pennsylvania 18½, Connecticut 22½, Ohio 32½, Vermont 53½, Maine 28, Illinois 17.85, and Canada 16.47. Of these ten states all but two have lost a larger proportion of native-born population than the Dominion of Canada has lost. (Hear, hear.) Under those circumstances, I think I may fairly say that the tendency of migration is not a matter to be wondered at—that it is not a matter which is to be cited as an evidence that this country is not prospering. In the earlier part of the history of Canada we had western counties to which the people could go. Taking three counties with which I am tolerably familiar, Huron, Bruce and Grey, I find that, in 1851, the aggregate population of those three counties was 35,352; in 1871, twenty years afterwards, their aggregate population was 174,075, and I find that in 1881 the aggregate population was 216,873. In

1870—well, certainly in 1867: of that I can speak of my own personal knowledge—those counties, the northern part of Huron, the whole of Bruce, and the western part of Grey, were without railway facilities at all. You could put one point of a compass on Mount Forest and describe a circle of 45 mile radius without touching a railway, and yet, when farmers had to cart their grain as much as 90 miles to get down to Guelph, which was the leading market town at the time—when they had to cart their grain or, during the winter, to take it down in sleighs—during that time the increase in population was from 35,000 in 1851 to 174,000 in 1871; and, if anyone will go through those counties, as I was in the habit of going through them some few years ago in connection with railway matters, he will find everywhere, as I, an old Peterborough man, found in the county of Bruce, and on almost every concession line, men who had gone from Peterborough to Bruce to settle there, in order to get cheap lands for themselves and their sons, and to bring their family together, selling their farm in the older county to get new lands and build up a new home in a newer county. (Cheers).

CANADIAN EMIGRATION.

But, in process of time, those places go filled up, and then people went further west. We had no prairie region to which they could go. They were compelled to go to the Western States by an almost unavoidable impulse, to find prairie land on which to settle with their families, to get land comparatively cheaply, and to make new homes for themselves. They went there, and, as one and another went and wrote back to their friends, that process of emigration, begotten of the best kind of emigration agent, the successful settler in the new district, kept going on; and that, so far as the Western States were concerned, was one of the causes which brought that emigration to the Western States. Take the State of Michigan, where no less than 147,000 of the population are native-born Canadians. And who are they? They are men who have gone there attracted by the numbering operations which are carried on in that State, men who found in it the opportunity for labour which they could not get in old Canada at the time. And in the eastern States, where you find large settlements of French-Canadians, they went there to get precisely the kind of work which happily many of them are now getting in Canada, in the mills and

factories of that country, and thus they swelled the population. It is, or should be to us as Canadians, a matter of sincere satisfaction to know that, though they are settled in that foreign country, they have not forgotten that they are Canadians, and that, during recent years, the tendency has been not to go from Canada to the States, but it has been the migration of Canadians coming back into Canada. Last year, if I am correctly informed, there were about 20,000 of the immigrants who came into the country, according to the statement issued by the immigration department, who gave themselves in at the port of entry as being returned Canadians. (Cheers.) Then we are opening up in the Province of Quebec fields which will give an opportunity for these people to come back to their native land. My hon. friend the King of the Gattineau, the hon. member for Ottawa (Mr. Wright), gave us last year a magnificent description of the country in the rear part of his county. We know that the Rev. Curé Labelle, that patriot priest, who is doing perhaps more than any other individual man in the Province of Quebec to develop its interests, is bringing back hosts of Canadians, and settling them in parts of the country which a few years ago were looked upon as practically uninhabitable. Then, in the Lake St. John region, we have another Northwest opening up for the Province of Quebec, and before many years are over, I believe we will find a development of population in those districts which were regarded as of no value—when it was thought that Lower Canada, particularly, consisted of a strip of land along the St. Lawrence, and the rear country was looked upon as inhospitable wild—we will find settled there hundreds of thousands of Canadians carving out for themselves happy homes, and among them we will find returned Canadians who were expatriated and went abroad to get work which they could not get at home, but who seized the first opportunity to settle in their own native country when new fields were opened to them. (Loud cheers.)

THE AMERICAN EXODUS FIGURES.

