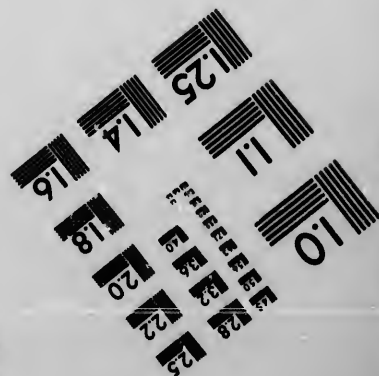
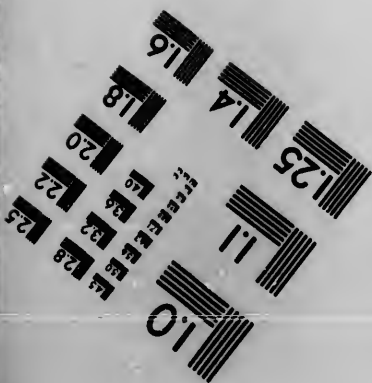
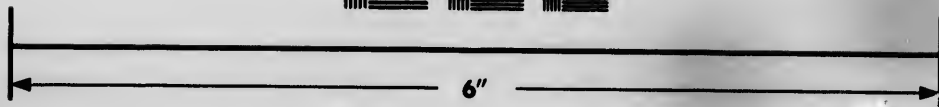
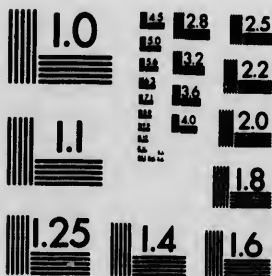


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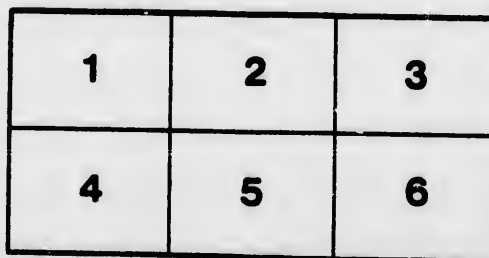
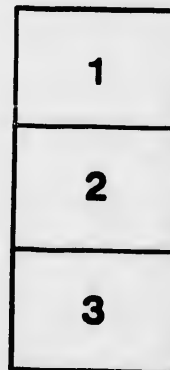
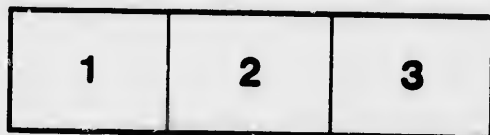
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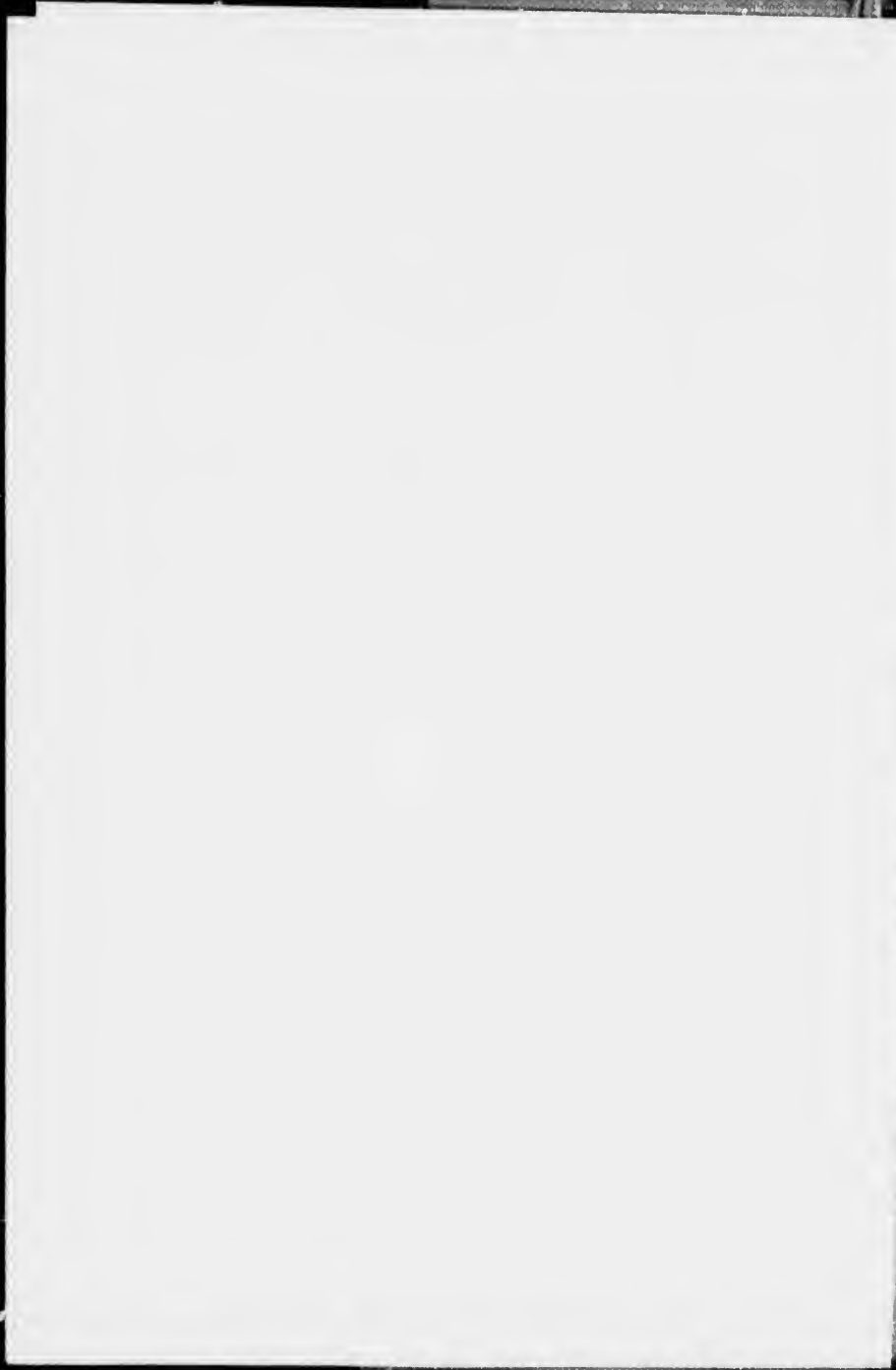
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U. S. GOVERNMENT PRINTING OFFICE: 1889

SPEECH

OF THE

Hon. J. J. C. ABBOTT

LEADER OF THE SENATE

IN

DEBATE ON TRADE RELATIONS

MARCH 15th, 1889

U. S. GOVERNMENT PRINTING OFFICE: 1889

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MARCH 15th, 1889

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SPEECH

OF THE

HONORABLE J. J. C. ABBOTT

LEADER OF THE SENATE

Hon. Mr. ABBOTT—I have great pleasure in answering the question which the hon. gentleman from Midland put to me, and which has been the subject of this long and exhaustive debate, and to inform him that the Government regards with all the interest which he has expressed, the development of our trade with the countries to which his question relates; and that they are devoting to it this year a considerable sum, for the purpose of supporting and assisting communication by water with those countries. The amount placed in the Estimates is \$60,000, but the precise mode in which it is to be distributed is now under consideration.

While making this answer to my hon. friend, I must join with all the hon. Senators who have spoken, in complimenting him upon the pains and assiduity with which he has studied this question, and on the very complete manner in which he placed it before the House. It is not every one who passes his holidays in seeking to discover what may benefit his country, and the line of action which my hon. friend has adopted in doing so, is much to be approved of. We appreciate the importance of the task to which my hon. friend devoted himself, in proportion to the rareness of similar action on similar occasions. In saying this, I only echo what everyone else has said, and in commencing the remarks I am about to make on the subject of this debate, I am obliged to premise, that I do not know that I shall offer to this House anything original on the matter in issue. Indeed, I doubt very much if I shall be able to do so. The subject has been discussed in a most exhaustive manner; every point has been taken and followed up by men who are cognizant of the details of the subject on which they spoke, to a much greater degree than I can pretend to be; the objections which

have been grafted upon my hon. friend's notice, to the policy of the country, and its position, have been fully answered, each by a person actually an expert in the matter upon which he spoke; and the statistics which have been necessary to elucidate the arguments of hon. gentlemen, have been exhaustively quoted. And I confess myself in the position of being absolutely and unqualifiedly unable to say one word that is new.

It may be asked: Why, then, trouble the House with a discourse, the substance of which has already been virtually delivered? I reply that I wish to place before the House, at the risk of fatiguing it, my own view of this question. I have never had an opportunity of doing so. I do not propose to do so now at any great length; but I do wish to state, in a connected form, my idea of the true position of this country, of the nature of its policy, of the objections to it, and of the other subjects which have been drawn under discussion, involving some expansion of the purview of the notice of my hon. friend from Midland.

