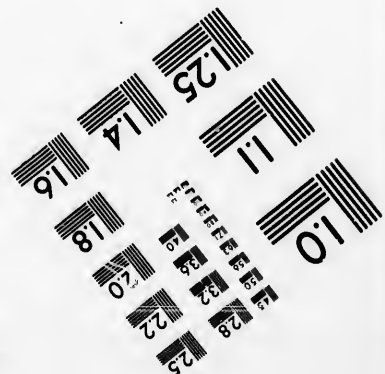
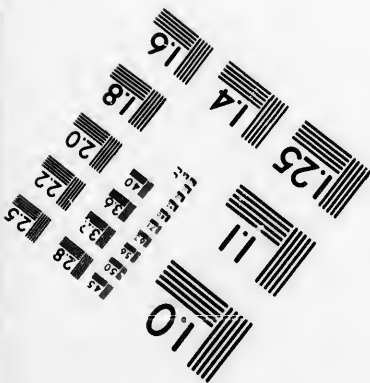
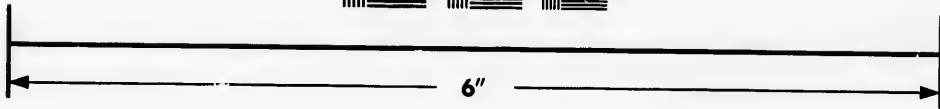
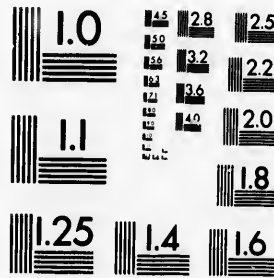


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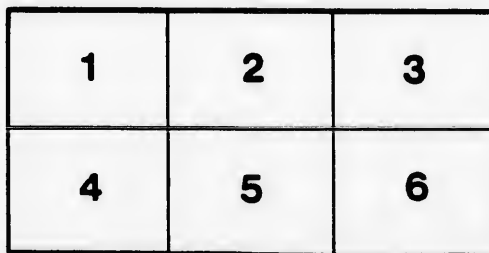
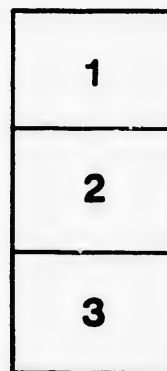
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S P E E C H

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ON

THE TARIFF

JULY 12TH, 1866.

MONTREAL

PRINTED BY M. LONGMOORE & CO., PRINTING HOUSE, 67 GREAT ST. JAMES STREET

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PROVINCIAL PARLIAMENT.

LEGISLATIVE ASSEMBLY.

SPEECH OF HON. MR. ROSE ON THE TARIFF.

(Specially reported for the Montreal Gazette.)

OTTAWA, July 12, 1866.

On the order of the day being called for the House to go into Committee of the whole on Ways and Means, and the motion of Mr. McGivern in amendment thereto,

Hon. Mr. ROSE said—Mr. Speaker, in entering upon the discussion of the important propositions submitted to this House by the Hon. the Minister of Finance, I shall endeavor to abstain as far as possible from any observations of a political nature, such as have been made during the debate that has occupied our attention during the past two days, and to confine myself strictly to a consideration of what these propositions are and of their probable effect. What then Sir, is the principal proposition which has been submitted by the Minister of Finance? and in considering this question, it is necessary that we should refer back in order to see how far the changes he proposes in the customs and excise are called for by the extent of the wants of the public service for the current year. The Minister of Finance estimates his outlay, according to his own showing, and including a million and a half for the Militia, at \$12,376,000 for the ensuing year, and estimates the revenue under the existing law, supposing there was no change in customs or excise, at \$11,420,000, leaving a deficiency under the existing state of things of \$950,000 to be provided for. This, then, is the extent of the deficit for the current year under the present tariff of customs and excise. I separate this proposition entirely from the one to meet the floating debt of the Province between this and the 1st of January next, and which amounts to the sum of \$5,000,000. It is not proposed to meet any part of this out of the changes proposed to be made in the tariff. These changes are simply and solely for the pur-

pose of meeting the assumed deficit of \$950,000 in the year's services. Now, in order to meet that deficit, my hon. friend proposes to add, by way of excise and increased duties upon the various articles enumerated in his speech, the sum of \$2,294,000 to the revenue; but as that would give him a surplus of \$1,340,000, he proposes to reduce the existing scale of duties on manufactured goods and other articles, so as to lessen the revenue from them by \$1,300,000, leaving him an actual increase in the whole year's income, as compared with the past year, of about \$1,000,000. In other words, in order to obtain the additional sum of \$950,000, it is proposed to make changes in the tariff which will effect a volume of taxation to the extent of \$3,350,000. (Hear, hear.) He makes propositions which will affect and disturb almost every interest in the country, whether commercial, industrial, or agricultural. Now, the object I have in view in addressing the House is to see how far it might not be practicable to obtain the object the Minister of Finance has in view—namely, to provide this sum of \$950,000—in a way which shall not disturb so widely these varied and important interests, because his propositions are not limited to providing the \$950,000 additional revenue, but they will, as I have said, interfere with the whole volume of trade of the country, by changes of Taxation to the extent of \$3,500,000. (Hear, hear.) I need not, I am sure, make any observations to hon. members of this House in order to prove to them the very serious injury which sudden and oft-repeated changes of any kind in the tariff do to the commercial, the industrial and the agricultural interests of the country. It is quite impossible to bring about changes of this nature—especially when, as I shall attempt to show, it is utterly impossible that these changes can be permanent—without doing

a grave and serious injury to every interest involved—injury not merely to the individuals actually engaged at the time in particular branches of trade and commerce, but injury that is more wide-spread and lasting in its effects, because it destroys that sense of security without which it is impossible to carry on with safety any commercial, manufacturing, or industrial enterprise. (Hear, hear.) This, I think, will be the result of the changes which my hon. friend proposes—changes which will bring into effect a new system of taxation, and operate more or less injuriously upon every branch of industry, and all this, I say, for the sake of raising \$950,000 additional revenue, a part of which after all may, as he himself admits, not be required.

Mr WOOD—The hon member speaks for the city of Montreal, I suppose?

Hon Mr ROSE—I hope the hon gentleman and the House will not imagine that I speak here in the interest of any particular section, locality or class; and I can tell the hon gentleman that he is mistaken if he thinks he can prejudice the observations I shall make to the House by reflecting upon the constituency which I have the honour, I am afraid I might also say at this time the distinguished misfortune, to represent—(laughter)—I say misfortune, because there is no constituency in the Province which includes within it more important, more numerous and more conflicting interests, affected by these fiscal changes, and to each and all of which it is my duty to give faithful and impartial attention. (Hear, hear.) I shall endeavour, however, to discuss the propositions not only without reference to local considerations, but in no spirit of partizanship towards any special interest which may be affected by them.

Mr WOOD—I should like to know. (Loud cries of "Order.")

Hon Mr ROSE—I do not like to be interrupted under any circumstances, Mr Speaker, and especially where the House is called upon to deal in the gravest manner with some of the most important interests in the country. (Hear, hear.) I say again, Sir, that I have no special interest to promote, no local object to serve, and I trust my hon friend opposite. (Mr Wood) will find no reason, in the remarks which I shall make, to say that I am actuated by a motive so small as the desire to make the great interests of the country at large subservient to those of any locality or of any class. (Hear, hear.) I was about to say, Sir, that I need hardly point out to this House to what inconvenience and loss the country must necessarily be subjected by every change that is made in the tariff. It is a trite observation, but none the less true, that most parties, in any way connected with commercial or industrial pursuits, would rather have a bad commercial system in operation—even one which would, in some

degree, restrict and curtail their business—than be subjected to constant changes. And the reason of this is obvious: for what confidence can a merchant have, when he enters into the business arrangements of each year, if, in addition to the ordinary uncertainties and risks that are inseparable from commercial enterprises, he has reason to fear that he may be subjected to a change in the tariff at a moment when such change would prove most disastrous to him? With what security, I would ask by way of practical illustration, would a merchant at this day order a cargo of tea from China, a cargo of sugar from Manilla, or even Cuba, or a cargo of coffee from Rio Janeiro, if, in addition to the usual risks of trade from fluctuation in prices and other causes, he would find, when the cargo arrived here, six or twelve months hence, that a change of tariff had in the meantime vastly increased its cost to him, without in any way giving a corresponding increase to its merchantable value, because the market could be fully supplied by others at any day by an order sent to New York or Boston in the interval? (Hear, hear.) He can have no confidence, I say, that any enterprise in which he may embark will prove successful. These repeated changes in the fiscal policy of the country do more than anything else to prevent the expansion of foreign trade. It would be a waste of time to dwell more on so self-evident a proposition. If the Finance Minister could but see with his own eyes the state of confusion into which everything has been thrown, he would, I think, shrink from a prolongation of it, and doubly so from the repeated occurrences of so great a mischief. (Hear, hear.) Well, Sir, if that is true in reference to the merchant, it is doubly true in reference to the manufacturer. The merchant has but his stock in trade—the goods which he imports and which he may sell, though without a profit, after these changes take place; but the manufacturer, who, relying upon the permanence of the tariff, has invested his capital in machinery and buildings adapted only for his manufacture, cannot possibly take them away or dispose of them, and the change affects him to a far greater and more enduring extent than even the merchant. He cannot remove his machinery or his buildings, which represent the capital he has accumulated for the purpose of carrying on his operations elsewhere. If the public interests demand that there should be a change in the policy of the country, it ought to be made with the greatest possible consideration and delicacy—it ought to be made gradually, and with the utmost circumspection, prudence, and caution so as not ruinously or injuriously to affect existing interests (Hear, hear.) Do not let me be understood as blaming my hon. friend for having changed the views in regard to the commercial policy of the country, which he has held since