Now, sir, the hon. gentleman was good enough to attempt to justify the extraordinary statements which have been made by the officials of the American government as to the emigration from this country. Sir, I am astonished the hon. gentleman should have done it. If he had looked at the simple fact of the number of passengers, as given by the railway companies, who

can have no motive whatever in deceiving anybody in a matter of this kind, if he had looked at the number of those who cross and of those who come back, he would have seen that these statements could not, in the very nature of things, be true or accurate in any sense whatever. (Cheers.) Sir, in another place evidence has recently been taken on this subject, and what do we find? We find a statement made as to how these figures have been cooked—and I use the word advisedly—cooked, I believe, as part of the policy which is being adopted, and to which the hon. gentleman who spoke on Friday night, I am bound to assume as a matter of courtesy, inadvertently lent himself—cooked for the purpose of injuring the country and of preventing that development which jealous rivals desire should not take place in Canada. (Cheers.) I find that a Mr. Irwin, who was deputy collector at the port through which all this extraordinary emigration takes place, gives this evidence:—

“ You asked what method I used and what data I had to go upon in making up the report. It was simply arrived at by taking the four quarters of the year and allowing more for the summer, spring and fall quarters than for the winter, as the ocean steamers could not land at Quebec or Montreal during the winter. In reply to your enquiry as to whether any attempt or pretence was made of counting the number of emigrant passengers, I would say that I never, during my term of office, saw or heard of anything of the kind being done.”

That, sir, is the gentleman who is making these returns, and here is his evidence as to how he made them up. Then he goes on to make another statement:—

“ I was told to estimate what I thought was the number of immigrants that arrived from all trains, &c., for the quarters ending March 31st, June 30th, October 31st and December 31st, as each ensuing quarter came round, and was given to understand that an increase in each quarter corresponding with the quarter of the preceding year was required to be shown. On one occasion my report was sent back to me with instructions to put in more females and children. I asked, jokingly, where I was to get them, and was told to manufacture them. In fact the whole matter was treated as a joke. Some one would say to me, ‘ Where do you get your facts in the case?’ and I would reply that ‘ figures were facts and could not lie.’”

Then, sir, we have a statement from another gentleman who was engaged in the work of preparing these statistics which hon. gentlemen opposite are not ashamed to cite on the floor of parliament to the injury of this country:—

“ With regard to the emigrants from Canada, the statement was got up from a guess at

the probable number of passengers on the different trains. We would average, say, six cars to the train and sixty people to a car, and call half of the whole lot immigrants. At certain seasons of the year, when travel was light, the average would not, of course, be put so high, but the whole thing all through was nothing but guess work. We never attempted to make a count of the passengers to know whether they were immigrants or not. In fact it was impossible, as we had neither time nor men enough to do such a thing. Charles Irwin and myself got up these returns entirely by guess work, and copying off the old returns, and before my time he helped Crawford and others of my predecessors to get them up. The idea was to make the immigration look as big as we could. I know myself of large crowds of men going to the lumber woods in the fall who were taken as immigrants, although we knew perfectly well they would all go back to Canada in the spring. In getting up the returns, the way we got at the occupations of the immigrants was this: We took so many thousand persons, and called so many of them carpenters, so many blacksmiths, so many painters, etc., and the balance we called farmers. In fact, the whole thing, from beginning to end, was nothing but the purest guess-work."

Sir, this is the evidence of the gentlemen who were employed in preparing these very figures which the hon. gentleman on the floor of parliament, in spite of his position, in spite of the responsibility which he ought to feel attaches to every statement he makes, ventured to say were to be believed; and he actually went through the country getting municipal and school returns, and returns from some towns that happened not to have prospered the last few years, in order that he might sustain the statements, which, I am bound to say, are utterly unworthy of credence in view of the manner in which, as it now turns out, they have been prepared. (Cheers.) Then, sir, the hon. gentleman went on to deal with the

QUESTION OF FOREIGN POPULATION.

He said there could not possibly have been so many immigrants coming into Canada during the last ten years because, forsooth, there was not as large a foreign-born population at the end of the ten years as there was at the commencement. He assumes that 20,000 a year was a very large death rate for that foreign population. Now, sir, it is impossible for any one, I care not who he may be, to make a correct or absolute analysis of figures of that kind and to find out precisely what the death rate of that foreign population was. I think we may fairly assume that from 1861 to 1871 there were comparatively few immigrants settled in Canada. At that time the mode of keeping immigration returns accepted as immigrants