Now, as to my hon. friend's contention, and his reasons for it, I do not think there can be much doubt of their soundness. There is no doubt whatever, in my mind at all events, that we may largely expand our trade with the countries he refers to, and for this reason; almost everything we produce is something which they require, and which they do not produce. Almost everything they produce is something which we require, and which we do not produce. We do not produce sugar, coffee, rubber, the fine woods of Brazil, rice, and the numerous other productions of tropical countries. We have not the advantage that the United States possess, in having almost an unlimited variety of climate. We know that the countries to which my hon. friend's notice relates, produce almost spontaneously many of the richest productions of the world; yet we can send to them, at all events, notwithstanding what my hon. friend from York said this afternoon, our flour, our meal, our lumber, our fish, our coal, our manufactures of iron, cotton, wool and wood; and we can receive in return their sugar, coffee, rice, fruits and other tropical products, which those countries furnish in abundance. If these do not form a foundation for a valuable trade I do not know what would constitute it. It is certainly much better than devoting our energies to cultivating a trade with people who produce mainly the same things as ourselves, with a larger population, larger capital,

larger experience, and larger advantages in every way; at the moment, at all events; for their production. I sympathize, therefore, entirely and strongly with the hon. gentleman from Midland, in his desire that this trade should be encouraged, and in his opinion that it may be increased almost indefinitely. And I agree with my hon. friend from Prince Edward Island in thinking that there is good ground for hope that we may also largely extend our trade with our cousins in New Zealand and Australia. I noticed with some amusement that the hon. gentleman from Halifax, while purporting to support the hon. gentleman from Midland, yet, with a view to the conclusion which he afterwards arrived at, discouraged, I think, almost every idea which the hon. gentleman from Midland entertained, as to the possibility of the success of his proposed effort to extend our foreign trade. He would not have steamers because he thought sailing vessels were better. In that respect I think the hon. gentleman from Halifax had some reason—not for excluding steamers, or for abstaining from assisting them—but in his idea that sailing vessels are valuable in the cultivation of this trade, as being capable of carrying heavy goods at a less cost than the more swift and more expensive steamers. But my hon. friend discouraged the aspirations of the hon. gentleman from Midland in every other respect also, while, apparently, rather illogically, eulogizing my hon. friend's action and conclusions. The objection which my hon. friend from York took, to the illustration of the possible trade which my hon. friend from Midland adopted, was unfortunate for his theory, to a certain extent, inasmuch as the hon. gentleman from York appeared to demonstrate, with considerable effect on my mind, that most of the particular articles to which the hon. gentleman from Midland referred were not suitable articles for shipment to the West Indies in competition with the United States. But though I hope that in some respects the hon. gentleman from York was not altogether correct—that is to say, in respect of flour—I was pleased to find that his reasons for thinking them unsuitable, were mainly based on the very striking fact, that most of those articles, which are among the leading productions of this country, bring higher prices here than in the United States. I thought that demonstration extremely apposite to another branch of this discussion. I mention now to serve its purpose there, and therefore need not refer to it on a future occasion—that my hon.

friend from York incidentally brought out the important fact, that these agricultural products which we are said to be sacrificing at such low rates, and for which we are told we need a market south of us, actually find a better market at home, than they would in the Eldorado which my hon. friend from New Westminster (whom I regret not to see in his place) expects to find in that country when his ideal millenium arrives—when the territorial principle which the United States have adopted in reference to this continent, shall be extended in its commercial sense over this part of it. I was very glad to learn that we do not require this Eldorado for those articles; that we do not require to have our way opened to our neighbors to the south of us to find a market for such produce; that our own market is a better market; that our own prices, according to the hon. gentleman from York, for our wheat, for our meat, for our grain, and for our butter, are better than the prices which the proposal of my hon. friends opposite would provide for us south of the line. My hon. friend from York contended that as these articles are worth more here than in the United States, they might not be absolutely suitable for competition with United States traders in the West Indies. But I have no doubt whatever that large quantities of our products can be exported there, can be made articles of exchange between us and the West India Islands and Brazil; and I trust that at no distant date the aspirations of my hon. friend from Midland in that respect will be realized. This branch of the matters under discussion is really, properly speaking, the object of my hon. friend's notice, and there, probably, the discussion of that notice would have terminated; but my hon. friend appeared to many members of the House to go a little beyond, not perhaps the literal language of his notice, for that I do not think he did, but a little beyond the spirit of his notice, in calling attention rather to certain deductions of his own than to the facts which he stated; but a little on both of those grounds. The hon. gentleman referred to the immense extent of our expenditure during the years of Confederation. He admitted that this expenditure had apparently been, on the whole, usefully made; that we had, as an intermediate result, a series of interprovincial communications, in the shape of canals, railways, and public works of all kinds, that justified a large expenditure; but my hon. friend went on to say that we ought to have something in return for this expenditure, to expect some fruition for all this out-

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lay, and that I understood my hon. friend to state, had not been obtained. He likened the country somewhat to a business establishment, and I like that simile. I like to see the business of the country, as far as possible, assimilated to the business of an individual, and carried on upon the same principles; but he applied his theory by saying that we have four million odd dollars of export of manufactured goods, and that that seemed to be the result of all this expenditure. He further quoted figures to prove that our foreign trade was diminished, and generally inclined to the views of my hon. friends opposite as to the decadence of the country—at all events, as to a depreciation of its position and resources. That line of argument was, I think, the primary cause of this long debate.

But even that—as it was expressed in so moderate a tone; as it was expressed evidently without the slightest idea of any hostility, or any party feeling on the part of the hon. gentleman—would not of itself have provoked so long a discussion, but that my hon. friend from Ottawa, with that vivacity which characterizes his expressions in any direction to which his views tend, enlarged upon my hon. friend's statements on these points, and favored us with statements of the most exaggerated character, of the depreciated condition of this country of its wretched condition in all respects, as I understood him. He did not speak long, but I may say he encompassed a great deal of what was disparaging to our country in what he did say. But we have heard it all from him before, and in stating what he did, he did not go beyond what some of the gentlemen who feel with him in politics, are in the habit of stating in respect of the condition of this country. His chief proposition was, in plain terms, that the Dominion was going to the dogs, and the main assertions he made, in proof of that, were based upon what he insisted was the falling off of our foreign trade. On that point I would like, perhaps at the risk of fatiguing the House, to state my views in some little detail. I submit to the judgment of this House, and I maintain with confidence, that the condition of our foreign trade is no test of the success of the policy which was inaugurated in 1879—no test whatever of the National Policy; and if it were a test of it, I say that it has not decreased, it has increased. It has increased largely—nearly as largely in proportion, as every other branch of the trade of this Dominion since 1879, and I shall proceed to prove it.

I propose to show from the statistics which my hon. friend

himself quoted, and those to which he referred when he did not quote them—that this policy, which has been on its trial for ten years—no longer, for it is not a policy which commenced in 1873 or 1874, when, under another Government and under another policy, the trade of this country reached a point nearly as high as it has ever attained since—it is not the policy of the Government between 1873 and 1879 which is on trial. It is not that policy which I propose to discuss. That policy was finally condemned and discarded by the people of this country by an overwhelming majority in 1878. It is not that policy for which we are responsible—it is that which is popularly called the National Policy. That is the policy which the hon. gentleman finds fault with, for which hon. gentlemen opposite hold us responsible, and which they say is ruining the country. Now, let us apply the test which the hon. gentleman from Ottawa has applied, which has been reiterated as the damning fact against us throughout the whole country, and which is, in fact, the *cheval de bataille* of his party. It is true that from 1874 to 1878, inclusive, the trade of the country did diminish—it did go down. In 1874 it was \$217,000,000 in round numbers. In 1878 it was \$172,000,000—that is, it diminished \$45,000,000 during the *regime* of my hon. friends opposite, and in 1879, before our policy had developed itself, before the National Policy could have any effect upon trade in any way, it had fallen to \$153,000,000, or \$64,000,000 less than when the Mackenzie Government assumed power. That I merely mention by the way. That is not a part of my argument, but I mention the fact, because hon. gentlemen opposite are fond of beginning at 1874 in quoting statistics to show that trade has diminished under our policy. I refuse to assume any responsibility for their Administration. I begin with ours, at the period of 1879, which I have now arrived at, and I find that then, which was the time when the National Policy came in force, the aggregate trade of this country was \$153,455,000. That was the total trade of this country when this much-abused policy came into operation. From that moment the aggregate trade of the Dominion increased. In 1883 it reached its maximum, the greatest amount it has ever reached in the history of this country. It increased from \$153,000,000, in 1879, to \$230,000,000, in 1883, an increase of about \$77,000,000 in these four years. It diminished after that, in one year, to \$207,000,000, and it has remained within five or six millions of dollars of that sum down

to the past year, when it was \$201,000,000. So that the difference between the aggregate trade of the country when the National Policy came into force, and the aggregate trade of this country at the same date ten years afterwards was \$58,000,000. There is a statement of naked figures, which are put in such a form that they cannot possibly involve any falsehood. It is said that figures lie like nothing else, but these figures, as the test of the value of the aggregate trade of the country during those ten years, cannot lie. There is no circumlocution about them, there is nothing involved; they are as plain as the most simple sum in addition. According to the value of our imports and exports, our trade in 1888 was \$58,000,000 better than it was in 1879. There is a positive fact, against the equally positive statement that our foreign trade has fallen off under the National Policy. Is there any need for oratory to establish our case? There are the two plain assertions placed opposite each other, which any one can see—which he who runs may read. On the one hand it is that the trade has decreased under the National Policy; on the other hand that it has increased under the National Policy from \$153,000,000 to \$201,000,000. These are plain propositions; the figures show which is correct; and one might be satisfied with refuting by those figures, the assertion I am contending against at this moment. But there is a great deal more to be said about the statement of hon. gentlemen opposite; there is much stronger refutation of it than the one which I have used. During this period the values of goods have largely fallen. The percentage of decrease, which has been estimated by competent men, is stated at an average of about 45 per cent. on exports, and 64 per cent. on imports; that is to say, the classes of exports and imports upon which the calculation has been made—and they are very numerous and very important—I do not assert that they comprehend all the exports and imports, but they comprehend most of the import items—have fallen in value, exports 45 per cent., imports 64 per cent. These calculations are made by a perfectly competent expert, and I can see no reason why we should think there are any mistakes about them; they may fairly be considered to be reliable. They have been studied in another place; they have been discussed, and have not been denied to my knowledge. But to make sure: suppose we take half this percentage, the aggregate imports of 1886 would exceed in volume those of 1873 by \$18,000,000, and would exceed

those of 1879 by about \$65,000,000. We have already had two or three striking citations of figures to show to what extent this decrease in value has gone on. The hon. gentleman from Kennebec gave us the figures with regard to sugar. The quantity of sugar imported in 1878 was 97,000,000 lbs. I am not certain of the date. It may be at an earlier date than that, but it is within the period to which our discussion applies. The importation of sugar in 1888 was 221,000,000 lbs.—that is to say, fully twice and one-half the quantity—250 per cent. in advance of the previous period; yet the 97,000,000 lbs. cost \$5,500,000, while the 221,000,000 lbs. cost \$5,750,000. That is a decrease in value in imports of sugar of 250 per cent. instead of 64 per cent.; and sugar is not a small item.

