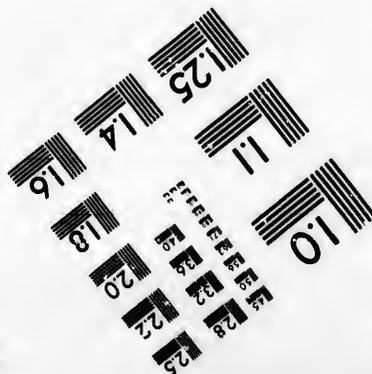
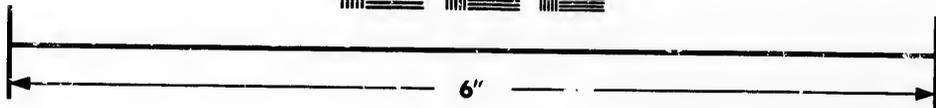
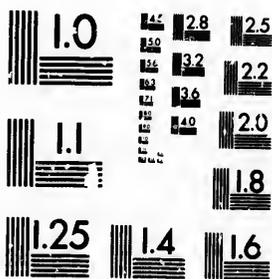


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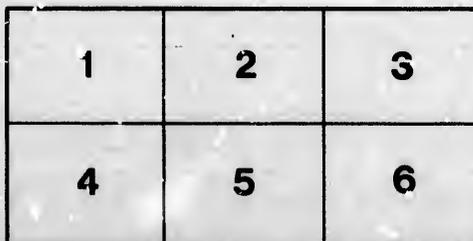
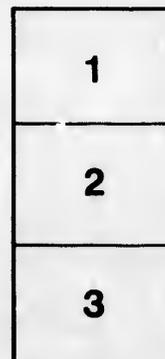
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THE NATIONAL POLICY  
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FINANCIAL ADMINISTRATION  
OF  
THE PRESENT GOVERNMENT.

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SPEECHES DELIVERED IN THE HOUSE OF COMMONS

BY

MR. THOS. WHITE, M. P. FOR CARDWELL

DURING THE SESSION OF 1882.

## FINANCES AND NATIONAL POLICY.

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# THE BUDGET DEBATE.

SPEECH BY MR. THOMAS WHITE, M.P.

*Delivered in the House of Commons on Thursday Evening, March 16.*

The following is the HANSARD Report of the speech of the budget delivered by the hon. member for Cardwell on Thursday evening, the 16th March, in reply to the hon. member for South Brant, Mr. Paterson.

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Mr. WHITE (Cardwell)—I do not purpose, Mr. Speaker, to follow the hon. gentleman who has just addressed the House in all the subjects to which he has referred. It will be within the observation of hon. members that during this debate the Opposition have taken a somewhat new position. The hon. member who has just taken his seat, anticipating the debate, to some extent, on a motion he introduced into this House, evidently proposed to place himself before the country in a position less inimical to its great industrial interests, than that which during the last three years he and his party have occupied in Parliament. Since that time almost every speech which has been delivered on that side, if we except the speech of the late Minister of Finance, who, I am bound to say, was honest and candid enough to maintain here the same views that he has always maintained—has indicated that they propose to go to the country with the assurance to the manufacturing interests, that those interests will receive a certain amount of protection at their hands. Well, sir, we can remember what took place during the last Parliament; we can remember that there were in Parliament, supporting the then Administration, a certain number of very pronounced protectionists; we can remember that the hon. member for South Brant, the hon. member for North Norfolk, the then hon. member for Lincoln, the late hon. member for West Montreal, the two hon. members for Hamilton and other hon. gentlemen in this House, made speeches in favor of protection, which undoubtedly for force, vigor and strength of argument, have not been excelled by any speeches delivered on the same subject since. But, sir, we remember also that, with all the influence

they possessed in Parliament, and with all the undoubted influence of the conviction that reigned in the minds of many people that they more accurately represented the popular sentiment than many of their friends, they were yet utterly powerless to induce their leaders to modify their trade policy; and I am sure that, under those circumstances, the great manufacturing and industrial interests of Canada of every kind will be slow to entrust the government of the country to gentlemen who, as a party, proved quite regardless of the utterances of a few of its members, and stubbornly adhered to the principles of free trade, so far as those principles can be applied in this country. There is one satisfaction to be derived from the statement the hon. member for South Brant has made to-night. We have listened with some anxiety to learn what is precisely the policy they are to give us, and to-night we find that the hon. member for South Brant has spoken of the tariff which he proposes to give us as the tariff that was formerly in force. Well, sir, that is, at least, a candid, a frank, a straightforward statement (hear, hear). The change we are to have is a change to the condition of things that existed under the late Administration; the tariff of the future is to be the 17½ per cent. tariff that existed then, if the change of Government takes place; and with that frank and plain statement, I think we may fairly leave the issue to the intelligent people of this country. (Cheers.)