all who came to the ports of Quebec and Montreal, not at all deducting those who simply came *in transitu* and passed through. It is well known to every one at all acquainted with Canada during those ten years, that there was comparatively little foreign immigration during that time—I think I am right in that estimate, and I appeal on the point to every one who knows anything of the matter during that decade. (Hear, hear.) It follows, therefore, that the foreign population of the country in 1871 was composed largely of old people, and the death rate which the hon. gentleman referred to does not, I believe, in any sense whatever represent the death rate which took place during that time of the foreign-born population in Canada. If the hon. gentleman will look at the American census, if he will take the foreign immigration that came into the United States from 1870 to 1880, and following the process of reasoning which he has adopted in this case, if he will take the foreign-born population in the United States at the end of that period and at the end of the previous period, he will find that there were in the United States more than a million of foreign population less than there should have been under the process which he applies to Canada. Wherever that million went to in the United States it certainly is not to be found in the United States now; and in view of that fact, and especially in view of the fact that many of this foreign population may have been merely migrants not remaining in the country, I think we may fairly assume that the process upon which the hon. gentleman founded his argument was not a fair or correct one. (Cheers.) Now, sir, I think it is unnecessary to say any more on the subject of immigration, or on the migration which the hon. gentlemen have referred to. To-day, fortunately, we are not in the position we were in formerly; to-day, fortunately, we have our own Northwest to which these immigrants can go; they are not bound to go to the United States any longer. And, sir, more than that, the Americans themselves are going into our Northwest, simply because it is a newer country, and the tendency is to remove to newer countries. Why, sir, a system of migration is going on in the Northwest itself. If you go up the South Saskatchewan to Prince Albert, you will find along the banks of the river two or three hundred settlers who were formerly residents of Manitoba. If you will go up to Edmonton you will find there a number of settlers who made their first settle-

ment in the neighbourhood of Prince Albert or in Manitoba, the tendency being perpetually to go west, (hear, hear.) But with that country now open, with the opportunity to the Canadian emigrant to go in and find a home in his own country instead of in the United States, I venture to believe that the census returns of the current decennial period will tell a very different tale from that which the census told at the end of the last decennial period.

MANITOBA AND THE NORTHWEST.

And this brings me to deal with the question of our Northwest. I know I have been accused of being unfriendly to the Northwest, because of a remark I made in this house the other day. That remark has been travestied everywhere as if I were an enemy to that country. Thank God I do not stand here to-day requiring to assert my friendship to the Northwest and my earnest hope for its welfare. For twenty years, by tongue and pen, with such ability as God has given me, I have been an earnest and enthusiastic advocate of the Northwest of this Dominion, and I believe, as strongly as I believe I am standing on the floor of this house, that the future of this country depends on its development, and without that development, without its success, the future of the old provinces is hardly worth considering at all—that is, in the sense, I mean, of an independent and prosperous community. Our people will go westward, and the future prosperity of these old provinces depends, I say entirely, and I use that word advisedly, as we stand on this continent to-day, upon the development of our Northwest country. Sir, I used the term the other night, and I repeat it, that those are the greatest enemies to the Northwest who are endeavouring to convince the settlers that they should be “spoon-fed” by the older provinces. That is the fair and reasonable meaning of my statement. (Cheers.) But are the settlers parties to that? I shall require better evidence than anything we have seen in the past before I believe it. People have gone into that Northwest country. They have found grievances, if grievances they may be called, which are incident to new settlement. They are nothing, as difficulties, to compare with the difficulties which attended settlers in the old provinces of Ontario, Quebec, New Brunswick and Nova Scotia; but they are incidents which they bear, and which I believe they are prepared to bear, courage-

ously, hopefully, and with the result of finding themselves before long prosperous and well-to-do settlers. The hon. gentleman talked of sympathizing intensely with those who wished their grievances in the Northwest to be redressed. I ventured to ask him, across the house, what those grievances were, and he was kind enough to refer to two, and to two only: First, the land regulations; and second, the railway monopoly.

THE LAND REGULATIONS.

Now, sir, what are the grievances connected with the land regulations? Sir, are those grievances greater than those which have obtained in the neighbouring states, which are our rivals in efforts to obtain population for our Northwest? Does the settler going into the Canadian Northwest stand in a worse position than the settler going into Dakota, Minnesota, Kansas, Texas or any other states or territories of the American union? No; on the contrary, the land regulations are infinitely more liberal in the Canadian Northwest than they are in the United States. [Cheers.] The regulations have been changed, we have been told. Hon. gentleman opposite, when on this side of the house, changed the land regulations frequently. At one time they shut up against settlement large portions of the Northwest altogether, and the last regulations they made before going out of office were to open those lands to homesteaders and settlers at \$1 per acre, but with the understanding that they should afterwards pay what the government might consider the value of the lands when the railway was built and they came to assess that value. [Cheers.] That was the condition of the land regulations when hon. gentlemen opposite went out of power. The present government have changed the regulations on two or three occasions, and on every occasion they have changed them for the better, until to-day they stand as much superior to those in force under the previous government as it was possible for one set of regulations to be superior to another. We are told there were some reservations in the Northwest; that there were large reservations in Southern Manitoba and that the Mile Belt along the line of railway was reserved. As regards the reservation of the Mile Belt, that certainly could not be a serious injury to settlers going in there to make homes for themselves. There was a reason for that reservation. There was a disposition to speculate to an enormous extent in town and village lots in the North-