1858, I do not say that he is now personally to be reproached for altering what he gave others reason to believe would be a permanent system at the time when he proposed it, if he considers that the best interests of the country demand the change. The man who risks the charge of inconsistency by boldly changing his opinion, when he believes it to be for the public good, is entitled to credit rather than to blame. Many men would lack the courage to exposing themselves to that charge and would rather cling to opinions which they might feel were pernicious to the interests of the country. I accord that credit to the Minister of Finance, and am willing to believe he now conscientiously holds that the policy which has been pursued in this country since 1859 and which in adjusting the tariff for revenue purposes gave incidental encouragement to the home manufacturer, ought to be changed. But is the occasion opportune? Have we time to consider with proper deliberation how existing interests are to be affected; and is the system of to-day likely to be more permanent than the one of yesterday? The hon. gentleman will see that the main object of the changes he proposes is to provide \$950,000. He says if it had not been for the extraordinary militia expenditure, which he feels bound to provide for although he may not be actually required to make it, the House would not have been called upon to make good any deficit at all; but being called upon to do so he says he must bring before the House for solution the problem whether we should now adopt the protective system of the United States or the free trade system of Europe.

Hon. Mr. GALT—I think I put two points to the House as those justifying these changes. One was the wants of the Minister of Finance, and the other the altered circumstances of the country in regard to the reciprocity treaty.

Hon. Mr. ROSE—Well, I understood my hon. friend to say the necessity of making any change at all in the tariff was forced upon him solely by the public requirements of the year. I understand him now to have meant that he considered the circumstances of the country were such, in consequence of the abrogation of the reciprocity treaty and other events in the United States, that it was necessary to make a change in the policy heretofore adopted in this country. Now, Sir, I am not going at this moment, nor do I think it necessary, to shew (for that has already been done by abler minds more conversant with the subject—the hon. member for Lambton [Mr. McKenzie])—that the new Corn Law system—the intended tax on foreign agricultural products—will be of little practical advantage to the farmer whether in Upper or Lower Canada. Nor yet do I think it necessary that we should now at this Session decide between the system of free trade and the American system. I think that

what we have to consider in Canada is our own peculiar position, and that that policy should be adopted which is most in the interest of the country, without showing any slavish adherence to the theory of free trade on the one hand, or necessarily adopting the theory of protection on the other. (Hear, hear.) I think that what we have to consider is our own peculiar circumstances—not those of Europe or the United States; and, viewing them fairly, decide what policy is best for the varied interests of Canada, and not pin our faith to, or guide our actions by the mere expressions of free trade and protection—expressions which may be and indeed are very differently understood by many who use them. I have no hesitation in saying that the true policy for any country to pursue is that which shall relieve commerce of all its shackles and restrictions, and which shall best effect a free interchange of its own commodities with those of other countries, without the trammels to which commerce is frequently subjected, either by protection, tariffs, or otherwise. But in this the principle of reciprocity—of mutuality—is everything. (Hear, hear.) If that is what my hon. friend understands by free trade—if the markets of one country are to be freely opened to the producers of another—if he can mature a scheme that will give us the markets of the United States or of foreign countries, then I for one will be quite prepared to support him if he should propose a measure to abolish every custom-house in the country. (Hear, hear.) Let us have free access to the markets of the world, and the people of this country are quite prepared to open theirs. They desire only equality. But my hon. friend has spoken of the European system as that which we should adopt. Now, what is the European system with which he asks us to be enamoured? Is it *practically* a system which permits of the free interchange of the commodities of Europe among the nations of Europe? I am afraid the theory is one thing and the practice another. My hon. friend knows that there was no approach, by England, to such free interchange even as a theory till 1820, when, I believe, the first feeble and very limited movement was made in favor of it by the merchants of London. My hon. friend knows that from 1820 till 1840 there was but little change in the English customs, and that up to the latter period there were, I think, no less than eleven or twelve hundred rates of duty charged on different articles.

Hon. Mr. GALT—Which have all since been swept away.

Hon. Mr. ROSE—Yes; but so stringent had the commercial policy of England been in favour of the domestic manufacturer that for many years it was prohibited to export machinery to foreign countries, lest they should thereby be enabled to enter into competition with her own manufac-

urers. Not only was there a law to that effect, but there were provisions by which the ship that carried it was liable to be seized; the captain who signed their bills of lading was subjected to the penalties of both fine and imprisonment. It was a criminal offence to induce a skilled workman to emigrate to a foreign country, where his skill might have the effect of improving foreign manufactures. There was a rigid system of exclusion, almost of absolute prohibition; and under this condition of affairs England, in 1849, was found to be in such a position as to enable her to reverse entirely her former policy and to permit the competition of the world. My hon friend will hardly deny that up to that time such was the commercial policy of England.

Hon Mr GALT—I will only say this, that after the policy of England was made free there was an immense development of her trade and a great improvement in the condition of the people.

Hon Mr ROSE—There can be no question about that, and I am quite prepared to admit it, although other circumstances—such as railways and the increased facilities of transport and of intercourse had much to do with that. Let my position in this matter be not misunderstood. I have never been, nor never will be, an advocate of any policy which shall give to home manufactures that sickly growth which depends solely on legislative protection, or which shall increase to any appreciable degree the cost of any article to the consumer at large; but what I desire to show, and what I hope the House will spare me a few moments in order to impress upon it, is the great circumspection and care which the English statesmen of that day had for the interests that had grown up under the former protective policy, and the gradual, cautious and considerate way in which they were dealt with. They were careful not to abolish at one stroke of the pen, as my honorable friend proposes to do, but gradually and slowly to reduce the protective duties that had previously existed, and under which the manufactures of England had arisen. I shall not, I think, be asking too much if I urge on the House that they follow the same course—to have the same regard for existing interests here, which Sir Robert Peel, Mr. Huskisson, Mr. Gladstone, those eminent statesmen, who were the foremost advocates of free trade, manifested for the interests then existing in England. (Hear, hear.) In introducing his bill of 1842 into the House of Commons, Sir Robert Peel said:

“With respect to *raw material*, which constitute the element of our manufactures, our object, speaking generally, has been to reduce the duties on them to almost a nominal amount. In half manufactured articles, which enter almost as much as the raw material into our domestic

manufacture, we have reduced the duty to a moderate amount, and with regard to completely manufactured articles, our design has been to remove prohibition and to reduce prohibitory duties, so that the manufactures of foreign countries may enter into a fair competition with our own.” (Hear, hear.)

And Mr. Gladstone, in reference to this policy and to the legislation of Parliament from 1842 to 1852, said:

“It was an attempt to make a general approach to the following rules: First, the removal of prohibitions. Secondly, the reduction of duties on manufactured articles, and of protective duties generally, to an average of twenty per cent, *ad valorem*. Thirdly, on partially manufactured articles, to rates not exceeding ten per cent. Fourthly, on raw material, rates not exceeding five per cent.”

Here, then, was laid down a policy which, with a general reduction of duties on manufactures, was essentially discriminatory on behalf of domestic interests; and I will presently show in what particulars my hon. friend (Mr. Galt) has departed from these principles.

Hon. Mr. GALT—-I think if my hon. friend refers to Mr. Gladstone's remarks when discussing the duties on silks, he will find that he did not propose to discriminate in favor of the home manufacture; but I shall be prepared at the proper time to show that my course has not been different from that pursued in England.

Hon. Mr. ROSE—-I think my hon. friend is in error. Here is what Mr. Gladstone said in reference to that very thing.

Hon. Mr. GALT—-When was that?

Hon. Mr. ROSE—-In 1853.

Hon. Mr. GALT—-No, it was in 1863 that he spoke on those duties.