#### THE ISSUES BEFORE THE COUNTRY.

Hon. gentlemen opposite, beginning with the hon. member for North Norfolk, seem to be alarmed lest the issues before the country may be confined to the National Policy; they tell us that long before the elections take place, that question will be so overwhelmed by the other issues which have since arisen and are arising, that it will have but little influence with the people of Canada. The hon. member for South Brant, in a speech delivered in another place a few

evenings ago, made the statement that the National Policy was no longer an issue in this country, that it was not worth while discussing it at all, that the questions which would be decided by the people of Canada in the elections were the question of financial administration of their affairs, the question of the Pacific Railway, the questions connected with the development of the Northwest and other questions apart altogether from the National Policy; and we were told that hon. gentlemen on this side of the House were most anxious to avoid the discussion of these other questions. Sir, for one, I have no desire to avoid the discussion of the other questions. I should be sorry indeed if this party had to go to the country in 1883, if the elections shall then take place, depending simply upon its record in connection with the question of free trade and protection. I have no doubt that we will be able to appeal to the country on all the issues the hon. gentlemen opposite have named; that we will be able to show that the financial administration of the affairs of this country by the hon. gentlemen now in office has been a wise, economical and patriotic administration; that we will be able to show that in relation to the development of our great Northwest, they have adopted a policy which was not only wise and patriotic in its inception, but which has already vindicated itself in the results which have since taken place; that we will be able to show that in consequence of the land regulations of the Government, settlers and capital have been flowing into that country, giving it a development such as we could never have hoped for two or three years ago. Upon all these questions the party now in power will be able to appeal to the country quite as certain of a favorable verdict as they are upon the great question of the National Policy, upon which I venture to say, if you were talking with hon. gentlemen opposite in their private chambers, simply as their private friends, nine-tenths of them would declare that the people of this country are against them. (Cheers.)

#### THE FINANCIAL ADMINISTRATION.

Sir, much has been said in relation to the financial administration of this Government, and though I do not propose to take up much time in discussing it, I have grouped together a few figures which I think will show that we have nothing to fear in presenting the record of this Government on

that subject. It is important that this should be referred to, for two reasons; the question of whether the hon. gentlemen now on the Treasury benches or hon. gentlemen opposite happen to hold office, is in itself, apart from the interests of the country and the policies they represent, a matter of no great consequence; men govern and pass away, but the influence upon the country of the discussions which take place are lasting and abiding; and it is because of the settled determination apparently on the part of the hon. gentlemen opposite, for what reason it is difficult to appreciate, to show that this country is going headlong to financial ruin, that it is important to present the facts as they exist as tersely and as briefly as possible. (Hear, hear.) Scarcely a speech is made by hon. gentlemen opposite, especially outside of Parliament, in which we are not told of the enormous increase of expenditure which took place under the Conservative Government of this country, from \$13,500,000 in 1867, to nearly \$23,500,000 in 1873-74; and we are asked to believe, from that bald statement of figures, that the financial administration of the Conservative party was disastrous of the interests of the country. Let me, in the first place, protest against the method of calculation which hon. gentlemen opposite adopt. The year 1873-4, which they always assume to be a year of Conservative administration, does not in any sense belong to that party; they are not responsible for the expenditures of that year, as I shall be able to show. (Hear, hear.) But even assuming for the purpose of this argument, that they were responsible, what are the facts? Surely the hon. gentlemen, in the interests of the country, might be honest enough to state that the Dominion then comprised only four Provinces. We were for the first year, only laying the foundations for the future government of the country; the expenditures were small in all the Departments; Parliament simply met together for the purpose of paving the way to that greater policy of development which was followed afterwards; and therefore to speak about the expenditure for 1867 as an expenditure which ought to be considered in any matter of comparison or calculation, is to do a great injustice, not to the party then in power, but to the country itself. (Cheers.) At the end of the period what was the position of the country? Instead of having four small provinces we had seven provinces and the great Northwest. The country as it exists to-day had been completed as regards