west. Wherever a station was placed, there people expected a town would spring up. The same thing was going on and he same disappointment will follow, as occurred in 1855-56, when the Grand Trunk was being built and plans of paper towns were to be found in every hotel, and when the people expected to make fortunes by buying a town lot at a railway station. There was a terrible awakening then, and the awakening in our Northwest villages and towns has also been of a very serious character; and I believe, as regards some of them, there will be great disappointment in the future. (Hear, hear.) But it was not desirable that people should be induced to take up lots in the Mile Belt and hope to have a station on the lot and convert it into a town plot. The moment stations were fixed along the line, the difficulty was removed, and the Mile Belt was thrown open to settlement; and at this moment settlers can go into the Northwest and into every part of it, on the railway reservation, I mean the even-numbered sections of the railway reservation, on the even-numbered sections of the Colonization Company's grants, throughout the whole Northwest the land is open for homestead and pre-emption, not as in the United States, for homesteading alone or for pre-emption alone. [Cheers.] Every man can take a homestead of 160 acres on the payment of a fee of \$10, while in the United States he has to pay fees running from \$15 to \$28, according to the lands he happens to get. In addition, the settler in the Northwest can take a pre-emption of 160 acres alongside his homestead, and he can find himself immediately in possession of 320 acres of good land, on which he can settle with his family. Where are the grievances in connection with these land regulations? (Cheers.) Is it a grievance that a man can go there and obtain 160 acres for nothing and another 160 acres for a comparatively nominal sum? No; there is no evil connected with the land regulations of to-day. What is wanted in that country, and what I trust will be given at all times, are civil, kind officials, who will recognize, when immigrants go in, that there is nothing they want so much as a kind shake of the hand and a God bless you. Cold officialism sometimes drives back immigrants and settlers, and any officer who undertakes to be guilty of it in the Northwest should be punished by instant dismissal, however valuable his services may be. (Cheers.) That, sir, I

believe, will be the policy in relation to the liberal land laws which now prevail in that country, and I am bound to say that I think there is no grievance of that kind. But we are told that there is a grievance in relation to

THE MONOPOLY CLAUSE OF THE RAILWAY.

Sir, is it a grievance that a country like that, which has just been settled, which is just being settled, should have already some 1,200 miles of railway built through it, without a dollar of cost to the people who live in it? Is that the grievance which hon. gentlemen opposite complain of? They tell us, if it were not for that monopoly clause independent lines would have gone into that country and they would have had the competition which they say they desire. Sir, a very shrewd man in this country, a practical engineer, whose name is well known to a great many people, and I venture to say, to every gentleman in this house, I mean Mr. Thomas Keefer, once said, that the longest railroad journey a man could take was the journey from the charter to the rolling stock. (Hear, hear.) Sir, the mere giving of opportunities to build a railway, the mere granting of a charter, does not build a railway. These settlers in the Northwest, or rather those who are undertaking to speak in their name, pretend to think that the Northern Pacific would have built railways into that country. Sir, already that bubble has burst. That road has enough to do to take care of itself at this moment, without building branches either into our country or into their own. But, sir, we have had two or three railway companies, aye, several railway companies, chartered, and what has been the result? There is no difficulty about competition within the country itself. Any man can get a charter from parliament—I sometimes think they can get them too easily—who will come here and propose to build a railway from Winnipeg to any part of that country, except across that Fifteen Mile Belt. Several charters have been obtained, and how many railways have been built? The Southwestern Railway has been partly built, and I believe, but for the conduct of the agitators in that country, who, I fear, have been thinking more of their politics than their country, but for the effect of their agitation, but for the news which went abroad that there is discontent in that country, a disposition almost towards secession or rebellion, I believe that arrangements would to-day have been completed for the construc-