Hon Mr ROSE—Oh, that was at the time of the Treaty, which gave equivalents. My hon. friend knows that it was not till then that the manufacturers had their protection entirely taken off. It was under the Treaty, in virtue of which France said: “If you will take our silks, our wines, etc., we will admit your iron and coal and other articles.” It was a Treaty in which concessions were made by one country, in return for equivalents by the other. With reference to the ribbon manufacturers in Coventry, Mr Gladstone made the following remarks, which I read in order to show with what care and tenderness existing interests were dealt with:—

“In so far as silk is an article into the manufacture of which protection enters, the protection has mainly reference to a certain class of operatives with respect to whom it would be the disposition of Parliament to proceed carefully and with great circumspection.”

Hon. Mr GALT—What is the date of that?

Hon. Mr ROSE—1853.

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Hon. Mr GALT—But Mr Gladstone in 1853
was not the same man as Mr Gladstone in 1863.

Hon. Mr POSE—Well, I am not aware that Mr
Gladstone, in 1863, had departed from the princi-
ples of Mr Gladstone, in 1853, for
he has been foremost in the ranks of
free-traders since the discussion on Free-
trade separated the Conservative party.
We shall see by and by how my hon friend re-
conciles his proposals with the principle on
which they acted in England—letting raw mate-
rials be free—partially manufactured at a slight
duty, and wholly manufactured at a still higher;
and above all, by cheapening articles of food?
But as he professes to take Mr Gladstone of 1864
as his pattern, he will, perhaps, permit me to ask
whether in his tariff he is not applying the rule
which Mr Gladstone lays down as "grossly un-
just." In his speech on the tariff of 1864, he
says:—

"Our system is a system which is grossly un-
just, unless it is *uniformly and universally ap-
plied*. It would be monstrous to say to any
branch of industry or class of British producers:
'We will expose you to foreign competition,' un-
less we likewise say to them: 'All you want at
home we will take care you shall have on the
best terms that we can get,' that is the principle
of justice."

I have read from Sir Robert Peel's speech in
1842; I now read from a speech he delivered in
the House of Commons in 1846. He had been
taunted with a change of opinion and a change
of policy, and he manfully avowed that he had
changed. He had been charged also with advo-
cating a principle, which involved the removal
of duties levied on articles of consumption for
revenue purposes. With reference to this, he
said:—

"I make no such proposition, and defend no
such doctrine. Nay, I do not advise, even with
reference to purely commercial considerations,
the sudden and violent application of principles
theoretically true. I do not abolish all protec-
tive duties; on the contrary, the amended tariff
maintains many duties that are purely protec-
tive, as distinguished from revenue duties."

If we in Canada have been proceeding on a
false system, we ought, in changing it, to deal
with great tenderness with those whose fortunes
are involved in any alteration we may make. In
England, whenever the interests of the great
masses of the nation have required a change of
policy, it has never been effected without the
gravest and most earnest consideration being
given to the interests involved. (Hear,
hear.) Before I leave this branch of the
subject—the manner of introduction of
the European system, which my hon friend
says has been so successful—let me

read what Mr Gladstone stated in his cele-
brated letter to the President of the Manchester
Chamber of Commerce, showing what the success
of the policy, which my hon friend describes as
the "European policy has been.

"Between 1841 and 1845, I held office in the
Board of Trade; and this was the period during
which England was most actively engaged in the
endeavour to negotiate with the principal States
of the civilized world, treaties for the reciprocal
reduction of duties upon imports. The task was
plied on our side with sufficient zeal; but in
every case we failed. I am sorry to add
my opinion that we did more than fail. The
whole operation seemed to place us in a false
position. Its tendency was to lead countries to
regard with jealousy and suspicion as boons to
foreigners alterations in their laws, which, though
doubtless of advantage to foreigners, would be of
far greater advantage to their own inhab-
itants."

Mr Gladstone shews here the difficulties in the
way of the European system, which my hon
friend says we ought to adopt—the principle and
theory of which I admit are right; but we do not
find that it has been successful hitherto in prac-
tice, for many countries still refuse to come into
the principles of free-trade, which England has
endeavoured to enforce. I think we cannot
overlook some circumstances connected with our
position here, which must force themselves on the
notice of the House, and the attention of the
country. For a number of months in the year,
there is an almost enforced idleness on a large
part of our population. Our great waters are
sealed up, we have no fishing, and our
agricultural operations are suspended. To
provide employment and profitable occupa-
tion for the masses, where idleness with all its
demoralizing consequences would otherwise ex-
ist, is a duty which no statesman can safely dis-
miss from his regard. And, if you find that there
are hundreds and thousands of our population
going abroad, to give their labour for the means
of subsistence in a foreign country, that con-
sideration is one which demands the most serious
and anxious attention of the House. (Hear,
hear.) We must consider whether it is not pos-
sible to keep that population at home. They are
industrious, frugal, temperate and handy, strong-
ly attached to home, and our legislation, so far
as possible, should be directed to finding them
such occupation in Canada as shall add to the
wealth of the country.

Mr. SCOBLE—Is that free trade?—and is
every body else to be taxed to find them employ-
ment?

Hon. Mr. ROSE—I have already said that I am
not in favor of favoring any special interests at
the expense of the consumer or of the community
generally. But the hon. gentleman knows well

that the word "protection" sticks in the nostrils of men who, like himself, do not reason upon the subject at all. I quite admit that, like the word "monopoly," it is a very offensive expression, and sometimes a bad name is made to go a long way for argument. (Hear, hear.) But I have never said that I entertained any such views as to protection, as would tend to prejudice the interests of the general community. But the hon. gentleman is mistaken, if he thinks that the enforced idleness of a very large portion of the population of this country is a consideration to be set aside by a mere sneer at the word "protection." I, Sir, am not one of those who, for the sake of mere theory, or idea, will consent to keep in idleness, as good and industrious a population as you will find in any part of the world. (Hear, hear.) Go to the workshops of Concord, Manchester and Lowell, in New England, and they will tell you that the most temperate, the most frugal, the most industrious and the most skillful workmen are the French Canadians who go there to find employment, and it is not for the hon. gentleman to taunt me with being the advocate of an exploded idea, because I maintain that some consideration is due to see whether we cannot devise a system under which these men should be enabled to stay at home, and find remunerative employment in their own country. I say that the exodus of this portion of our population is a consideration which no man ought to disregard. Go upon the railways between Montreal and Portland or Boston, and in some weeks you will find five, six, or seven hundred of the youth of both sexes going off. This is a fact which must be dealt with. I appeal to the Attorney-General East, whether he is disposed to disregard this very grave circumstance—that this class of our population are daily leaving us—whether he does not think it a fact with which the statesmen of this country ought to deal. (Hear, hear and cheers.) If it can be found that by the imposition of very moderate duties, giving, what the Finance Minister would call incidental protection, duties, strictly speaking, imposed for revenue purposes, but which might incidentally benefit that class of our population, by turning their labour and industry to profitable account in this country—I think all classes in Canada would be found more magnanimous than my hon. friend opposite gives them credit for, and would be disposed to bear a little share of the burden, in order to keep Canada from being made a sacrifice market for the surplus stocks of Europe and America, and preventing the profitable occupation of our people. (Hear, hear.)

I now leave that part of the subject, and come to the arguments which have been adduced for making the change at the present time. My hon. friend, the Minister of Finance, says that the sooner we make these changes the better—that

it is quite evident that, after Confederation, there must be a great relaxation of the duties on imported articles in the direction of a lower tariff—and that it is better to prepare the trade for this great change by a modification of the tariff now, rather than that the whole shock should come at once. Better, he said, have two small shocks than one great shock. I do not know about that. If I were sentenced to decapitation, or had in prospect any other painful operation, I think I would rather have it over and done with at once. [Laughter.] I do not like a succession of small shocks; at all events when you apply them in such a way as to derange and keep the whole interests of the country in a condition of perpetual vibration. I think it would be better to have one policy adopted after grave and mature deliberation, than to have this preliminary measure, which will check the extension and even continuance of our foreign commerce, throw doubts on the position of our manufactures, and unsettle every great interest in the country. [Hear, hear.] But the hon. gentleman says that these proposed changes are an assimilation in every respect to the tariffs of the Lower Provinces. If that proposition were true, we would be disposed to listen with more attention to the scheme. But I wholly deny its truth. In woollens, and many other articles in the 20 per cent list, there is an assimilation to the tariffs of the Lower Provinces. But these do not constitute the whole trade of the country; and with respect to other articles which I am about to mention, equally important both to the revenue and as articles of daily consumption, instead of there being an assimilation to the Lower Province tariffs, there is a greater divergence than there ever was before. (Hear, hear.) My hon. friend says that one of the great objections in the Lower Provinces to Confederation with Canada has been, that we were more heavily taxed than the population of the Lower Provinces. Let us see how far that assertion is correct; and, let it be remembered that, by my hon. friend's scheme, we are going to add \$1,300,000 to our taxation. (Hear, hear.) But let us see how it stood before—what was the taxation per head of every man in Canada, as compared with the taxation in the Lower Provinces. The taxation per head is as follows:—

In Canada	\$1 85
Prince Edward Island.....	1 69
New Brunswick	2 81

Hon Mr GALT—Where do you get your figures?