HON. MR. POWER—Between what years?

HON. MR. ABBOTT—I have 1878 and 1887 on my rough notes, but I am not sure of the first date at this moment; I can tell my hon. friend that the first period is within the period we have been discussing, and the last year is the last one for which we have any returns. There are other disturbing elements in the comparison of the amounts of foreign trade, but they all go to increase the contradiction which exists between the fact and the assertions which are made about it. For one thing, let me refer again to the statement I made in the few words I said on the Address—that raw material is largely taking the place of manufactured material in importations to this country; that instead of \$35,000,000 worth of raw materials which we imported last year, there were only \$5,000,000 worth imported in 1874. I have not the figures for 1879, but it is probable that they were less than in 1874. At all events, our importations, which at an earlier period were composed almost entirely of manufactured goods, were, during the last year, composed of raw material to the extent of \$35,000,000, which represents a volume of internal trade in manufactured goods within the country, that I am entirely incompetent to calculate, but which everyone must conclude is of enormous magnitude. These facts, taken together, seem to me conclusively to dispose of the proposition that our foreign trade is falling off under the National Policy. I do not see how, in the face of these simple figures, anyone can rise again and say it is diminishing, unless he is prepared to say that

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our trade returns are fraudulent concoctions; unless he is prepared to say that every man who is following up the affairs of his country is ignorant of everything which indicates its actual progress. To dispute these figures I have just given, and the conclusions I have drawn from them, is to deny the effect of the most obvious and conclusive evidence that could be presented to any assembly or court in the world.

My hon. friend from Quinté stated what was perfectly true about the National Policy—that it was not framed to foster foreign trade; that it was not conceived and placed on the Statute Book for the purpose of increasing our imports and exports. That was not its direct object; it was an indirect object, because we look forward to the period when our manufactures shall have overflowed the wants of our people, and we shall be able to export them as other large manufacturing countries do; but the immediate and direct object of the National Policy was to foster our own industries, to develop our own internal trade. These were its direct objects, and the increasing of our foreign trade was only indirect and incidental to those great objects. The time has not been so very long since we have been able to make the enormous quantities of manufactured goods that our industrial establishments are turning out every day. It is only ten years since we were in the state of absolute poverty and distress so well described by my hon. friend from Alberta, and my hon. friend the junior member from Ottawa—the condition the country was in in 1877-78. I remember the soup kitchens of those days, and the crowds of people in the streets seeking employment at any price, and seeking it in vain. I remember that butter was worth only 12½ cents a pound, and that people said: What is the use of its being cheap; we have not 12½ cents to pay for it. These were the days when our working people were almost without bread and without homes. I remember well when one factory in Montreal was closed, and turned out 600 hands on the street—600 families were left unprovided for, and without a roof to cover them. So it was everywhere; so it was, as my hon. friend from Alberta has described, with the farmers; they took their products to the country stores and had to sell them for a minimum price, and take half of it in goods. That was the condition of things in 1878 that my hon. friend the junior Senator from Ottawa described last night in such vigorous language.

HON. MR. POWER—Hear hear.

HON. MR. ABBOTT—My hon. friend smiles.

HON. MR. POWER—Excuse me; I was endorsing the hon. gentleman's opinion that the hon. member from Ottawa described the condition of affairs in vigorous language.

HON. MR. ABBOTT—My hon. friend's language, however vigorous, could scarcely do justice to the wretched condition of the working classes. It does not require a man to be as old as I am to recollect the universal distress which pervaded this country in 1877-78, to remember the universal appeal that was sent up to the Government for some change with regard to the commercial policy of the country, that would enable poor men to get food for themselves and for their children. I remember that well, and every member of the House must remember it. This policy was then devised for the purpose of remedying those evils, which, as my hon. friend from Acadie said, the Government of that day professed themselves to be absolutely incapable of remedying. They declared that they were helpless—that they were powerless to provide any measure of relief; and this remedy which, as my hon. friend from York has stated, had been then in the minds of many men for years, was finally adopted. I think my hon. friend from Halifax did not do justice to the hon. member from Quinté, when he described his position in speaking of the object of the National Policy—

HON. MR. POWER—I quoted the resolution which the hon. member introduced in this House.

HON. MR. ABBOTT—My hon. friend did; but I am speaking now of the statement which the hon. member from Quinté made as to the objects with which the National Policy was devised. He was inclined to attribute to him—his language tended in that direction—the admission that we did not want any foreign trade (I think that was the expression), that we only wanted internal trade. That statement only diverged so far from the line of accuracy that the increase of our foreign trade was not the direct object we had in view. It was regarded as an incidental result of the policy we were advocating. I agree with the hon. member from Quinté that

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our object was to build up our own industries, to enlarge our internal trade, and, as incidental and supplemental to that, to enlarge our trade in all respects, as a matter of course. Has this succeeded? That is the question that this Government has to answer; that is what those who advocate this policy have to answer. Have the objects which the National Policy was devised to attain been realized? Has it been successful in attaining those results? Has it developed international and other internal trade? Has it really built up our own industries? In this very book to which I have had reference already, and in a compilation from it and other similar books, I find evidence equally conclusive on all those points. What, I should like to know, is a reliable test of the success of the National Policy? That the people are prosperous; that manufactures are increasing; that every man who wants a day's work can get it, and get a good day's wages for it. These were the objects we sought to attain by the National Policy, and I say we have attained them, and in a larger measure than was anticipated by any man who, in 1879, advocated the National Policy. And the figures will prove it. I suppose my hon. friend will not ask me to prove that the manufacturers have prospered. I have not got any statistics of that; I only know that my hon. friend has a high opinion of their prosperity, because he attributed the enormous increase in the insurance business of the country to the insurances on the palaces and rows of houses built by the manufacturers. I suppose it did not occur to my hon. friend that if those manufacturers built enormous palaces and great rows of houses, at all events those houses must be occupied—that we must have got the population to fill them, and they must have the money to pay rent for them. If new houses have been erected to such an extent as to swell the amount of fire insurance by millions it was because the people were increasing and were there to occupy them. At all events, I may conclude that my hon. friend does not want me to go into statistics to prove that the manufacturers have been successful.

HON. MR. POWER—Those who survived?

HON. MR. ABBOTT—I shall therefore devote myself mainly to prove that the remainder of the population has been successful—that the success has not been confined to the manufacturers,

but, as those who advocated the National Policy prophesied it would do, it has extended in proportionate measure to the employes as well as to the employers—that it has built up our farmers, our mechanics, our workmen, our laborers, just as it has assisted in building up the capitalists who employ our mechanics, our workmen, our laborers, and who, with them, consume the products of the farm, and pay a good price for them. And the test by which I propose to prove this is to be found in the public documents from which I have already quoted. The wealth acquired by the people, as shown by their savings and investments, is at least as great as the fertile imagination of my hon. friend leads him to believe, has been the aggregation of wealth among the manufacturers. I doubt very much if the figures which have entered into my hon. friend's mind as a measure of the wealth of the manufacturers, approach the figures which show the savings and the investments of the lower classes, if I may be permitted to use such words in describing any portion of the people in this country, who are all free, and whom we do not recognize as capable of being graded, or properly characterized by any such description. To establish this point I shall trouble the House with statistics, many of which they have already heard read to them, but I hope they will bear with me. It is that I may give an intelligent reason for the faith that is in me. I would like to be allowed to set out those reasons; it will be then for the House, and for the country also, if it ever hears of our speeches, which is doubtful, to judge whether there is good reason for the faith that is in me on these subjects. I think the savings banks constitute a fair test of the wealth of the middle and lower classes of the people—the farmers, the mechanics and others. It is they who invest in that particular way, and not the wealthy manufacturers, who, as my hon. friend from Halifax observed, and believes no doubt, invest their money chiefly in palatial residences and rows of houses and manufacturing establishments.

Hon. Mr. POWER—I did not refer to rows of houses; I referred to stores, and such establishments; the palaces were the only houses I referred to.

Hon. Mr. ABBOTT—That serves my purpose equally well. They would not erect rows of stores if they had no prospect of leas-

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ing them, and had no expectation of trade being carried on in them. So my argument is not at all impaired, but is rather strengthened by the correction of my hon. friend, which I accept gladly. This compilation of Mr. Johnson's, which he very appropriately calls "Graphic Statistics of Canada," enables us to quote with great facility all the figures which bear on this particular question—the investment of the savings of the people. The deposits in the chartered banks of Canada in 1879 were \$63,000,000; in 1874 they were \$65,000,000. They had then fallen off in two years some \$2,000,000. In 1887 they were \$107,000,000—\$44,000,000 in cash deposits in the banks, more than in 1879, when the National Policy commenced. The amount of deposits in the building societies and institutions of that description in 1879 was \$9,426,000; in 1886, which is the latest date to which the compilation refers, it was \$17,712,000, or about 90 per cent. more than it was in 1879. In the savings banks proper the deposits in 1879 were \$14,702,000; in 1887 they were \$50,944,000—I think I might call it \$51,000,000 without being open to the charge of exaggeration—\$36,000,000, nearly 300 per cent. in advance of the deposits in the savings banks at the time that this destructive policy came into force. In all the incidental matters which bear indirectly on the same question the same increase is observable. The discounts in the chartered banks of Canada were \$122,000,000 in 1879; they were \$169,000,000 in 1887, or \$47,000,000 greater than when the National Policy came into force. Although these discounts had so largely increased, the country was so much more prosperous in 1887 than it had been in 1879 that while the percentage of dishonored paper in the latter year amounted to 4.90, in 1887, with this enormously increased amount of discounts, the percentage of dishonored paper was only 1.61, a little less than one-third of the rate of losses on the discounts of 1879. In other words, we discounted 40 per cent. more paper; the general trade of the country, which is carried on largely on bank credits, had evidently increased 40 per cent. over 1879; and the amount of loss on overdue paper that resulted from this enormous increase of discount was, instead of 4.90 per cent., only 1.61 per cent. What does my hon. friend from Midland think of that?