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tion this season of 112 miles of the South-western Railway. Let us hope that it will be built by some means or other. [Cheers.] Then take the Northwestern from Portage la Prairie westwards over the old trail which went towards Prince Albert. What is the position of that road? A few miles have been built and an advantage has been derived from it, and to-day the promoters are in England endeavouring to raise capital to complete it. And how are they met? The news that comes is that the enemies of the Northwest, the agitators of so-called settlers' grievances, have had such an effect upon the British mind that they are met with this agitation wherever they attempt to get a dollar of money to put into that road. (Cheers.) There is no difficulty about building railways through the Northwest, and as to that so-called monopoly clause, hon. gentlemen know that it was the policy of both political parties in this country that the Canadian Pacific Railway should be built in such a way, and the territory preserved in such a way, that the traffic of the Northwest should have at least a reasonable chance of coming down over our own lines and through our own channels of communication. (Cheers.) That was the policy of both political parties. The charter of the Canadian Pacific Railway does not affect old Manitoba at all. It has nothing to do with old Manitoba. Their is no privy of contract with the Canadian Pacific Railway Company that railway charters shall be disallowed within the old boundaries of Manitoba, and as to the portion of the province which is included in the new boundaries, if it applies to that, it applies by the deliberate act of the Manitoba Legislature, which passed an act sanctioning it. We have had an announcement made on the floor of parliament which, I believe, will be carried out, that with that railway built north of Lake Superior the interests of this country, in connection with the trade of the great Northwest, as well as the interests of the Canadian Pacific Railway, will render unnecessary any exercise of the power of disallowance; but that on the contrary, with that road built through that section of the country, the object of the company will be to secure traffic from the western states over their line north of Lake Superior, down to Montreal and Quebec, and from Quebec to the ports of the maritime provinces—and that will be their policy rather than to cut off communication with the American states.

THE QUESTION OF FREIGHT RATES.

And what does the monopoly amount to? Unless it can be shown that it has resulted in practical evils to the people of the Northwest, it is simply idle to talk about it at all. I find, taking the matter of freight rates—and I make the statement here from information which I believe to be correct—that during last fall there has been a higher price paid to the farmers for grain along the line of the Pacific Railway in the Northwest than along the portions of the line of the Northern Pacific in the corresponding condition in the United States. Now what are the relative rates of these two railways, which are corresponding railways, both carrying grain from the west to the east. From Winnipeg to Port Arthur, on the Canadian Pacific, the rate is 28 cents per 100 lbs; from Geneva to St. Paul, the same distance, on the Northern Pacific, it is 33 cents; from Manitoba to the Landing, 539 miles, is 30 cents; from Eagle's Nest to St. Paul, on the Northern Pacific, for the same distance, it is 48 cts. From Brandon to the Landing, on the Canadian Pacific, 568 miles, the rate is 33 cents; from Taylor to St. Paul, on the Northern Pacific, the same distance, it is 55 cents. From Verdun to the Landing, a distance of 615 miles, the rate is 36; from Sully Springs to St. Paul, the same distance, on the Northern Pacific, the rate is 64 cents. From Broadview to the Landing, 699 miles, the rate is 37½ cents; from Glendive to St. Paul, on the Northern Pacific, 690 miles, the rate is 80 cents. From Regina to the Landing, on the Canadian Pacific Railway, 792 miles, the rate is 40 cents; from St. Martin to St. Paul, 790 miles, the rate is 90 cents. From Calgary to the Landing, a distance of 1,275 miles, the rate is 63 cents, and the same distance on the Northern Pacific, the rate is \$1.40. (Cheers.) So that the rates you get for the longer distance on the Northern Pacific are actually double what they are on the Canadian Pacific Railway. That is the condition of the freight charges on these two roads, one running through American territory, and the other running through Canadian territory. Sir, there is no doubt whatever that the question of transportation is the great question for the Northwest—the one important question, which overtops all other questions. The one question which challenges every man who goes into that country, is whether he can secure for his grain such a price as will enable him to cultivate profitably, and that

questioned is answered by the price it is going to cost him to get at the market. Last night I took the liberty of telegraphing to Mr. Van Horne, as to the rates of freight which are to be charged for wheat from Winnipeg to Montreal during the coming season, and what is his answer? I will read it to the house:—

"On opening navigation, rate on wheat by railway to Port Arthur, lake from there to Owen Sound or Algoma, and railway thence to Montreal, will be 28 cents per bushel, including elevator charges, but by railway to Port Arthur, thence by water to Montreal, it will be about 25 cents per bushel.

"W. C. VAN HORNE."