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its geographical boundaries. At the end of that period, and as a consequence, those expenditures which were made during those six years were all expenditures, as was stated by the late Finance Minister in his celebrated circular when he went to England to float his first loan, made on works of great public utility, on works of improvement, on objects of development, and on the necessary expenditure connected with the enlargement of the Dominion and the acquisition of the great Northwest Territory. (Hear, hear.) I have the accounts here, but I will not detain the House by dealing with particular items of increase. All of them are of the character to which I refer; but if it were wrong during those six or seven years to have increased the public expenditure, if it were a crime on the part of the Conservative party to have done so, what shall we say of hon. gentlemen opposite, who came into power full of promises of economy and retrenchment, with a backing such as no Government before that time had, and yet went on adding to the expenditure all the time they were in office?

#### THE EXPENDITURE OF 1873-4.

But I have said the comparison was not a fair one. The Conservative party were not responsible for the expenditure of 1873-4. I am not going to refer to the fact that the accounts were made up by hon. gentlemen opposite so as to include certain items of capital expenditure, such as the expenditure on the Intercolonial Railway, on the Dawson Route and certain customs refunds, in order to give an appearance of extravagant expenditure. But there is an easy way of testing this matter. The Government of that day were responsible for the estimates they submitted to Parliament. The estimates were the measure of what they believed would be the proper expenditure during that year. What do we find? That the total amount included in the first estimates brought down was \$31,008,423; that the expenditure on capital account included in that was \$9,974,240, leaving the expenditure, according to the estimates as first brought down, a little over \$21,000,000, exactly \$21,034,183. Then there were certain supplementary estimates brought down, three sets, aggregating \$604,483, making the total estimate, for 1873-74, as brought down by the then Administration, \$21,639,666. The expenditure for that year—hon. gentlemen opposite were in office for eight months of the time—was

\$23,316,316, or \$1,676,650 more than the Conservative Government obtained power from Parliament to expend in the estimates which they brought down at that time. (Cheers.) It may be said that Governments very often spend more money than is estimated; but I think we may fairly assume that had the Administration which was in office before 1873 continued in power, they would not have spent more, judging by their record of the preceding year. The warrant for assuming this is to be found in the fact that the estimates brought down for 1872-73 amounted to \$29,675,460, including an estimate for capital expenditure of \$9,949,500, leaving \$19,725,960 on account of consolidated fund. The Supplementary Estimates amounted to \$575,774, making the estimates brought down by the Government for the expenditure required for 1872-73, \$20,301,734; and yet, although they obtained the power from Parliament to expend that amount, the actual expenditure made by the Government at that time was \$19,174,647, or \$1,127,087 less than they had obtained power from Parliament to expend. (Cheers.) If we find a Government bringing down Estimates on the eve of a general election, as those Estimates of 1872-73 were brought down, with every desire to make the Estimates as low as possible, and if we find the Administration remaining in office able to get through a year's business and expend \$1,000,000 less than they had obtained authority from Parliament to expend, we may fairly hold that the same Government had it remained in office would have made ends meet and be able to carry on public affairs without increasing the expenditure over the next year's Estimates. (Cheers.) Yet we find that hon. gentlemen opposite exceeded the Estimates by \$1,676,850. How was that excess made up? In Civil Government, for instance, hon. gentlemen opposite spent \$150,226 more than had been voted by Parliament; and when I tell the House that in the one item of contingencies they spent \$75,000 more in that year than the Government had estimated would be necessary and had taken the authority of Parliament to expend, I think the House will agree with me in the statement that this was a reckless expenditure on their parts. (Cheers.) Then in the Administration of Justice they spent \$78,776 more than Parliament had voted. For Legislation they spent \$354,970 more than Parliament had voted. It is quite true there was a general election which was not anticipated when