Hon. Mr. MACDONALD—It has fallen off very much in 1888. The discounts amounted to only \$137,000.

HON. MR. ABBOTT—Of course, the figures fluctuate. We have no gauge by which we regulate the exact amount of the business of the country; and to be candid, I do not think those statistics of foreign trade which were quoted a little while ago, are in any great degree an indication of the condition of the country, because they fluctuate according to some influence which we do not understand. Why was it in 1883, when we had such an enormous foreign trade, that it was the same all over the world? Our trade in 1883 was \$230,000,000.

HON. MR. POWER—It was small all over the world in 1874 and 1875.

HON. MR. ABBOTT—I see my hon. friend agrees with me, and I hope in future hon. gentlemen opposite will place less stress on arguments which are not conclusive in themselves, and which serve no useful purpose. The fluctuations in foreign trade depend largely on some power or influence that pervades the world, and that is not changed or altered, diminished or increased in any very material degree, by any local influence whatever.

HON. MR. O'DONOHUE—Is it not possible that the vast outpouring of wealth for the construction of the Canadian Pacific Railway affected the banking deposits and bank discounts, irrespective altogether of the National Policy, during those years.

HON. MR. ABBOTT—My hon. friend puts a question which is, no doubt, a very fair one. But if his theory be correct, how was it that almost immediately upon its adoption, before any money had been expended on the Canadian Pacific Railway, the figures to which I have been referring reached abnormally large proportions, as compared with previous years, and continued to increase until now? How is it that though there has been no expenditure on the Canadian Pacific Railway for the last three years, those figures still keep up? It is possible that the amount of trade, which was very large about 1883, when large sums were being expended and large importations made in respect of this great railway, may have been thus affected. It is possible that it influenced to some extent the increase in deposits; but if that were the sole or main cause, how is it that there was a large increase before the expenditure was begun, and a correspondingly large increase after it terminated?

Hon. Mr. O'DONOHUE—It increased in the series of years during which this immense expenditure was going on.

Hon. Mr. ABBOTT—My hon. friend is mistaken if he means that there was an unusual increase during that period. There was no construction in 1880, and none to speak of in 1881, yet the increase was greater in those two years than in any year since; so it is not to that expenditure that the increase is attributable. If my hon. friend could show that during the three years of 1882, 1883 and 1884, when the large expenditure on account of the Canadian Pacific Railway took place, the increase was abnormally large, we might be led to believe that it was due to that expenditure, and my hon. friend's remark would be quite natural. But the gradation of increase is like the steps of a staircase—about the same each year since 1879; so that it is not reasonable to credit that increase to the expenditure on the construction of the Canadian Pacific Railway, since it has been going on steadily up to the present time. The railway was practically completed in 1885; the enormous expenditure had terminated at that time, and therefore that expenditure is not a sufficient reason for this gradual and steady increase from 1879 to the date of this book of statistics. There are more indications of increased business here, however; those I have quoted by no means exhaust them. I wish to show that in every imaginable branch of trade, the same increase has been going on. The aggregate of money orders is indicative of the wealth of the people, and more particularly of those classes to whom I am referring; because the great manufacturers do not send money orders from those palaces they build, according to my hon. friend. It is the working men, the farmers, and other wage-earners whose transactions are carried on in that humble way. The amount of money orders issued in 1879 was \$6,788,000. In 1887 it was \$10,328,000, \$4,000,000 in excess of the money orders in 1879; and they also proceed with that regular and steady gradation which indicates the continuous progress of the country. The correspondence increased in the same way from 50,840,000 letters and postal cards in 1879 to 90,000,000 letters and postal cards in 1887, an advance of 40,000,000 in ten years. These figures must mean something; there must be some cause for them. It is not the poverty of the country that causes the increase; it is

not the distress of the country that causes the transmission of money orders; it is not the stagnation of business that leads to increased discounts in the banks; it is not the stringent condition of traders that causes the ratio of dishonored paper in the banks to fall from 400 per cent. to 160 per cent. These pretensions of hon. gentlemen opposite are all absolutely inconsistent with the actual state of things. It is impossible to contend that the depreciation of trade and the decadence of the country, so loudly asserted, can be co-existent with these returns. It cannot be that our country is depreciating in wealth, when every evidence of wealth is accumulating in every branch of business, and every department of trade, throughout the country. It cannot be possible that our trade is diminishing, when the machinery, the essential machinery, which enables it to be carried on, the discounts at the banks, are increasing in the same ratio as everything else. Everything that I have quoted appears to be in a similar ratio of increase, say 40 to 50 per cent.; when it varies, it is that it is larger. Another indication I may be permitted to quote: the results of the failures in one of these columns of Mr. Johnson's book are most extraordinary. In 1879 they represented \$29,347,000; in 1887 they represented \$16,311,000, with a trade increased by 40 to 50 per cent., as I have shown.

Hon. Mr. POWER—I think that the striking excess of failures in 1879 may reasonably be attributed to the fact that that was the last year in which the Insolvent Act was in operation; and immense numbers of people assigned in that year, because it was the last year in which they could take advantage of the Act.

Hon. Mr. ABBOTT—My hon. friend's argument has a plausible sound, and might be justified if the figures supported it.

Hon. Mr. POWER—I know it was the fact in my own city, at any rate.

Hon. Mr. ABBOTT—It seems reasonable that this large amount of failures in that year should be attributed to the fact that the traders who had been failing for years before, seized upon this remedy in the last year of its existence, and in that way the aggregate of failures would have reached abnormal figures; but unfortunately for my hon. friend's theory the figures were about the

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same in the preceding years. In 1875 they were \$23,800,000; in 1876, \$25,500,000; in 1877 they were \$25,523,000, in 1878, \$23,908,000; and in 1879, the year I have quoted, they were a little larger, but it was not so very much, only \$6,000,000 larger, which is not much in \$29,000,000. But from that moment they dropped. The moment the people had taken heart from the change of policy, the failures diminished. There may be another reason, my hon. friend may say, the Insolvent Act was repealed in 1879, and possibly many of those who were in danger of failure took advantage of the Act; and this, no doubt, had some influence on the abnormally low figures for the next two years. That may be, but here is the fact that ten years afterwards, when this new policy had had ample time to develop itself, when there had been no Insolvent Act in force for nine years, when the country was going to ruin and decay from the effects of the National Policy, when the trade of it, strangely enough and inconsistently with its ruin and decay, had increased 50 per cent.; the failures were very little more than one-half of the failures of 1879—they were \$16,000,000 as against \$29,000,000. There are more statistics of the same kind, though I run the risk of fatiguing the House by quoting them. They are significant, and there is no possibility of minimizing their importance. They offer the best possible proof of the assertion that I made, that our country is improving in every branch of its trade, in every part of its business, and developing its internal resources in every quarter. Here is the production of coal in the Dominion. In 1879 the amount of coal produced was 1,152,000 tons; in 1878 it was 2,387,000 tons, or a little over 100 per cent. of an advance. Now we come to the insurance of the palaces of the manufacturers. The insurance of the humble individuals who pervaded the country in 1878 amounted to \$407,000,000; in 1887 it was \$633,000,000, or an advance of \$226,000,000 in the amount of fire insurance. In life insurance there was a larger advance. In 1879 it was \$86,000,000; in 1887 it was \$191,000,000, an advance of 250 per cent. in life insurance. Now, let us go to something else totally different—the coasting trade of the Dominion. The tonnage employed in 1879 was 12,066,633 tons; in 1887 it was 17,513,000 tons, an advance of very nearly 50 per cent.

HON. MR. KAULBACH—And the larger portion of that done by steamers, which makes it greater.

HON. MR. ABBOTT—The statistics of the coasting trade of British Columbia showed the amount of tonnage arriving and departing in 1879 to be 223,797 tons; in 1887 it was 1,476,133 tons. That was a country in which the shipping industry, at all events, was not diminishing much, inasmuch as it was nearly seven times as great in 1887 as it was in 1879. In other words, it practically increased 100 per cent. every year of the period. I think I have pretty nearly exhausted the book, as far as it indicates the extent of business done. I think the figures are favorable. My impression of them is that they support exactly the proposition I laid down when I commenced to read them—that in every department of our business, in every imaginable industry, the workingmen of the country have prospered and become practically wealthy, under the *regime* of the National Policy.

I think my hon. friend from Midland ought to be content with those figures. I appeal to him as a commercial man, and a financial man, and as, I dare say, a better judge of those figures than many of us who do not pretend to his special knowledge, whether the fact that there had been a larger range of discounts, a larger amount of savings, a larger amount of business transacted, and fewer bad debts made, are facts which he would himself interpret as conclusive proof that his business was not prospering? And I am glad to put the question in that way to my hon. friend, because he asked us for some evidence of the fruition from the expenditure that has been incurred in developing the internal communications of this country during the last ten years; and I offer to him as such evidence this increase in every thing which the people of this country possess, and in every business which the people of this country engage in—an increase of 50 to 700 per cent. during the years I refer to, and I think it is tolerably good evidence, and that the fruition it establishes is a tolerably good crop for the seed we have sown, in the improvement of our internal communications. I think our shop has succeeded pretty well during those years. If commercial men could succeed as well in increasing their assets, adopting the simile which my hon. friend used—if they could show such results in cash, in capital, in trade, and in their business, they would justly and joyfully congratulate themselves.