Hon Mr ROSE—Does my hon friend deny their correctness?

Hon Mr GALT—I do.

Hon Mr ROSE—Then I will put my hon friend himself in the witness box. (Hear, hear.) I have here a statement issued by the Finance Depart-

ment, showing, first, the whole amount of Customs taxation, then the amount per head, and, lastly, the per centage of duty on the value of our imports.

Hon Mr GALT—Your figures refer to the Customs duties.

Hon Mr ROSE—Certainly. So I intended to be understood. I was speaking of the proposed change in our customs duties, and of the allegation that our customs duties are much higher than those of the Lower Provinces, and that this is an impediment to Union. The customs duties levied on Imports are, per head of the population—

In Canada	\$1 85
Prince Edward Island	1 69
New Brunswick	2 81
Nova Scotia	2 46
Newfoundland	3 53

And now take the per centage of duty on the imports—I mean the whole import trade, including free goods—

Canada	11 per cent
New Brunswick	9½ "
Prince Edward Island	8½ "
Nova Scotia	7½ "
Newfoundland	7½ "

Now, if you add the per centage of increase which is proposed by my hon friend, how much beyond this will it be? He proposes to put on \$2,500,000, and to take off \$1,300,000.

Hon Mr GALT—My hon friend is perfectly aware that in customs there is a reduction. The amount will be less than it is at present.

Hon Mr ROSE—The hon gentleman, in addition to excise, proposes to increase the customs duties on many articles, as tea, molasses, foreign spirits, &c, and to impose new duties on flour, corn, butter and cheese, and \$2 a barrel on pork. I think I have shewn that, even previous to the proposed increase, there is not so very great a disparity between the customs duties of the different provinces, as the hon gentleman told us. I will now refer to one or two important articles, with reference to which the contemplated changes will widen the difference between the existing duties here and in the lower provinces. Let me first refer to the article of tea. And I would ask here—as one of the strongest objections in principle to the changes, even were they opportune—have we not been struggling for a number of years to establish a direct trade with foreign countries by way of the St Lawrence, and will that be done by increasing the specific duties on tea, sugar, and similar articles? (Hear, hear.) Let me not be misunderstood, I will be told that I desire to bring trade to Montreal, and that I favor a system which would have the effect of preventing the Upper Canada dealer from having a choice of markets. Let me say at once, as to that, that I argue for no

legislative advantage or discriminating duty in favor of the city of Montreal. Progress rests on a more solid basis than legislative favours. It rests on the intelligence, integrity and enterprise of her merchants, on the industry and skill and thrift of her mechanics, and on her own geographical position. I am quite willing that the Upper Canada merchant should be in a position to deal in two markets instead of one. And we know that under the existing law there is no obstacle in the way of the Upper Canada importer importing direct from foreign countries by the way of New York, rather than by way of Montreal. Both are open to him on the same terms. And we know that several enterprising houses in Upper Canada—such as Messrs Foster of Hamilton, and others in Toronto—do a large direct trade with China. (Hear, hear.) But, it appears to me to be quite certain that, under the proposed system, the Upper Canada dealer, instead of having the choice of two markets—Montreal and New York—will be limited to one market. For, with the existing relations disturbed and specific duties imposed, who will take the risk of ventures with foreign countries extending over many months, when he can telegraph to New York and get the articles lying there in bond on the same terms? When the merchant can do this, he is not likely to run the risk which is involved in all the chances and accidents of an extended enterprise, with a tariff in whose stability no confidence can be placed. The same considerations, as to specific duties, applies to the article of sugar. Is it not manifest that the hon gentleman's proposition will injuriously affect the trade which he and his colleagues have lately spent so much time and labour to bring about with the West Indies? (Hear, hear.) Who will take the risk of importing sugars from foreign countries, if not allowed to enter them at their cost in the country whence last exported?

Hon. Mr. GALT—That is not the view of the Montreal Board of Trade.

Hon. Mr. ROSE—My hon. friend is altogether mistaken. It is their view. I have got here the report to which the hon. gentleman refers. But let me say that even if that body advocated specific duties in foreign articles, I should think they were wrong in the general interests of the country. At the same time, the suggestions of practical men are always of great value. I am not among those who blame my hon. friend for any supposed inconsistencies in preparing his tariff. It is impossible for one in his position to take counsel with the community at large. If he consults with any one class, his intentions must leak out. He is obliged to recede back upon himself and upon the information which he can get in his own department, and which cannot be expected to be of that practical character which men engaged in the trade would furnish. [Hear

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hear.] I know he was debarred from such information. It would have been imprudent in him to have sought it. And the greatest allowance must be made for a Minister of Finance who sits down to make a tariff, necessarily debarred from consulting with those who can best give him information, because, if he does so, he may give advantage to one class or interest over another. Whoever may be in power, I shall always be disposed to make great allowance for any man placed in that most difficult and responsible position. So far as any minor matters of detail in this tariff are concerned, I should be disposed therefore to allow the greatest latitude and the greatest consideration. But, coming back to the sugar duties, does the hon. gentleman mean to deny this, that the imposition of specific duties is antagonistic to the encouragement of direct trade?

Hon. Mr. GALT—I say this, that the trade, not merely in Montreal, but elsewhere, have sought a change. The hon. gentleman is aware that the existing tariff was found to operate very injuriously, and the matter was referred by the Montreal Board of Trade to a committee. The committee have made a report, in which they say they would prefer *ad valorem* duties, but that there are certain objections to them which, they think, will outweigh the advantages, and they would prefer the duties on sugars should be made specific, and should be made to apply to different qualities. The only point of difference between myself and the Board of Trade in Montreal is in reference to the classification of sugars. They agreed to the duties being specific, and they agreed there should be a graduated scale of quality.

Hon. Mr. ROSE—My hon. friend is entirely wrong. I shall read what the committee say in their report :—

“ But the true remedy we think would be found in making all sugar subject to a uniform *ad valorem* rate of duty, the simplest of all plans, and the fairest to all classes. Objections to this we see only two,—possible undervaluing which efficient appraisement would prevent, and the aggravation of high prices in dear times, by high duties; an objection applying equally to nearly the whole tariff. Should these be deemed sufficient reasons for another course, then we would as the best alternative recommend a scale of specific duties, at many different rates proportioned to different values, and for this purpose would suggest adoption of grade well known as ‘ Dutch numbers,’ &c.

They first say a uniform *ad valorem* duty is the best of all, and then state that there are but two objections to it, one in reference to the undervaluing: and the other in case of high prices. Then they add—if you consider these two objections which they say can be met, to be insur-

mountable, they would say, the best alternative lies in levying the duties at different rates, proportionate to the different values.

Hon Mr GALT: That is my view.

Hon Mr ROSE: Well, you have acted very differently. Now, I would urge the Hon Finance Minister not to trammel this question with any sectional views or considerations. I ask him is an Upper Canadian merchant precluded at this time from dealing in any foreign market. Is there any advantage accruing to him through trading by way of Montreal, any more than by New York, under our existing law?

Hon Mr GALT: Not when importing; but if he buys it is different.

Hon Mr ROSE: It is the same thing whether he imported by Montreal or New York. It is open to the importer to use whatever route he pleases if he imports directly, and even the buyer has now the benefit of two markets. I feel it is indispensably necessary we should have more time to consider what the practical effect of these changes is going to be on the commercial interests of the country. It is no light thing to make alterations in the tariff of a character to disturb existing commercial regulations, and deter merchants from embarking in great trading enterprises, which tend to build up the general prosperity of the country. He must feel some sort of confidence in the stability of our systems, and and not be left to fear all kinds of violent and unexpected changes. (Hear, hear.) I think that such considerations as these should not be lost sight of by the Government of the country.

Hon Mr GALT—These objections do not effect the consumption of the country. It is not to be affected by the importations by any particular route. It is quite immaterial by what country the importations come here.

Hon Mr HOLTON—That is not the doctrine of a few years ago.