the Estimates were brought down, and they are entitled to say that they could not have anticipated that expenditure. But, sir, it is not unfair to hold the late Government responsible for that increase. We were told when that Government came into power, and especially as a reason for the entrance of the hon. member for West Durham (Mr. Blake) into that Government, in violation of the principle which he himself had laid down that the number of the Executive Council should not be increased beyond that which the law defines, even in cases where an hon. gentleman entered without salary, that 119 members of the House, which is a good working majority, had requested the hon. gentleman to enter the Cabinet, and had given him assurances of support if he did so. With 119 members supporting the Government in a House of 206, I may fairly say that they were not bound to have a general election. Looking at what occurred at that time, they had no intention of having a general election until they began to see, looking at what they might be requested to do during the five years they would be in office, that it would be better to secure, if possible, a larger majority while the influence of that great slander usually called the Pacific Scandal was upon the country. (Cheers.) Then I find that for the collection of Customs they expended \$56,062 more than Parliament voted; and in the collection of Public Works revenue they spent \$319,034 more than was voted. For Post Office revenue collection they expended \$71,270 more than voted; so that in these items alone, and which it must be admitted were controllable expenditures and within the competency of the Government, within certain limits of course, to regulate, they expended \$70,338 more than had been voted by the preceding Administration. (Cheers.)

#### COMPARISON OF 1873-4 AND 1878-9.

I am aware that it may be said, in relation to the year 1878-9, that the Government which is now in office expended also more money than had been voted by their predecessors; but we may fairly account for that from the fact that during the time hon. gentlemen opposite were in office their financial administration was very severely criticised by the press and public men of this country, and going to the country and preparing for the election their estimates were so framed as to give the appearance, at any rate, of the greatest possible economy. Although that was

the fact, what was the real result? The Conservative Government spent \$758,508 more than their predecessors had obtained the authority of Parliament to spend; but of that, the increase for the collection of the revenue from public works alone, largely connected with the working of the Intercolonial Railway, there was \$414,714. Well, sir, the Liberal Government had expended \$1,676,650 more than the Conservative Parliament had voted. Now, let us take some contrasts. Under Civil Government hon. gentlemen opposite spent \$150,226 more than their predecessors had voted; the Conservatives when they came in spent \$27,804 less than their predecessors had voted. (Hear, hear.) Under the head of Administration of Justice the Liberal Government spent \$78,776 more than their predecessors had expended; the Conservatives when they came into office expended \$36,734 less than their predecessors had voted. On Weights and Measures the Conservatives spent \$25,296 less than had been voted by Parliament for that service. In the collection of Customs duties the Liberals expended \$56,062 more than their predecessors had voted while the Conservatives only expended \$13,875 more. In the collection of Post Office revenues the Liberals had expended \$71,270 more than their predecessors had voted, the Conservatives only exceeded the amount by \$17,423. In legislation the Liberals expended \$354,970 more, while the Conservatives only spent \$58,071 more. (Hear, hear.) The only fair method in making a comparison of the two Administrations is to take the last complete year of each Administration, of the results of which there can be no doubt as to where the responsibility rests. Doing so, what do we find?

#### LIBERAL AND CONSERVATIVE EXPENDITURE.

We have been told, if I mistake not, by the hon. gentleman from West Durham, in a speech which he made out of session that the increased expenditure during the five years of Mr. Mackenzie's authority was only \$200,000, and referring to a remark made by the First Minister in a speech, that the Liberals when in office were like soldiers marking time, moving but making no progress, he said that was true with reference to the expenditures of the country, because they had succeeded in carrying on the Government during these five years, and at the end of that period found themselves by \$200,000 in advance of what their predecessors had spent. Now the ordinary expenditure—what

in the Public Accounts is put down as ordinary expenditure in 1873-4 was \$7,062,095, and in 1877-8, \$6,542,510, an apparent decrease of \$519,585. But in dealing with questions of expenditure, it seems to me that we must always include the ordinary charges upon revenue. There is not after all any part of the expenditure, except perhaps Public Works, Militia and large items of that kind, which is more within the control of the Government of the day than are those expenditures connected with the collection of the revenue. If we add these items we find the controllable expenditure of 1872-3 was \$10,457,570, while in 1877-8, it was \$11,843,634, or an increase in the aggregate expenditures of these two periods of \$1,386,064. (Cheers.) Let us see, Mr. Speaker, how the decrease in ordinary expenditure was effected. We find in the matter of Militia and Defence a decrease of \$630,527; we all know how that was effected; the country corps were all cut off from their drill, and if hon. gentlemen opposite had simply wiped out the Militia altogether, as I believe some of them would desire to do, they could have made a much larger reduction than that. (Hear, hear.) They could have presented a much more taking aggregate to the people. Then we find in the matter of public works expenditure, such as improvements in harbors, putting up public buildings, and other works of that kind, there was a decrease of \$599,017. In that case also all they had to do was simply not to spend a dollar on harbors or public buildings, and stop all public works; they could thus have saved very much more than that; they could have made a much better show in the aggregate figures. Then I find in connection with the expenditure on Dominion lands there was a decrease of \$150,048; they had only to stop sending out surveyors, and stop everything in connection with the development of the Northwest in order to make the decrease very much larger, and to present a better picture. But in these three items alone, which I will not admit were economies, which were simply a starving of the public service, in these three items alone the decrease was \$1,379,592 or \$800,000 more than the entire aggregate decrease of which they are in the habit of boasting so much. (Cheers.) Now, while this is the case, what do we find? That in the matter of Civil Government, which they told the people the Conservatives had been much too extravagant in administering, that during