HON. MR. POWER—What about the debt?

Hon. Mr. ABBOTT—The debt is represented by the public works. The hon. gentleman from Midland very properly gives us credit for the money, as being expended in advantageous public works; and one good proof that the expenditure has not been excessive, and that it has been highly beneficial, is the proof that the hon. gentleman from British Columbia gave us the other night, that we are a great deal better able to pay interest on our public debt than we were in 1878, when we began the National Policy.

Hon. Mr. MACDONALD—Twenty-seven millions now against eighteen millions in the former year.

Hon. Mr. ABBOTT—Yes, better able by nine millions. I have cited these figures not only to prove substantially that the country is progressing, and progressing rapidly and safely, but also to show what an unsatisfactory guide the apparent results of the values of our foreign trade, as they appear in the statistics, are, as applied to the progress of the country and the success of the National Policy. If it were necessary to go further in this direction it would be easy to show, by the experience of other countries, that the decrease of foreign trade, does not necessarily imply the decadence of the country. If it were the fact that our foreign trade had not increased, that would be no proof of the absence of prosperity in our trade and affairs generally. The country to the south of us, to which the eyes of some of my hon. friends are directed with such admiration, has been frequently in precisely the same position. In 1836 the foreign trade of the United States reached the amount of \$355,000,000. In 1843 it had fallen to \$75,000,000, a difference of about \$279,000,000. I have not verified these figures myself. The difference seems so enormous that I do not like to state it on my own authority, but I have it on excellent financial authority that the figures are accurate. Whether or no, it is certain that, during fifteen years afterwards, the foreign trade of the United States never reached the amount that it did in 1836, until the year 1851. During that period we have very high authority for saying, that the United States were making enormous progress in their own country—that they were making just such progress as we ourselves have been making the last ten years. Therefore, although their foreign trade was flagging, my hon. friends cannot, in the face of history, declare, that

during that period the United States was in a perilous condition—that it was poverty stricken and depressed. There are other instances which apply to the same point. New South Wales had a foreign trade of £21,000,000 sterling in 1882; it had fallen off to £15,000,000 in 1886, a difference of nearly £7,000,000 sterling; but between 1883 and 1886 New South Wales was not going downward. I think everybody is aware of the fact that New South Wales is one of the most prosperous colonies we have; that its credit stands in England as high as any other colony except our own. It has prospered to an extraordinary degree, and has been, and is, a rapidly progressing colony. The hon. gentleman from Prince Edward Island can correct me if I am wrong in that, but that is the assertion which is made to me, and that is the statement I find in the books. The United States, during a recent period, has passed through a similar condition of things. In 1883 their foreign trade was \$1,547,000,000; in 1886 it was only \$1,314,000,000, a falling off of over \$200,000,000. Is it possible that this country, which attracts so much the admiration of my hon. friend, should be going to ruin between 1883 and 1886, in the latter part of which period my hon. friends were crying out for commercial union with this country? Surely it could not be possible!

HON. MR. POWER—We never wanted commercial union. We never went in for commercial union.

HON. MR. ABBOTT—I do not know for whom my hon. friend speaks when he says that, but if I judge from what I have read of the speeches of hon. gentlemen who profess to be on the same side of politics as my hon. friend, I think that two years ago there were a good many advocates of commercial union in the Dominion, and the organs of the party were crying out for it.

HON. MR. POWER—Some of them.

HON. MR. ABBOTT—Some of them that we do not often see, may have had the good sense not to recognize the movement, but the principal organs of the party were clamoring for it, and that at a time when, according to my hon. friend's argument, the United States must have been going to the dogs, in consequence of the decrease in its foreign trade.

HON. MR. READ (Quinté)—My recollection of it is that at the Conference of the Premiers at Quebec, they passed a resolution in favor of commercial union.

HON. MR. POWER—The hon. gentleman is completely astray; the Liberal party never laid down any policy on that subject until last Session, and the policy laid down then, at a meeting in the early part of the Session, was unrestricted reciprocity.

HON. MR. READ—Be that as it may, I notice in the *Congressional Record* it was reported that the Premiers of the different Provinces, at the conference held in Quebec, had passed a resolution in favor of commercial union.

HON. MR. POWER—In favor of closer commercial relations.

HON. MR. ABBOTT—I am so unfortunate as not to be able to see any great distinction between unrestricted reciprocity and commercial union, and possibly that may lead me into some misconception; but there was a period not very remote when the organs of the Liberal party—I do not know that the leaders of the party had arrived at any particular policy—

HON. MR. POWER—Yes; they did last Session.

HON. MR. ABBOTT—At all events, before that, many of its leaders advocated commercial union, and its organs advocated commercial union, and some of its distinguished leaders yesterday advocated commercial union. In any case, one of those—what shall I call them?—one of those ideas prevailed—either commercial union or unrestricted reciprocity; but it does not affect my argument in the slightest degree, that when the condition of the United States must have been, according to my hon. friends, a condition of ruin and decay, in consequence of the decadence of its foreign trade; my hon. friends were advocating a commercial relation with them which would exclude all other nations; and this mainly on the ground of their alleged commercial prosperity. The United States has been carrying on the policy which Canada has adopted, for a long period of years. By the time it reached 1886 it had developed its manufacturing capacity in the very highest degree, and if it ever hoped to attain any position as an exporting

country—that is, exporting manufactures—it ought to have reached it by that time. It ought to have been enormously ahead of this poor, helpless, and failing, Dominion in the way of foreign trade; but it is a most singular fact that Canada is greatly in advance of the United States in its foreign trade. How is it possible that the United States can be prosperous when its foreign trade can be so small—so contemptible, one might say, as compared with a country like this, with comparatively no capital, and with a short period of prosperity which may be said to date from the time the Government adopted the National Policy.

Hon. Mr. MACDONALD (Midland)—She exported to Great Britain four times as much as she imported.

Hon. Mr. ABBOTT—That does not affect my argument at all. I see that in spite of the alleged decrease of the aggregate amount of the foreign trade of Canada, which is pointed at by the advocates of unrestricted reciprocity as a proof of the decadence of Canada, that foreign trade is greater in the proportion of 41 to 23, than the foreign trade of the United States. If the amount of foreign trade is a test of prosperity, we are more prosperous than the United States. Yet the alleged small amount of our foreign trade is used by hon. gentlemen opposite to prove that we are falling into ruin, and to save ourselves they say that we ought at once to throw ourselves into the arms of a country much less prosperous, according to that test, than we are ourselves! This is one of the inconsistencies hon. gentlemen opposite are forced into.

Hon. Mr. POWER—We didn't look for foreign trade, but for a larger home market.

Hon. Mr. ABBOTT—And without looking specially for a foreign trade we have got it. I do not understand how we should get a "home" market by reciprocity of trade with the United States. I am not yet prepared to call the markets of the United States a "home market." I think I have demonstrated—I may not be a good judge—but I have demonstrated to my own satisfaction, that our foreign trade has increased largely under the National Policy, and I think I have also established that during the same period all the internal industries of the country have increased in a still greater

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proportion. I repeat, that the latter was the principal object of the National Policy, and in securing that object, and at the same time increasing its foreign trade, it has done all that its friends could expect of it, when it was established as the policy of this country by the present Government.

What is the position now of hon. gentlemen opposite who have taken part in this debate? They, I think, failed to prove that there is any necessity in this country for a change. I do not think that any great body of the people in this country desire a change, and if they once knew the facts as to the position of our affairs, the number of people who desire a change would be much smaller than it is. But, unfortunately, there is such a torrent of depreciation of the country, its position, its trade, and its industries, continually poured upon the people from certain parties, and organs of public opinion, that we find people all through the country who know nothing at all of any portion of the discussion, except the propositions which are enforced by the gentlemen who favor them with their orations on the occasion of elections, and by the editorials of party papers. These are the only sources of information, unfortunately, to which a large section of the people seek access; and, as my hon. friends opposite, and their organs, are not in the habit of stating what may be said on the opposite side of the question—at least so far as I have read the speeches of orators at elections, and elsewhere—there are many who really imagine that we are on the verge of ruin. I am bound to say that orators on the Government side may be open, in some degree, to the reproach of exaggeration. I consider the speech of my hon. friend from York a model for the discussion of such subjects; but it is a model very seldom followed. I think that a calm, unimpassioned statement of facts made by persons having the confidence of the people, would go far to set at rest the discontent which has been fostered in some quarters, by groundless or exaggerated statements about our distress, our troubles, our excessive burdens, the depression of our trade, and the miserable condition generally of our country. Look at the representations made about the sugar trade? Can any hon. gentleman charge his mind with reading or hearing a speech on that side of politics, which did not characterize the amount of protection afforded to sugar refiners as something enormous, and as being represented precisely by the duty imposed upon refined sugar?—75 to 100 per cent. is

the measure of protection that is stated to have been granted to sugar refiners. It is represented that it is by means of this extravagant amount of protection, they are piling up immense wealth. Has anyone ever heard it stated that the taxation of raw sugar for refining purposes, which does not affect in any respect the manufacturers of refined sugar, except to compel them to raise the money to pay the duties; and which does not protect them in the slightest degree; is nearly as great as the duty on refined sugar? Can anyone point to me a speech made against the Government and the National Policy in which that condition of things was squarely stated?

HON. MR. POWER—I gave to my hon. friend the figures the other day—65 per cent.