Hon Mr ROSE—I venture to enter my solemn and earnest protest against this doctrine. I say it concerns very much the interest of the country. (Hear, hear.) The agriculturist cannot flourish without commerce; neither can one or other of them flourish without manufactures. The interests of any one are not opposed to those of any other. No country can flourish unless these three interests go hand in hand. To say that it is a matter of indifference whether we have a foreign trade or not; whether we import ourselves or depend altogether on New York or Boston, is quite extraordinary, and a statement against which I protest. [Cheers.] Look at the amount of capital being disseminated in Montreal at this moment by means of our foreign trade through the St Lawrence. Why, at the present time there are some 70 or 80 ships in that port which, after bringing cargoes from Europe and elsewhere, are loading the coarse grains and

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land. Several millions bushels of oats are thus
being placed in those vessels, which cannot be
sent to the United States owing to the repeal of
the Reciprocity Treaty. Will my hon friend, the
Finance Minister, tell us, in view of such facts,
that foreign commerce is of no use to a country,
and that we should be content to be the brokers
or retail dealers for the New York merchants?
If we cannot build up a trade of our own, we are
not fit to assume the position of a new nation-
ality. (Cheers.) To say that the merchants of
Canada are not to go to China, India, Cuba or
South America, and import thence coffee, tea,
sugar, and other products of these lands direct,
but that they must purchase them second-hand
in the United States from our rivals, the New
York merchants, is a doctrine we should never
have heard in this place.

Hon Mr HOLTON—It is the doctrine of the
Government.

Hon Mr ROSE continued: I apologise for this
divergence from the strict line of argument in
answer to the statement of the Finance Minister,
that his changes are a gradual approximation to
the tariffs of the Lower Provinces. Now, with
regard to the article of tea, from the duty on
which are obtained nearly a twelfth part of our
customs revenue. It is proposed to add three
cents per lb to the present duty, which will
make the average duty twelve and a half cents
per lb. The tariff in New Brunswick on this ar-
ticle is, on ordinary black tea four cents per lb,
and eight cents for green tea.

Hon Mr BROWN—That is to equalize the
tariffs between the different countries. (Laugh-
ter.)

Hon Mr ROSE—In Nova Scotia the duty on
black tea is six cents per lb; in Prince Edward's
Island it is fourpence per lb, Island currency,
equal to 5½ cents, while ours is twelve and a half,
as I said before. Is this a gradual assimilation
to the tariff of the Lower Provinces? This is
not a small and unimportant article that we are
dealing with, but one that enters into the con-
sumption of every man, woman and child in the
country.

Hon Mr GALT—How can you raise any objec-
tion to this commodity when it is all imported.
There is no tea produced in this country to come
into competition with any of the interests you
seem desirous of protecting, and the present
change is merely a question of revenue.

Hon Mr ROSE—According to the doctrine of
my hon friend, that it is of no importance whe-
ther our trade comes by the St Lawrence or New
York, it would be a matter of perfect indiffer-
ence. But if, on the contrary, it be a matter of
importance that our importations should come
by the St Lawrence, would he in face of the
present changes if engaged in mercantile

transactions, be disposed to order a cargo of tea
from the place of growth, knowing that in six or
eight months there must probably be further and
even greater changes in our tariff, perhaps
reducing duties on such articles to the New
Brunswick and Nova Scotia standard? Seeing
that it takes upwards of six months to bring a
cargo of tea from China, our Canadian merchants
will be deterred from such enterprises by the
prospect of such further changes within a short
period.

Hon. Mr. GALT—The article could go into
bond.

Hon. Mr. ROSE—Yes, but the importer may be
compelled to take it out of bond before you again
lower the duty. We had a practical illustration
of the loss to the importer about the time the last
tariff changes were made. A cargo of coffee
from Rio Janeiro was on its way to Montreal;
but the vessel happened to be detained a few
days a short distance below Quebec; before her
arrival at which place, the changes had taken
effect, which caused a loss to the importers of, as
I have been informed, nearly \$30,000 in addi-
tional duties.

Hon. Mr. GALT—It must have been a long
time ago.

Hon. Mr. HOLTON—It was in 1862.

Hon. Mr. GALT—The tendency of the tariff
has been downwards since 1859 as regards coffee.

Hon. Mr. DORION here read from the journals
an extract of the tariff of 1862 showing there
had been an increase in the duty on coffee, mak-
ing three cents in addition to the ad valorem
duty.

Hon. Mr. GALT—I must say it is an old worn
out cry that the merchant pays the duty. It is the
consumer who pays it, and it is perfectly absurd
for any one to say that the merchant who imports
a cargo of tea suffers any loss from any change
in the duties.

Hon. Mr. ROSE—I am perfectly aware that
as a general rule the consumer pays the duty;
but the hon. gentleman knows that on changes of
duty the price which the merchant can get rarely
increases in proportion to the duty, simply be-
cause the market may have been, or may after-
wards be fully supplied. My hon. friend has
made light of my proposition that the direct
foreign trade of a country is of some value, and
he asked what difference can it make to the con-
sumer whether we import by way of New York
or Montreal. Sir, I contend that the commercial
interests of the country are as much entitled to
its consideration and guardianship as the other
interests. (Hear, hear.) Now, what is the posi-
tion of our merchants as regards the importation
of teas in the United States? They do not affect
to undervalue foreign direct trade, but show their
appreciation of it by giving ten per cent bounty
on direct importations from China. Thus a mer-

chant has a discriminating duty of ten per cent in his favor in bringing his cargo direct to the United States, and my hon. friend seems content it should be so!

Hon. Mr. GALT—Would you like to have that feature brought into our tariff?

Hon. Mr. ROSE—I do not think it wise as a general rule to establish discriminating duties, but it shews how the United States encourage foreign trade.

Hon. Mr. GALT—But he admits they are wrong.

Hon. Mr. ROSE—Well, they pursue a very different course from us, and they appear to flourish under it. But leaving this matter, I contend that the change in our tea duties must create a paralysis in the direct foreign trade in that article during the next twelve months.

Hon. Mr. GALT—No, no.

Hon. Mr. ROSE—But I am sure of it. Ask such large tea merchants as Torrance & Co., Gillespie & Co., Foster & Co., Isaac Buchanan & Co., Law, Young & Co., or others. No one importing teas into this country with the uncertainty respecting the continuance of the duties, with the twelve and a half cents per pound import staring him in the face, and in view of our union with countries whose duty is from four to eight cents, will engage in direct importations to Canada for some time. Let me now advert to another very important article—namely, sugar. I confess I am placed somewhat in a strait as regards this; in fact in the position of being exposed to a cross fire. The importing merchant says that the importation of refined sugar cannot take place under the existing laws, because there is too great a bonus to the refiner; while the refiner says, I am ruined under the old tariff, and shall be doubly ruined under this. Now, having so many conflicting interests to consider, and desiring to do right by all of them, I think it is much better that I should state my views openly before the Government and the House, than make any private suggestion, or urge departmentally any concession in favour of any interest. The attempted exercise of any such private inference would place both the Finance Minister and myself in a false position. [Hear, hear.] Well, in reference to this perplexing subject of sugar—[laughter]—the proposed changes are also the very reverse of an advance in the direction of assimilation with the Lower Provinces. It is no doubt very necessary that there should be changes in the present sugar duties, but though they are faulty, the trade have borne with them for three years, and would rather put up with them six or eight months longer, especially as they know that the proposed alterations carry us further from, instead of nearer to, the scale of the Lower Provinces, and that these changes will not be complete or final. I believe that the

Finance Minister will give more satisfaction to the country and do far better by its interests, if, instead of making sweeping changes now, he contents himself with declaring that it will be the policy of the Confederation to pursue a policy in the direction he has indicated after union is consummated.

Hon. Mr. GALT, who was not distinctly heard in the gallery, was understood to say that the trade held the duties on sugar were unjust to every interest.

Hon. Mr. ROSE—I might concede that, and I entirely approve of the principle on which you propose the changes. But then comes the question—first, do the proposed scales and the specific duty you impose on each grade carry out your principle? And secondly, is the change going to be permanent? My hon. friend can hardly forget that his views on the sugar duties have undergone rapid and important changes. What were the duties proposed by my honorable friend four years ago? He proposed a specific duty of two cents per lb on refined and two cents per lb on raw sugar. He urged it with all the earnestness and ability he could master—and there are none in this house who can state their case in a clearer or more masterly manner. The effect of that proposition was to impose a duty equal to 67 per cent *ad valorem* on raw sugar, and 38 per cent on refined. [Hear, hear.]

Hon Mr GALT—The principle laid down is to impose the duty on the pure saccharine element, although this is not consistent with the tariff of 1869, but in the proposition I made in 1862 I maintained precisely the principle of the present tariff.

Hon Mr HOLTON—I must say, Mr Speaker, that the entire effect of the elaborate and interesting speech, which I am endeavouring attentively to follow, of the hon member for Montreal Centre is being destroyed by the frequent interruptions of the hon Minister of Finance.

Hon Mr GALT—I do not think the hon member for Chateauguay is precisely the party to complain in the matter. If my hon friend (Mr Rose) had intimated to me that I was interrupting him, I would certainly have desisted; but as he has not done so, I hardly think the hon member for Chateauguay has a right to complain. (Hear.)