(Cheers.) I venture to say that when you have established the fact that by this road you can take Manitoba wheat from Winnipeg and bring it to the port of Montreal at 25 cents per bushel, and when we remember that that wheat, at the port of Montreal, is worth at least 10 cents a bushel more than wheat from the Province of Ontario, which practically makes the cost of transport 10 cents less on the bushel, you have done away altogether with the question of monopoly. (Cheers.) The Canadian Pacific Railway Company have as great an interest, almost, as the country itself has in the development of that country. The success of their enterprise depends entirely on the manner in which they can put settlers into the country, and the manner in which they can put settlers into the country, depends on the manner they treat them when in the country. What did we find last fall, when the difficulties occurred in connection with the stories of frozen wheat in that country, and the actual fact of frozen wheat in some cases. When the settlers went to the managers of the Canadian Pacific Railway and laid the matter before them, they found them ready to meet their views at once; and upon that frozen wheat there was an immense reduction made at once in the freight charges, in order to compensate the settlers, as far as they could, for the damage done to them by this unforeseen and almost unprecedented event. (Cheers.) Sir, there is no ground whatever upon which any just complaint can be made in relation to the facilities afforded to that country compared with any other part of this North American Continent; and, sir, I venture to say—and I am sure people outside of this house, uninfluenced by their party sympathies and their party desires, will agree with me—that there is no part of the Continent of America to-day similarly situated with the Northwest Terri-

ories which has the same railway facilities afforded to it, and at the same time comparatively low rate of charges. (Cheers.) Now, sir, these parties say that they want branch roads, and I sincerely hope they will get them. If they will give capitalists a chance to have confidence in the country; if they will only hold their hand, and if hon. gentlemen in this house who are making use of the temporary agitation there for their own advantage will only hold their hand—if they will not create an impression in the minds of capitalists everywhere that that country is not a safe country in which to invest capital, because it is liable to political tumult, and possibly to political changes—if they will only avoid that—then, sir, I venture to say that money will be got to build these branch railways, and before ten years more the people of the Northwest, in every part of it, will be able to realize that their lots are indeed cast in pleasant places, and that they have indeed a goodly heritage. (Cheers.) Sir, the hon. gentleman did not refer to other grievances which the people urge. He did not refer to the project of

THE HUDSON'S BAY RAILWAY,

which they ask to be built immediately at the public expense—practically at the public expense—because I believe they are asking the provincial government to guarantee the bonds of that railway. Now, sir, I sincerely hope that the Hudson's Bay route will prove to be a success. I believe it will prove to be a success. It is a commercial question—entirely a commercial question. No building of railways to the Hudson's Bay by this house will ever make the Hudson's Bay route a success, unless you can convince merchants, ship-owners and underwriters that it is a safe route for vessels. But I am sure that the people of the Northwest will be glad to learn the announcement made the other day in the newspapers as to the policy of the government with reference to that project. In this, as in everything else, the conservative party are the pioneers in good works in the interests of the Northwest. (Cheers.) Sir, I am sure the people of the Northwest were glad to learn that it is the intention of the government this year to cause a thorough exploration to be made of the feasibility of that Hudson Bay route, and that increased inducements are to be given to capitalists who are disposed to enter on the work of the Hudson Bay Railway. I am not afraid, as one belonging to

the older provinces, as a resident of the city of Montreal, of any effect that will be produced on the eastern provinces by the opening up of that route. No; Mr. Speaker, the more you can develop that Northwest by additional routes, the more you develop its value as a factor in the progress of the whole country. If you can secure to the people there a means of getting their grain out of the Northwest by way of Hudson Bay, and from that point to Liverpool, by a shorter line than the route by Montreal, and if, as the result, there is a large increase in the trade and population of that country, I say that will inure to the great advantage of every part of this Dominion, and we may fairly look forward to increased competition for the trade of that Northwest, by the older channels, as soon as the new one is opened up. All that is wanted is that people will be true to the country. Sir, it seems an extraordinary thing that men

can imagine that by a mere stroke of the pen that country can be covered by an iron girdle of railways traversing it. Wonders have been already accomplished in connection with it. No other part of this continent has seen similar wonders; and if hon. gentlemen will only give that country a chance, and make up their minds for once that they will sink their party and think only of their country—if they will only allow capitalists to have full confidence in that great country, I venture to say that before five years are over we shall hear no more of Manitoba grievances, because the practical experience of those five years, and the practical results accompanying it, will be such that every semblance of what to-day is regarded as a grievance will have passed away, and the country will be in that condition of prosperity which every man in this country earnestly hopes for it. [Loud and continued cheers.]