HON. MR. ABBOTT—I apologize to my hon. friend; I did not hear him say so. But I still apply my remarks to speeches of other gentlemen here and in another place. It is not forty-eight hours since a gentleman stated in another place that the amount of protection afforded to sugar refiners was $3\frac{1}{2}$ cents a pound; and I think I heard in this House and during this debate the statement made that the protection was 100 per cent. In point of fact, the duty imposed on raw sugar averages $65\frac{6}{10}$ per cent.; and on refined sugar 71 per cent.; and the difference between those two duties is all the protection the sugar refiner has. The difference between $65\frac{6}{10}$ and 71 per cent. does not, however, correctly indicate the percentage of taxation, because refined sugar is of greater value than the raw material. The actual protection afforded to the sugar refiner is the difference between $65\frac{6}{10}$ per cent. on raw sugar and 71 per cent on refined sugar, *plus* the disturbing element caused by the difference in value of the class of refined sugars used here, beyond the raw material. I am not an advocate of sugar refiners. I have no stock in their companies, and know very little about them; but I see what the law is, I see the figures, and I can make the calculation, and what I have stated as to that is correct. That is the kind of exaggerated statement that is put before the people. I quote that only as one, but it is the kind of exaggerated statement which has made a certain number of proselytes for the doctrine of commercial union. But I believe they are not very numerous, and that their number will diminish day by day. There is one thing which

the intelligent people of this country must notice in all these arguments in favor of the new doctrine of unrestricted reciprocity, which is, the inconsistency of those arguments with each other. For instance a short time ago—but the subject is pretty nearly dead now—when free trade was the policy of my hon. friends opposite, we were urged to throw ourselves into the arms of the United States, and leave this worthless, abominable, policy of protection. Surely no man is so ignorant as not to see that that country is more highly protected than we are; that there the principles of free trade do not prevail at all; that there they are as antagonistic to free trade principles as in any country in the world. But, my hon. friends say, they have free trade between themselves, and we will share in that free trade. The principle of free trade is to buy in the cheapest, and sell in the dearest market. But the free trade they offer us, is to tie ourselves down to free trade with one country only, to the exclusion of the rest of the world, and when the purchasing power of that country, from any cause ceases, where are we to go? We have nowhere else: we must confine ourselves to this particular kind of limited free trade, and if that fails us we have nothing left. We have been told that our distress in 1878 was because the United States could not buy our lumber. Suppose that happens again? They told us that we ought to abandon this country's policy because it was not a free trade policy, and we ought to join that country and come under its policy, because it was not a free trade policy. The free trade cry, however, is now practically dead. Hon. gentlemen abandoned that at the last general election. Then we had commercial union. My hon. friend from Halifax says that was not the doctrine of the party. Of course he knows the doctrine of the party better than I do; I only know what I heard members of the party say, and what I have read in the organs of the party; and I believe, with the people of Canada, that after free trade came commercial union, as the policy of the Opposition.

Commercial union is the doctrine under which we should cease to have any control over our tariff, and in fact, I might say, over anything; but it was found out after awhile that that bait was too large a morsel for the people of Canada to swallow. And commercial union followed the fate of free trade, and became practically a dead issue with the leaders of the party. I must except my hon. friend

from New Westminster. He still thinks it the grand remedy for all our evils, a kind of Morrison's pill that cures every disease, and infuses health and vigor into the body of the commonwealth. He continues to think so, because he knows of an easy way of getting over the objection to commercial union. We have only to send some one over to make a bargain with those gentlemen at Washington, and establish a tariff which would be advantageous to us; then to make an agreement that that tariff shall not be disturbed for ten or twenty years, and there you are! You have got an advantageous tariff, which you have agreed to, and therefore it must be advantageous. And you have got it effectually put in such a position, that it cannot be changed for whatever period you choose to select! I do not know how my hon. friend proposes that those negotiations can be brought about. I do not know how he intends that we shall overcome in the diplomatic struggle, these 60,000,000 of American people, or make our influence equal to the influence of those sixty millions, unless it is on the plan of Capt. Bobadil, of whom he must have read, in his researches into ancient history about the annexation manifesto. The gallant captain proposed to destroy the enemy's army, by selecting twenty tall fellows, challenging twenty men, killing them; challenging twenty more, killing them; till the army was annihilated. Would he divide the sixty millions into sections of five millions, and overcome them diplomatically, on equal terms as to numbers, section by section? But having by that, or some other equally infallible means, made an arrangement as to the tariff advantageously for Canada, he proposes to crystalize and perpetuate it by another agreement—that is to say, by a treaty, I suppose. Of course, that would be perfectly satisfactory. We know how punctillious our friends below the line are in carrying out treaties. We know how agreeably they have behaved to us in respect of the Fisheries Treaty. We know how amiably they bore our moderate attempts to enforce it, and how they submitted at once, without a murmur, when we tried to carry out some of those conditions. Of course, if they made a treaty like that with us, they would carry it out. They would not threaten retaliation, or close their borders against us, if we asked them to do what they had agreed to; the twenty years' agreement would be a perfectly safe and reliable thing for this great country to depend upon, in making a fundamental and irretrievable change in its policy; and so we

should be, as my hon. friend thinks, in a perfect condition of safety. I agree with my hon. friend from Victoria that all this is absolutely impossible. If I were not speaking in so dignified an assembly, I might use a more expressive word to characterize it.

Hon. Mr. MACDONALD (Victoria)—Call it "bosh."

Hon. Mr. ABBOTT—That would express it. My hon. friend drags into his discussion the annexation manifesto, and he tells us many facts about it which he does not recollect himself, because he was not old enough to remember, but which I remember very well, and which he undertakes to remind me of. How he learned them I do not know. He tells us that the idea of annexation prevailed throughout the country; that it did not disappear until the reciprocity treaty was made in 1854; that for these seven years we were in a state of agitation in favor of annexation, and these gentlemen who signed this manifesto, a not very numerous body in Montreal, were, in fact, the representatives of the whole people in reference to annexation; and he says nobody was ever censured for it. If my hon. friend had been ten or fifteen years older he would remember that there was no foundation for those statements. The annexation manifesto was the outgrowth of an outburst of petulance, in a small portion of the population of the Province of Quebec—which is amongst the most loyal of the Provinces of Canada. Most of the people who signed the annexation manifesto, were more loyal than the English people themselves. There were a few gentlemen of American origin who seized a moment of passion into which these people fell, to get some hundreds of people in Montreal to sign this paper. I venture to say that with the exception of those American gentlemen, there was not a man who signed that manifesto, who had any more serious idea of seeking annexation with the United States, than a petulant child who strikes his nurse, has of deliberately murdering her. They were exasperated by the fact, that when 10,000 men, who had suffered distress and disaster in the unfortunate rising before those days, petitioned the Governor of the time being to retain for the consideration of Her Majesty, a Bill which they believed to be passed for paying the men whom they blamed for the trouble; the Governor General, with an ostentatious disregard, as they believed, for their feelings, and in contempt of their services, and of their loyalty; came down out of the usual time, in order to

sanction the Bill. The people were excited, and did many things that they ought not to have done; they behaved in a very rough manner to His Excellency, which they ought not to have done, and within two or three days, while still under the influence of this excitement, a number of them signed this paper. But there was no evidence of any agitation by these people for annexation. Before the year was over it was like the showers of last season; and as for the people not being censured for their signature of this document I can speak for myself, and for some of the men who have not been without distinction in their career in this country, who signed that document more than forty years ago. I had the honor of being at that time an ensign in the Militia. I received a letter enquiring if I was the person who had signed that manifesto. I replied that I was, and my commission was immediately cancelled. I was reduced to the ranks. Sir John Rose, who subsequently became one of the most prominent men in the country, who was, when he died, one of the confidential advisers of His Royal Highness the Prince of Wales, had his silk gown taken from him; and I remember well his disconcerted look when he entered the court, and instead of taking his place with the Queen's Counsel, took a back seat beside Mr. (now Judge) Johnson, who was in exactly the same position. I am often reproached with that; it does not trouble me much. When I raised 300 volunteers at the time of the Trent affair, in three days, in the loyal and gallant old county of Argenteuil, I received from the representative of my Sovereign, the commission of colonel; and I thought that condoned the offence of my youth. And I have twice led that battalion to the frontier, to assist in repelling invasions of brigands from within our neighbors' territory. I am wrong in detaining the House with these reminiscences. Old age is always garrulous, and I am only exemplifying the period of life which I have reached. This panacea which my hon. friend from New Westminster advocates; and which, like a Sangrado in politics, he sticks to when everybody else abandons it; is nearly identical with the resolution of Mr. Hitt, which possesses the same characteristics as what I understand to be commercial union. This resolution, which he approves of so highly, that I notice he adopts many of Mr. Hitt's sentiments in the speech with which he favored us last night, says:

"That whenever it shall be duly certified to the President of the United States that the Government of the Dominion of Canada has declared a desire to establish

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commercial union with the United States, having a uniform revenue system, like internal taxes to be collected and like import duties to be imposed on articles brought into either country from other nations, with no duties upon trade between the United States and Canada, he shall appoint three commissioners to meet those who may be likewise designated to represent the Government of Canada, to prepare a plan for the assimilation of the import duties and internal revenue taxes of the two countries, and an equitable division of receipts, in a commercial union; and said commissioners shall report to the President, who shall lay the report before Congress."

Now, Mr. Hitt says some things about that which my hon. friend last night did not repeat. They indicate very plainly what the idea of that gentleman was in moving this resolution. He says:

"The advantages which would accrue to us from commercial union can readily be seen. If in one hundred millions of imports purchased by Canada, during the year, the United States were able to sell forty-five millions in that market in spite of the duties imposed upon them, competing with the English who sold goods of nearly similar value, how much greater share of this hundred millions of trade would our people enjoy if they could send their manufactures and other goods into Canada as freely as they now send them from one State to another, while the English manufacturers and merchants, competitors with ours, would have to submit to the tariff when they landed, amounting to from 25 to 40 per cent."