Hon Mr ROSE—I have no desire to object to the interruptions if they do not interfere with the train of my argument. I wish to put my views on the floor of the House in presence of the hon member (Mr Galt), and it will perhaps save time in Committee if I am permitted to do so now, because I shall endeavor to give practical effect to those views in Committee. If my hon friend will convince me that I am wrong in my views, I shall be glad to be put right. Now, Sir, what are the *present* proposals of my hon friend?

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In broad terms it is this—to introduce exactly the same scale of duties that Mr Gladstone introduced in 1864, with the exception of the important article of molasses. Mr Gladstone stated his views in these words: "The proposition which I lay down, and which I invite the committee to proceed on, is that the form of our duty should be such as will least interfere with the natural course of trade, and be the least open to the charge of offering to the producer or manufacturer a premium on doing something different from that which he would do if there were no duty at all." In other words, he would offer no inducement whatever to the home refiner to do that in England which might be done cheaper by the foreign refiner abroad. He takes the amount of crystallizable saccharine matter—the matter that can be profitably extracted by the refiner—and puts the duty on that, so that the foreign refiner and the home refiner stand on the same footing, and a purely free trade principle is established that would satisfy the wishes even of my hon friend opposite (Mr Scoble). Now the Canada refiners say that their business has grown up under the present tariff: that they have invested in it at this moment more than a million dollars of capital, and that they employ a large number of skilled hands, who, if this business ceases, must seek employment elsewhere. Now, Sir, if the effect of Mr Gladstone's Tariff, which it is proposed to adopt here, has been to ruin the English refiner, who has labor, coal, and everything else that he requires in his manufacture at a much less cost than they can be procured here, who gets his machinery free, instead of paying 20 per cent duty on its importation—if, above all, Mr Gladstone himself has admitted within the last three weeks that he has reason to fear that in practice that tariff is faulty, that it has induced refining abroad rather than in England, I think my hon friend will see that his proposition ought to be amended or modified, or rather held in abeyance, when we see what its practical working in Europe is proved to be. (Hear, hear.) We must not deal hardly or harshly with such important interests. One of the most enterprising firms we have in the country inform us that they have just put up a refinery costing some hundreds of thousands of dollars, in the belief that the present rates of duty would be maintained; but the Minister of Finance comes down with a new tariff, the effect of which may be, I do not say it will, to prevent him from lighting his fires. I do not appear here as the advocate of any one individual or class; but I trust I shall not be deterred, by the fear of being called so, from doing that individual or class the same justice that I claim for every other interest. I do not wish any tariff to be adopted that will prevent the consumers of the country from getting sugar as cheaply as be-

fore; but I say that if by our former policy we induced men to put money into this business, and have thereby built up a manufacture which affects a large number of people, we ought to be very cautious in taking measures that will crush it, and crush also other manufacturing enterprises in the future, because that may be the result of the adoption of this scheme unmodified. What have been the results under Mr Gladstone's tariff? Several large refineries have been entirely shut up, as I am informed: and it is stated also that, while previous to that tariff the importations of refined sugar into England were 15,400 tons, now, since its adoption, they have risen to 49,300 tons. (Hear, hear.) Thus, the tariff has done that which Mr Gladstone himself was willing to avoid—given a bonus to the foreign over the home refiner. In introducing that tariff, Mr Gladstone said that it was with the greatest difficulty that he adopted the scales it proposed, because it was next to impossible, without going through the experiments that have since been commenced, to determine the true standard according to which the duties should be levied without giving the advantage either to the home or foreign refiner. Since that time so important was the subject considered, that an international commission was named by France, Belgium, England and other countries interested in sugar refineries, to consider and report the best method of levying the duties. That commission is still sitting, and so difficult is it to deal with the question, that they have actually gone to the expense of erecting what may be called an international sugar refinery, so that, by experiments as to the true value of the different grades of sugar, they may determine exactly what the proper rate of duty should be. Now, Sir, with all these facts before us—with the knowledge that refineries in England have been closed in consequence of Mr Gladstone's tariff—that it has brought in 50,000 tons of foreign refined sugar as against 15,000 tons before, without cheapening it to the consumer—this House is asked to consider the propriety of adopting that tariff, which Mr Gladstone himself admits must be altered as soon as this international commission have concluded the series of elaborate and costly experiments which they have commenced. (Hear, hear.) Now, in connection with this, I would like to put a question to the Government as bearing on the practical working of their proposed change, because still I admit they may be theoretically right. Everything depends on the scales and standards. There are five different grades and rates of duty proposed, besides the duties on cane juices and molasses. And I wish to know whether the Government have procured and have on hand these standards which are actually in force at this moment, because it requires not only careful appraisement, but also the nicest

samples, to determine, when a cargo arrives, under what particular standard it should be put for duty. I say that under specific duties of this kind, it is the easiest thing in the world for an appraiser to give an advantage to a particular importer. The man may be perfectly honest in saying: "Well, I think this cargo comes under such a standard," when in fact, if appraised according to the exact quantity of saccharine matter it contains, it ought to be classed under quite a different grade.

It being now six o'clock, the House rose.

After the recess,

Hon Mr ROSE continued his speech. He said—
I crave the indulgence of the House in resuming my remarks after already occupying so much time; but I shall endeavor to compress my remaining observations into the smallest possible space. I endeavored before the recess to discuss the questions at issue in no party spirit, in no special advocacy of any particular interests, but with a sincere desire to ascertain how the interests of the whole community could be best promoted. (Cheers.) I will not consent to be the advocate of any particular interest, or the mouth-piece of any class. I endeavored to show in the first place, that the propositions of the Finance Minister to the extent he intends to carry them were inopportune—were not demanded by the financial requirements of the country; and that much more circumscribed and less important changes than he contemplates would have answered the financial necessities of the year. I endeavored to show in the second place, that those changes were not demanded in any way by public opinion. It is a curious fact that we are called upon to adopt an entirely new fiscal policy without a single petition having been presented to the House, or a single meeting having been called by any particular interest, whether consuming, importing or otherwise. I commented upon the fact of the Financial Minister's disturbing the commercial and industrial interests of the country by changes proposed, without any outside demand for them, and expressed surprise at the inauguration of a new system—not the European, but one of protection of the agricultural interest, introduced for the first time in this country. (Cheers.) My hon friend the Finance Minister, on hearing of these propositions, and being reminded that he justified his changes, by a statement of the necessity of raising \$950,000 in the current year, endeavored to shift his ground, and say that they were called for, also from the danger arising to the agricultural interests of Upper Canada, by the repeal of the Reciprocity Treaty. He argued that it was necessary to impose duties on agricultural products for that purpose. Now, while I do not believe that policy would benefit the agriculturists of Canada, I leave their interests in the hands of

those who better understand and represent them. The remarks of the hon member for Lambton, on this head, struck me as being singularly practical and pointed, and with him I fall to see what good the new policy will do the farmers. I endeavored further to show that these changes were going to paralyse trade, and make more difficult the ultimate settlement of our commercial relations under Confederation. I further endeavored to show that the system which the Finance Minister proposes as the European was inaugurated in the old world, under circumstances of a very different nature from those in which we are placed. I endeavored to point out that when England did adopt that system, it was after the gravest consideration, and the observance of the greatest care and delicacy in regard to the different interests likely to be affected thereby; After that I endeavored to prove that the commercial policy of the Finance Minister was in itself calculated to injure seriously the foreign commerce of this country; that while it would benefit in no way the consumers either in Upper or Lower Canada, it would very much impede the growth of that foreign trade by the St. Lawrence which it has been our policy to build up since 1858. But it was stated that it was not the policy of the Finance Minister specially to promote that trade. Well, over and over again the Hon. Attorney General East and I have stated that one of the most prominent planks in our political platform was the encouragement of foreign trade by the St. Lawrence. [Cheers.]

Hon. Mr. CARTIER—Yes, and I pretend that this tariff is not a departure from that policy. I shall show it in my speech.