From this plan of his he claims, that the greatest benefits would result to "farmers, artisans and mechanics." Not a word about manufacturers—no; he is going to sell us \$100,000,000 worth of manufactured goods. What are we going to do with our manufacturers? He does not pretend that they are to be benefited by this plan; it is only our working classes. In other words, he proposes to get from our working classes the product of their farms, of the forests, the rivers, and the seas—all that can be raised by the labor of their hands. These of every kind they will buy from us, and they will sell us what we want of manufactured goods. He does not pretend anything else. He says:

"Reciprocity was provided for natural products which the agriculturists of Canada desired to sell to us, but ours could never sell to them, as that is not a market for agricultural produce. But good care has been taken never to admit the goods produced by our manufacturers to the great market of Canada. That market, if opened to us by commercial union on terms of perfect freedom, would be to the business interests of this country of enormous value."

No doubt it would. But where would be its value to us? They will buy our natural products, but they will supply us with manufactures. It is impossible to state his scheme more plainly than he does, nor to explain more clearly its effect upon us.

As they would leave us only our Custom houses on the seaboard, it would not be difficult to see that we collected the duties properly. They propose to take care of that. "There is no practical difficulty" says Mr. Hitt, "in having officers of the United States revenue service in their ports, with functions of inspection, to prevent losses to our revenue or injury to our merchants." How delicately he puts it! Only to perform "functions of inspection."

But after having abolished our United States frontier Custom houses, and provided for United States revenue officers to preside over those that are left, the tariff rates would require to be adjusted. How is that to be done, under this scheme of benevolence to our "farmers, artisans, and mechanics." This also is perfectly simple. Mr. Hitt has it cut and dry. "Undoubtedly," he says, "they, in being subjected to the same tariff with us, would, in all fairness, be consulted, as to its provisions; but WE, SIXTY MILLIONS, would, in all fairness, GENERALLY HAVE THE PREVAILING VOICE IN DETERMINING WHAT THE RATES SHOULD BE." I do not think anybody has any doubt of that. We should be duly grateful for being consulted; and after receiving that important attention, we could not grumble if our advice should be disregarded.

I have only read these two or three extracts to show exactly what Mr. Hitt's idea was, of which some of the hon. gentlemen opposite speak in terms of approval; but it is still further developed in the course of that speech. It is not sufficient that the United States should "determine what the rates should be," but that the United States should put revenue officers in all our ports, to see that the duties which they should determine upon, were fairly collected. In plain terms, they are to fix our duties, and then collect them for us. The revenue officer of 60,000,000 people, is not likely to trouble himself much, about the revenue officer of a small outlying satellite, which contents itself with raising produce, cutting lumber, and catching fish, for the Americans; and with receiving what pittance they may choose to dole out to us, as what they call our proportion of the revenue of the country. Is there any Canadian who has such a contemptible opinion of himself and of his country, as to yield to such a degrading proposition? I refuse to believe it.

But let us look at a few of the effects of this admirable arrangement. The manufacturers in the United States would have free access to our markets. Hon. gentlemen on the other side say:

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Yes; we, in return, would have free access to their markets. That would be a great benefit. The products of 5,000,000 people, with small capital, are to be placed in a position of equality, to compete with the enormous manufacturing capital and establishments of the United States already filling their country and engrossing its markets; the surplus products of whose manufactures, without impairing their means or injuring their credit, would suffice to supply our country, and crush out every manufacture in the Dominion. That is what happened in 1878. I know it, and hon. gentlemen who have been engaged in business know it better than I do. This country was made a kind of slaughter house, for the surplus products of the American manufacturers. When they have more manufactures than they can sell at home, they will not sell them at a reduced price in their own country. That might break down prices, and they might have difficulty in recovering them. But they will ship them to a country where they can slaughter them without future evil consequences to themselves. That was the policy followed by them until 1879. It was perfectly understood; everybody knew it. The first thing that a man thought of when he was about to start a small factory in Canada, was: "How far am I likely to be crushed out by competition by the United States?" If these people on the other side of the line wished to get exclusive possession of our market, would it not be worth their while to send in as much of their manufactured goods as our manufacturers can produce in a year, and sell it for less than it could be produced for, and thus ruin our local industries? I could state to the House many cases in which that was done, and no doubt every hon. gentleman here is perfectly aware of similar cases. It was a practice as common as the day, to send in surplus products here, and sell them at rates with which our manufacturers could not compete. And what was the result? How many manufacturing establishments had we in 1878? I do not know; if we had any, the number was very small. So that without any material effort, as a mere piece of prudential policy, they could put us in exactly the position that Mr. Pitt describes, as the one he proposes we should occupy—they could convert us into farmers, laborers and fishermen, crush out our manufacturing industries, and impose their own manufactures on us at any price they liked, when they did not wish to slaughter them; and prevent for the future any effort to develop the resources of this

country. That would be the result of the adoption of such a policy. This is not an opinion; it is an experience. It is what has happened, and what will happen again, if we are ever placed in the same position as that which we occupied before 1879. There is no risk in prophesying that, though I hope the truth of the prophecy will never have to be experimented on. From another point of view what would be the result? The abolition of duties between this country and the United States would reduce our revenue somewhere about \$8,000,000 as we are now; but if we get all our imports, or the larger proportion of our imports from the United States, as we should do as respects all the goods we could get in that country —when our imports from the United States reach the \$75,000,000 increase which Mr. Hitt speaks of, we may fairly assume that our imports from other countries will be small indeed. They will then only consist of those articles not produced in the United States, and on which we must, perforce, pay duty; because, as respects other countries we would be tied hand and foot by the proposed arrangement. What would be our revenue then? What would we have with which to support our Government, if our entire income from this source were destroyed? Of course, if we submitted to commercial union, we should then take the allowance which the United States would give us, but that is a length to which I do not think any hon. gentleman is disposed to go. I do not think that those who are now advocating unrestricted reciprocity would consent for a moment to the form of commercial union which Mr. Hitt proposes. I do not think they would consent to universal reciprocity, even if they had an opportunity to carry it out, but I am certain they would not accept commercial union. But supposing we had this unrestricted reciprocity, in what would the difference consist? My hon. friend from Ottawa endeavoured to enlighten me the other day about the distinction between the two projects, and I think I have a faint glimmering of it now. As to reciprocity on a reasonable basis, and to a reasonable extent, we have always been ready to adopt that with the United States. We made a reciprocity treaty with them and it worked very well indeed. It did not require the elaborate calculations of my hon. friends to show that our business increased under it. We did not terminate it. The United States did so; and Mr. Hitt says we shall never have another. We had an offer of similar reciprocity on our

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Statute Book for a long period of years. We sent an ambassador to the United States in the time of my hon. friends opposite, to negotiate for a modified reciprocity. Sir Charles Tupper, at the time of the negotiation of the Fisheries Treaty, made a formal offer to discuss and arrange for reciprocal trade. But these offers were all refused! When I speak of the objections to reciprocity, I speak of the objections to the unrestricted reciprocity which my hon. friends are now contending for, and not to a reasonable, sensible reciprocity treaty, which will not sacrifice our industries, and which we would be prepared to consent to if such an arrangement could be made. But this so-called unrestricted reciprocity; which I understand to be really restricted to the products of this country and the United States, both natural and manufactured; would enable whatever we produce ourselves, by whatever process, to be admitted into the United States free of duty; and their products of a similar character be admitted here free of duty. The effect on our revenue would be such as I have described, except that we would not have even a pittance from the United States; we would lose our revenue, and nothing would be left to us but direct taxation. The Province to which I belong is opposed to direct taxation, and I think our people generally are opposed to it; but that would be the necessary result of this unrestricted reciprocity as influencing our revenue. As a matter of trade, what would be the result? My hon. friends seem to think that if we had unrestricted reciprocity, we could manufacture anything we liked in this country, and ship it to the United States; and that we should not be interfered with as to our Customs duties on goods from other countries. What about woollen cloths? Could we import wool free, and manufacture cloth from it at the frontier, and ship it across the line free, to compete with the products of the United States made from taxed wool? Do hon. gentlemen think they would allow us to do that? Would they allow us to import iron free, manufacture steel rails, and send them to the United States, in competition with their steel rails, on which the duty was some \$28, and is now in the neighborhood of \$20? Does any hon. gentleman think they would consent to that? It would be a very profitable thing for us, probably. If we could import our iron free, it would destroy the incipient production of iron, which I hope to see developed soon, but it would give us a profitable business. If we could manufacture rails alongside of the New England States, from free iron, and ship them across the line

free, it would pay us well; they could not produce them then as cheaply as we could, because their raw material, in so far as they don't produce it themselves, is heavily taxed. That category could be enlarged to any extent. But what could we do if they said to us: "You must not import iron free, and manufacture steel rails, and send them in here free of duty. You must put the same duty on iron that we have, and put yourself on an exact footing with us." So with woollen goods and cloths. We have large cloth factories now. I am not familiar with these Customs questions, but I believe we import wool free, and get large quantities of it from the countries with which the hon. gentleman from Midland would encourage trade relations. But the United States manufacturers pay a heavy duty on wool. I believe there has been an agitation among the producers to have it increased, and amongst the manufacturers to have the duty reduced or taken off altogether. You would have the wool manufactured on one side of the line by a man who pays no duty on wool, and by a man on the other side who has to pay duty on wool. How long would the United States stand that? The same reason would necessarily apply to every attempt of ours to establish any independent manufacture, except upon exactly the same tariff as that of the United States. We would be just as much constrained to adopt their tariff, if we had unrestricted reciprocity in the sense I have just described, as we should be under this scheme of Mr. Hitt's for commercial union. It would not make the slightest difference as to the result. The theory would be different at first, but the operation of it must be the same. The United States would never allow (nor would we, under similar circumstances) a neighboring nation to manufacture goods from free raw material, and bring it in competition with their manufactured goods, made from taxed raw material. It bears absurdity on its face. But how could we resist, supposing we had, by heavy duties, practically shut our ports against England and every other part of the world except the United States? We should have destroyed our revenue and manufactures; one year's experience would be sufficient to ruin us. Then they could say to us: Put duties like ours on all these raw materials, or we will shut our Customs frontier on you. Where would we go? Where could we go, supposing we had such an arrangement as the hon. member from British Columbia desires? Would we go to England, and ask her to make war on the United States, because they would not maintain the

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differential duty we had established against the mother country? Well, I do not understand trade; I do not pretend to understand it; but this reasoning seems to be so simple, so plain, so clear, that how it can be disputed I cannot see. I have not heard anybody dispute the view I hold, by any reasoning, or by any facts, or argue them out satisfactorily, and show what fallacy there is in the position I maintain, and how much more correct the opposite would be. It is quite possible I may be wrong, but I cannot for myself see in what respect I am wrong. I can see that by adopting unrestricted reciprocity the result would be this: We would break down our manufacturers, we would break down our revenue, place our tariff under the control of the United States, and from that moment we would have to do exactly what they told us—neither more nor less. We know the consequences. We would deserve such a fate. We would deserve to be crushed out of existence, and made a contemptible satellite of the great country to the south of us. That is what we would merit, what every thinking man would believe we richly merited, if we consented to make the change which is insidiously pressed upon us by hon. gentlemen opposite. I am really ashamed of having spoken so long about this matter, and said so much which is purely a repetition of what hon. gentlemen have said before, so much better than I have.