Hon. Mr. ROSE—The last part of my observations had for object to show that the argument respecting the assimilation these changes made towards the system of the Lower Provinces, while it holds partially good in reference to manufactured articles paying 20, 25 and 30 per cent, and their reduction to 15 per cent,—reductions which, with a due regard to existing interests and as part of a settled policy adopted at the proper time I should entirely approve of, was fallacious in other respects, and that there was a departure from the system of the Maritime Provinces in placing increased duties upon many other articles contributing largely to the revenue. I instanced tea and sugars as commodities on which heavier burdens should not have been imposed. My proposition with reference to sugar was that the present system is bad; that having but two classes of sugar is most unjust to the importer as well as the consumer, and that while I approved entirely of the principle of the changes—that there should be a certain number of grades, and that the duty on each grade should be apportioned according to the saccharine value of the article—yet when we consider that the

implements, such as mowing and reaping machines, &c., shall come in free. That may be right or wrong, but apart from the fact that the manufacture of these articles is a very considerable branch of industry here, it is to be noted here that in New Brunswick the duty on agricultural implements is 17½ per cent. Then the duty there on boots and shoes, brooms, chairs, &c., and articles of that kind, is 18 per cent. Ours it is proposed to reduce to 15 per cent. When another change comes to be made, will we have to go up to their standard, or will they have to come down to ours? We know that in New Brunswick they have lately been compelled to add a special duty of 3 per cent on a large class of their imports, to meet their railway debt, and the result is that on a great number of articles the tariff of New Brunswick, instead of being lower than what is proposed here, is 18 per cent. It would be useless to continue the enumeration of other articles where the tariffs of the Lower Provinces differ from ours. Enough has already been said to shew how little value is to be placed on the argument of assimilation of which we have heard so much. Let me now shew, by way of illustration, how inconsistent in its details this tariff is with any principle of political economy, and how abruptly it strikes down existing concerns. I select from the many letters that have reached my hands one from the proprietors of certain Iron Rolling Mills: and I cannot do better than quote the exact words of their remonstrance to the Minister of Finance:

"As proprietors of three of the largest rolling mills in Canada, we take the liberty of addressing you a few words on the proposed reduction of the tariff on manufactured iron.

"Under the existing tariff there is only a duty of 10 per cent, which leaves so small a margin that it is with great difficulty we are able to compete with the imported article. We have invested in machinery, &c., from \$200,000 to \$300,000—a large portion of which we have imported and paid a duty of 30 per cent therefor.

"We employ from 900 to 1000 men, and pay out weekly \$5,000 to \$6,000 for wages. They are not like common labourers; are fitted only for that particular labour, which must cease entirely in Canada. It has taken us years to get these men together, as the peculiar nature of the work requires skill and experience.

"We require to keep a stock of raw material consisting of pig iron, puddled iron, iron ore, scrap, coal, &c., of from \$200,000 to \$300,000, and turn out annually 15,000 to 16,000 tons of manufactured iron, consisting of sheets, bars, nail and spike rods, valued at \$50 to \$60 per ton.

"If the proposed reduction is carried into effect we will have to shut down our works, as it would be impossible to compete with the manufactured iron coming in free. The result will be

about 1000 men, with their families, will leave immediately for the United States, where their labour is in great request."

Thus you see, Sir, that in this case the remission of 19 per cent duty has the very opposite effect from that which it was intended. It lets the article manufactured here in free, instead of the raw material of the manufacturers. [Hear, hear.]

I shall now allude to another interest, in connection with the proposed increase on excise, which, if carried into effect, will, it is said, place the Canadian distiller at a great disadvantage. (Hear, hear) I speak from information given me by men largely engaged in the trade. And it is a fact I am aware of, from my own personal knowledge, that there is now but one distillery in Lower Canada, the Molsons having been compelled to shut up in consequence of their inability to compete against the illicit manufacture fostered by high excise duties, and the imperfect collection of these duties. What I have to say on this point I offer in the most friendly spirit. People *will* drink whisky, and it is just as well that it should be manufactured in the country out of our own coarse grains, which do not find the same ready market in the United States since the Reciprocity Treaty was abolished. We know that when excise duties are high, there is great temptation to fraud among distillers. We have had practical evidence of that. I well understand the position of the Minister of Finance, that he does not like to come down to ask, year after year, an increase in the estimates for the cost of collecting excise; because there is always, not unnaturally, a clamour against him when he makes such a proposition; and he has been put to a variety of shifts in devising some system dependent on the returns of the distillers themselves. But all these complicated returns—all the forms to be filled up—all the affidavits he requires from distillers—depend upon it, are of no use whatever. Many representations have been made to myself that the honest distiller would be compelled to go out of business, unless a more efficient check were placed on the dishonest ones. There were two large distilleries in Montreal, but, as I have said, the Molsons have been compelled to shut up; another firm, who were paying as much as \$50,000 a month of excise to the revenue, is also now preparing to close—and for this reason, that they saw spirits brought to market and sold under their own eyes at prices less than they could possibly be produced from the raw material. (Hear, hear.) The people who distilled these spirits, I presume, made their affidavits and returns regularly; but, of course, extraordinary frauds must have been committed. One well-known character was known to boast that he was making a clear profit of \$5000 a week by cheating the rev-

enue. Now, to avoid this, you must have an army of excisemen and well paid men of high character too. There is no other possible way of preventing these frauds, unless you have a man of integrity to stand over and be perpetually on duty in the distillery. You must have constant personal inspection over the close receiver. Without this, all your returns, all your other checks, are utterly useless. I know that my hon. friend, the Minister of Finance, is desirous to keep down the expenditure, and does not wish to ask an additional grant for the cost of collection. But remember to what dimensions your excise duties have now grown. If you wish to protect the revenue and the honest distiller, you must adopt that system. You must pay your excisemen well, and get a class of men who are above being bribed. By doing this, the revenue will be a gainer in the end. The Finance Minister now, by doubling the excise, is doubling the inducement to fraud. I hope, then, the Government will see to making their excise system such as will protect the honest distiller-- for I tell them they are losing now, for want of such a system, an enormous contribution to the revenue. (Hear, hear) And this brings me to another point of not less importance, because on it depends the question whether we shall have any distillery at all in the country. The proposition before the House is to make the duty on imported spirits 10 cents per gallon more than the excise--the proposed duty being 70 cents and the excise 60 cents per gallon. Now it is said that this difference is insufficient to enable the Canadian to compete with the foreign distiller. Here is what a gentleman in the business, at the head of one of the largest establishments in Canada, says, and one whose representations as well on the score of his high character as of his practical knowledge are entitled to the greatest weight:--

"We are certain that a greater protection than 10 cents per gallon is required to enable Canadian distillers to compete with distillers either in Holland or in the United States.

"In the former country, labour, fuel, and even grain for the purpose, are all considerably lower than they are here, while in the Western States unsound or damaged grain, which answers quite well and is used for distillery purposes, though not fit for shipment, can at all times be purchased at about one-half the price the Canadian distiller is compelled to pay for sound grain, which alone would stand transportation. Besides a duty of ten cents per bushel is proposed on Indian corn and rye coming from the United States. Again, the freight of a gallon of spirits, in the shape of grain from Chicago, will cost at least eight cents, while if it be manufactured into spirits in Chicago, three cents per gallon for freight thence to here would be amply to-

gether we consider that an import duty of twenty-five cents per gallon above the excise duty is required on all spirits to enable the Canadian distiller to continue operations on an equal footing with his foreign competitors."

I think it will be felt that there is great force in this complaint, that the Canadian distiller, by the proposition of the Minister of Finance, will now have to enter into competition not only with the American distiller, but with the gin, rum and every other class of spirits made in Europe and the West Indies, where the raw products and the labor, &c, are much lower. I do not intend to weary the House by dwelling on this. I would only ask the attention of the Minister of Finance to the position in which the proposed changes in the tariff will put the distiller. In connection with this it will be my duty to urge on my hon. friend such practical action, departmentally, as will allow the manufacturer in bond and a drawback on goods for exportation. The American manufacturer gets a drawback equivalent to the amount he pays of internal revenue, and I would earnestly urge on him as a measure not only of relief to those whose interests he is now so seriously affecting, but as an act of justice to them, that he should extend this system of drawback to all articles, the material of which has paid duty. Take the article of sugar, and the policy of the United States has been the same as the policy of England, to allow a drawback on the exportation of refined sugar to foreign countries equivalent to the raw material. Why do not the Government extend the same consideration to that and other hundred interests here? It is notorious that the refineries now in existence can in six months refine more sugar than would supply all Canada the year round, and they ought to be encouraged to open new markets. After having received so much kindness from the House, I shall not trespass further on their patience by going over the other articles at any length. I will simply allude to one or two at the present; but, when the regulations go into Committee, I will feel it my duty to endeavor to obtain such modifications, and so to circumscribe the area of the contemplated changes as will merely leave what is sufficient to satisfy the wants of the Minister of Finance. And, if I cannot succeed in effecting this, with reference to all the articles on which a change is proposed, I shall then endeavor to obtain a decision favorable to the interests which I conceive will be injuriously affected by the propositions of the hon gentleman. As regards leather and tobacco, I do not yet know what the Finance Minister really intends. It appears to be doubtful whether leather is to be allowed to come in free, or if it is to remain charged with the present duty of 20 per cent. So again, with reference to manufactured tobacco,

understood the proposal at first to be that there was to be no change. Now I understand the proposal is to strike off the 30 per cent *ad valorem* duty. And in both these articles we must not forget that the United States possess great advantage over us. There is hardly a village or town in Canada which has not its tannery; and apart from the cruelty of destroying existing interests, you will, if you take off the duty, make Canada and the Canadian consumer dependent on the disastrous fluctuations of the United States. (Hear, hear.) Everyone can tell you that, whereas the coat to the consumer is not increased under the existing law, the consumer can depend on being supplied at a reasonable and steady price. But it is premature to discuss this until we really know what the definite policy of the Government is. We must, however, in any case, deal as considerately and graciously with these interests as with the others. On what principles—I must repeat the question—are we proceeding? Is there any definite leading principle running through this tariff? What does Mr Gladstone say, speaking of the free trade principle being applied in one way and not in another?

"It would be monstrous to say to one branch of industry or class of British producers: 'We will expose you to foreign competition,' unless we otherwise say to them: 'All you want at home we will take care you shall have on the best terms that we can get it.'"

Now, on what principle are you to compel men to pay 25 per cent on machinery, which you are now going to render unproductive by this tariff? You say you are to admit raw materials free. Well! take the starch manufacturer. You are to reduce the duty on starch from 30 to 15 per cent. I could understand your doing this, if you were to allow the raw material from which starch is made to come in free. Or I could understand your saying, that a particular interest must succumb to what is necessary for the general benefit. What are you going to do? Corn, in this case, is the raw material, and on that raw material you are to put a duty of 10 cents per bushel, nearly 20 per cent on its value. Is that a right principle to proceed on? I am informed that, on the strength of our past policy large sums have been invested in this business, on which you are going to impose a duty of 20 per cent on the raw material, while you only give them the benefit of 15 per cent on the manufactured article.

Hon Mr HOLTON—Is the hon gentleman aware, that, in the reprinted resolutions, the Finance Minister proposes a specific duty on starch? The 15 per cent *ad valorem* duty still remains; but the article is also placed in the list of specifics, the amount of duty being left blank. The Minister of Finance, I think, ought to be here in his place, for on this point my hon friend is arguing

quite in the dark as to the proposition which is really before the House.

Hon Mr ROSE—Then again take the soap manufacturer, and diminish the duty in the same way, and you impose a duty of 1ct per pound on his raw material, the tallow and lard which he is obliged to get from the United States. So with the oil refiner, you impose a duty of 15 per cent on crude and whale oil, which can only be got in the United States—and you put an additional duty on the refined article. I might instance many other anomalies in the proposed changes; but I feel that I ought not to exhaust the patience of the House.

This brings me to consider the motion of the honorable member for Lincoln. I need not say that I entertain very strong feelings with reference to the changes proposed at the present moment, although I might at another time acquiesce in some of them, and in certain aspects of the policy of the Finance Minister. I have endeavoured to show, that, as we must alter the whole fiscal policy of the country hereafter, the present is not the time to consider a comprehensive scheme like this. And now, Sir, I will state the course which I feel it my duty to take in reference to the motion of my hon friend opposite (Mr McGiverin.) That motion proposes and has for its object that you, Sir, shall not leave the chair for the House to go into Committee of the Whole; that there shall be no consideration whatever of the proposals of the Government to meet the financial requirements of the year—to provide the estimated deficit of \$950,000, and to enable the Government to meet the \$5,000,000 of floating debt which will fall due within the year. These are the aims of the proposition now before us, and I desire that there shall be no misunderstanding about the character and Parliamentary consequences of the amendment. We must remember in dealing with it that there is required nearly \$1,000,000 to meet the wants of the ordinary business of the year; and there is, besides, an accruing liability to the amount of five millions, which has to be met in November next. The proposition of the hon member, then, is that this House shall give no consideration to those requirements; and if this resolution passes, it is in effect declaring that we will not consider in what way or in what particular the policy of the Government may be modified, or in what manner the financial requirements of the year shall be met. If adopted, it will be distinctly a declaration on the part of the House that, so long as the affairs of the country are in the hands of the present Government, they shall not have the means they now ask for as necessary to the maintenance of the public credit and the proper conduct of public affairs. (I understand the motion to mean that; and according to the practice of this

House it does mean that, and nothing less than that. And, if it be carried to-night, the inevitable consequences must be that the Ministry must fall, and must be succeeded by a new Ministry before the House would give consideration to the means to be adopted to meet the requirements of the country. Now, much objection as I have to this tariff, in common, I believe, with a large majority of the House, yet I further believe, in common with an equally large majority, that we might, by precipitating a political crisis upon the country at this moment, bring about still greater and more enduring evils. [Hear, hear.] We are on the eve of establishing a new empire on this continent—of forming a government for these Provinces, which we trust will be stable and prosperous; and I do not hesitate to say that whatever the opinion I may entertain of the propositions of my hon. friend, I have confidence on the question of Confederation, in the hon. gentlemen who conduct the Government of this country. [Cheers and opposition counter cheers.] I am quite prepared for the ironical cheers of the hon. gentlemen opposite, and I can tell them that they make no more impression upon me than their approving cheers did a few moments ago. [Hear, hear.] Their commendation and their condemnation are alike indifferent. I do not value the one any more than I dread the other. This motion is not to obtain modifications in the tariff, but to bring about a political crisis. [Hear, hear.] I shall endeavour to obtain such modifications in Committee as, I think, the interests of the country require; and while I do not hesitate to condemn in it what I believe to be wrong, I do not hesitate at the same time to say that I will not be responsible for plunging the country into a Ministerial crisis at this period. [Cheers.] I would ask where we could find a combination of men to carry out to completion the scheme of Confederation if there should, in consequence of the passage of this motion, be a new Ministry? Do you think you can find another French Canadian like the Attorney-General East, in whose hands the interests of French Canadians and English-speaking residents of Lower Canada would alike be safe? Do you think you could find another Upper Canadian like my hon. friend from Kingston to whom can be safely committed the as yet unfulfilled details of this scheme. Can you bring together other representatives of the great Upper Canada Liberal party in whom they will have confidence? When you are called upon to consider such great constitutional changes as will come before you, I say that under no light circumstances ought any man to take the responsibility of involving the country in such a contest as the defeat of the Ministry at this time would cause. Then, Sir, viewing, as I do, the motion of my hon. friend, that it will prevent any measure be-

ing considered to meet the requirements of the year, both the deficit and the floating liabilities, I certainly am not disposed to say that I will withhold from this government the means they require. The motion is not only a distinct motion of want of confidence, but it is also a distinct refusal to vote the actual requirements of the year. [Hear, hear.] I have stated exactly what my views are in reference to it, and I shall endeavor, when the resolutions upon the tariff come under consideration, so to circumscribe the action of the Finance Minister in dealing with the various interests affected by his propositions as to limit, if possible, the amount of money he is going to raise by them to the actual requirements of the year. [Hear, hear.] I think it inopportune now, Sir, to enter into any discussion upon the proposed issue of legal tender notes. I do not know whether the details of that scheme which have been published in the newspapers are correct or not, but certainly I think it premature to discuss a measure, the principle of which we have not yet before us.

Hon Mr HOLTON: But you have been talking about such measures for the last four hours.

Hon Mr ROSE: My hon friend's feelings, I imagine, have overcome his judgments. His approving smiles a short time ago were particularly embarrassing, but now he returns to his normal censoriousness and is himself again. I think I have not alluded to that scheme at all until within the last few minutes. As to the tariff, I have stated my objections to it because it is before me; and, as I have said, when we are called upon to consider it in committee, I shall endeavour to circumscribe the area of the changes it proposes to an extent that will be sufficient, and no more than sufficient, to meet the financial requirements of the year; for I think that such modifications may be made in the details of the scheme as will meet the money requirements of the country without damaging the entire business. [Hear, hear.] With regard to the banking scheme, we all know there are five millions of indebtedness to be met this year in some way, and if the motion of the hon member for Lincoln were carried at this moment, I defy my hon friend opposite (Mr Holton) to show that the effect would not be to prevent the Government from considering how that payment should be met.

Hon Mr HOLTON: My hon friend knows that if this motion were carried to-night, the House might to-morrow go into Committee of Ways and Means just as it is proposed to do.

Hon Mr ROSE: Where would the Ministers be to-morrow.

Hon Mr HOLTON: That would be for them to determine. (Laughter.)

Hon Mr ROSE: Exactly so; there would be a political interregnum. That is precisely what

my hon friend desires to effect, but which he shall not have my assistance to bring about. I will cooperate with him in any honest endeavor to limit the area of the proposed fiscal changes and to improve the tariff. That object, however, is secondary to him—with me it is the primary one. My hon friend knows that if this motion were passed it would preclude us from considering these resolutions of the Minister of Finance. For these reasons I have no doubt as to the course I shall take on the amendment; but while I shall vote against it I will have, at the same time, Sir, very strong opinions as to the course taken by the Government at the present time. (Cheers).

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