HON. MR. MACDONALD (Victoria)—It is an unrestricted discussion.

HON. MR. ABBOTT—When I commenced, I stated what I intended to try to establish, and I venture to think that I have at all events shown strong arguments in favor of the correctness of my position. I think that the aspersions upon our policy are proved to be unfounded. I think its success has been demonstrated. I think I have established that the statements about our foreign trade, upon which arguments against our prosperity are urged so strongly, have no foundation in fact, or in reason; that this country has largely prospered under the National Policy, and is now in a position to prosper in a still greater ratio of progress in the time to come. Heaven knows we have had difficulties enough to contend with since this policy was inaugurated. Unfortunately, to retard our hopes of the settlement of the North-West, we have had two years of bad

harvests through unusual and premature frosts, that led people almost to despair of making the North-West the productive wheat fields we now know they are capable of becoming. We had also to contend with constant and unceasing calumnies upon the people, upon the country, upon the policy of the country, and upon its position and prospects, from gentlemen on the other side.

Hon. Mr. POWER—Perhaps the hon. gentleman will allow me to interrupt him there?

Hon. Mr. ABBOTT—I was afraid that my hon. friend would be dissatisfied with that statement.

Hon. Mr. POWER—This statement has been made very often, I brand it as a calumny, unless the hon. gentleman is able to produce some instance where a prominent member of the Liberal party has decried the country.

Hon. Mr. ABBOTT—My hon. friend has asked me to produce some instance of a member of the Reform party decriing the country. The task is an easy one. I ask my hon. friend if it has not been stated a thousand times that this country is being crushed by taxation? I appeal to the House, is it not a fact that this country is said by hon. gentlemen opposite, to be crushed under the burden of taxation? Is not that a calumny? Is not that false? Statistics have been quoted of the most conclusive character, that we are not crushed under a burden of taxation—that is to say, as compared with other countries. I do not mean to say that we have no taxation; but it has been established in this House, and out of this House, a hundred times over, that the burden of taxation in this country is less than it is in the country to the south of us.

Hon. Mr. READ (Quinté)—And it has been stated that the people are leaving the country on account of taxation.

Hon. Mr. ABBOTT—Yet; that is one of the calumnies. My hon. friend is correct in saying that these are faults which he finds with the Government; but what is said bears upon the country. I will describe to him another calumny. Have there not been numerous statements to the effect that no person could go to Manitoba and live there, in consequence of the grinding monopoly of the Canadian

Pacific Railway, and of the injustice and partiality of the land laws, which were alleged to be so much worse than the land laws of the adjoining States; and because they would be crushed under railway rates for the carriage of their produce, which were so much greater than the railway rates of the adjoining States? Has that not been said hundreds and thousands of times?

Hon. Mr. POWER—Not that no one could live there.

Hon. Mr. ABBOTT—I think the statement went pretty nearly as far as that. Probably the statement was varied by saying that a man could not make a living there; that immigrants should not go there, because when they got there they would be in a country that was crushed by excessive taxation, and would be under a grinding monopoly in respect of traffic that would crush them under excessive railway rates. These were all calumnies, unfounded calumnies. The Canadian Pacific Railway might be a monopoly if its contract had been carried out; but it is not. The monopoly has been got rid of by an arrangement with the Government. Even before that took place, railway rates were not greater; on the contrary, they were lower, than in the adjoining country, as has been repeatedly demonstrated. Moreover, those rates were under the control of the Government of the Dominion, and could be diminished, and have been diminished, as traffic increased; whereas, the railway rates on the other side of the line, to which our admiration is constantly being directed by hon. gentlemen opposite, were under the control of nobody but the railway magnates themselves. My hon. friend challenged me for an instance of calumny injurious to the country. I have given him two instances, than which, if believed, none could have been invented, so destructive to the immigration every lover of his country hopes for. I could give him fifty more, but I do not wish to burden the House with them. I admit that these calumnies were uttered as fault-finding with the Government, but they strike at the Government over the head of the country! They are willing to stop immigration in order to turn out the Government! They are trying to prevent, not with that motive, perhaps, but what they do is calculated to prevent, the prosperity of the country; to prevent its settlement; to prevent immigration to it; to cause discontent among those in it—all in order to turn out the Government. That is the motive of those calumnies; but it is an insufficient and ignoble motive

for calumniating their country. I have twice or thrice this evening stated that I did not believe hon. gentlemen opposite want annexation; but I believe as firmly as that I stand on this floor that their policy, if persisted in, would lead to annexation in a short time. I do not believe they desire annexation, as a rule. Very few of them desire it. I think there are as loyal men amongst them as amongst any other body of people. I do not like to offend my hon. friend, but I cannot refrain from saying that whatever the motive may be, this constant depreciation of the country, its people and its policy, is deeply injurious to the country; and that the injury is in no degree reduced, or its want of patriotism excused or palliated, by the fact that in stabbing the country, they only desire to wound the party who for the moment hold the reins of Government.

The fact is, that this policy of universal reciprocity which has now been adopted by the party, is nothing more or less than an attempt to set one class against another in this country; and the object of it, is power. The hon. gentlemen who seek to oust the present Government, know very well, that the essentially prosperous people in this country are all on the side of this Government—practically all on the side of this Government. The more intelligent, the more industrious, and the more thrifty, of the employed, are on the side of the policy of this Government, because they all remember 1878. Talk to the workingmen in Montreal about abandoning the National Policy, and see what they say. They say: "No; we do not want to go back to the soup kitchen; we would rather have a house of our own, and food to cook, and to eat in it." But there is always a class of discontented men who desire a change. All discontented men do desire change. They "hope against hope," as the hon. gentleman from Halifax said. They have been hoping for ten years. But the hope my hon. friend expressed, is not identical with, though nearly akin to, the hope I attribute to them, for the result of their successful hopes would be the same, namely, to turn out the present Government. If they can succeed in persuading the working classes, the artisans, the farmers and the fishermen, that they can make more money by throwing themselves into the arms of the United States, and that they will sustain no injury by doing so; that the manufacturers and employers of labor are a class who are making themselves rich at the expense of the people, and should be destroyed; they may by that means obtain a large number

of partisans, and possibly, as they hope, might succeed in carrying an election. To all these people the inducement is held out, that they would get more for their work, that the farmers would get more money for their produce, if they would go over to the United States, or make this arrangement with the United States, than they are getting now. And that the monopoly of prosperity which is attributed by the agitators to their employers, will be no longer exclusively with the employers, but will be extended to themselves; and that they then will live better than they do now. I do not believe that the hon. gentleman from Halifax, if he were in power to-morrow, would consent to abandon the National Policy altogether. He might do what the hon. gentleman from York says—he might say that some of those protective duties are excessive, and ought to be reduced. I do not know; I do not understand the subject, but I might be inclined to agree with them as to some of these, and that is a legitimate object for discussion. If they are too large let the Government know it. If they are unnecessarily large, let the people show by their votes, or in some other way, that they think them so, and it is consistent with the policy of the Government to reduce them to a rate sufficient to serve as reasonable protection to the industry affected by them. But if, by this cry of reciprocity, by representations of the decadence of the country, by these representations as to the increased rate of wages and remuneration that the working classes would receive if they had universal reciprocity, hon. gentlemen can succeed in setting that class against the employers to a sufficient extent to secure a majority of votes at the next election, they will, no doubt, turn the Government out. I would give them this credit: that I do not believe they are all actuated by disloyal motives. I do believe, however, that those gentlemen have marked out this line of action for themselves, without considering its effect upon the country itself. It is not patriotic warfare, but they have adopted that line; it is one in which they have not yet been successful, and it is one in which I pray Heaven they will never be successful. I do not propose to detain the House much longer; I just wish to say this: It is an expression of individual opinion; it may be true or it may be false, but I believe it: I believe we have the grandest opportunity of building up a great and prosperous nation that any young country on the face

of the globe ever possessed. I believe we have at this moment the largest unoccupied area of cultivable land in any country in the world.

HON. MR. POWER—Except the Argentine Republic.

HON. MR. ABBOTT—I believe that our population is as intelligent, as well educated, as energetic and as well provided with all the essential requisites for prosperity, as any nation in the world; and I believe we have nothing to do in this country to reach the summit of the highest aspirations we could possibly entertain, but to stand by our country, to avoid depreciating it, to encourage every element of prosperity that we can direct to it; and to abandon these agitations first for one change, then for another; and especially this last one for passing over to another country our incalculable advantages—for handing over our heritage, as it is proposed to do, for a mess of pottage. Let us stand by our country, and our country will justify our faith. We can attain in this country, and I hope to see it yet, though I am an old man, a still greater ratio of prosperity than we have yet reached; and I hope and believe that it will long continue to progress, in ever-increasing measure, in the march to pre-eminent national prosperity, and national dignity.

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