their five years of office, they increased the cost by \$160,180. Under their rule, the cost of the Administration of Justice increased \$163,954; the cost of the Post Office Department, of the collection of the Postal Revenue, increased no less than \$657,206, making a total increased expenditure in those items—all controllable expenditure—of very nearly \$1,000,000, namely \$981,206. (Cheers.) Under these circumstances can hon. gentlemen opposite, with any regard for accuracy, at any rate, say to the people of this country that, during the time they were in office, and had control of its expenditure, they did anything to entitle them to claim credit for economy or retrenchment in any respect whatever? (Hear, hear.) What has been the expenditure under the present Government? I take from 1878-9 to 1880-1, inclusive, as shown in the public accounts, because it is most inconvenient to deal with the estimates, as will be admitted when I state that last year the present Government spent half a million dollars less than they obtained the authority of Parliament for. The total expenditure in 1877-8, the last year of the Mackenzie administration, was \$23,503,158, and in 1880-1, under the present Government, \$25,502,554, or an increase under the present Government, in three years, of very nearly \$2,000,000. How has that increase been brought about? In one matter, the interest, sinking fund and charges on the public debt, there is an increase of \$883,604. Surely the present Government are not responsible for that. I think I may say that the present Government have not expended one dollar on capital account, if you except the payments that have been made on the Yale and Kamloops branch of the Canadian Pacific Railway, and on the contract for the missing link between Thunder Bay and Selkirk—excepting on works begun by hon. gentlemen opposite, for which the contracts were actually let before the present Government was formed. (Hear, hear.) Then they have had to expend on an exceptional item, that appears every ten years in our accounts, and which fell in since the present Government took office, namely, the Census, \$127,033; there is an increased expenditure on public works, \$140,171; and on Indian grants, \$385,594; Post Office increase in the collection of revenue, \$151,719; and on public works for the collection of revenue, in consequence of the greater mileage of the Intercolonial Railway, an increased outlay of \$231,727, or in all these items a total of

\$1,918,848. This leaves only about \$80,000 of an increase on the other items of the public expenditure. Not one of these items, I venture to say, can hon. gentlemen opposite fairly challenge. They cannot challenge the increase in the charge on the public debt, and the sinking fund connected with it; nor can they complain of the item for the Census, for that is a statutory obligation, and an outlay we have to incur every ten years. (Hear, hear.) They will hardly complain of the increased expenditure on public works, or complain, in presence of our large revenue, our overflowing treasury, that the wants of the country in connection with the public works, are being generously and fairly dealt with. They will not object either to the increased expenditure on account of the Indians. If they do, I would refer them to the admirable correspondence from the Northwest, which appeared in the *Toronto Globe*, the leading organ of their party, in which the policy of the Government in making larger expenditures in the Northwest, in connection with the Indians, was fully sustained and vindicated, and in which the prediction was made, and realized since, that very large additional expenditures for this purpose would be required. (Cheers.) They can hardly complain of those expenditures to which I have referred, and, therefore, the only expenditure, taking the whole service of the country, to which any exception can be taken—even were the items to be considered in detail, but in relation to which, if I were disposed to take up the time of the House, I could say much in defence—is this item of \$80,000. Every single item may be vindicated and defended on its merits. (Cheers.)

#### SOME REMARKABLE CONTRASTS.

But, sir, if we look to the great increase of the public outlay during the time the late Government were in power, and compare it with the expenditure of the present Government, we will find these remarkable facts: The expenditure on the public debt showed an average annual increase during the administration of the late Government of \$478,270, while the average annual increase since the present Government was formed is but \$294,535. (Hear, hear.) The Post Office expenditure during the late Government showed an annual increase of \$131,441; during the three years of the present Government the annual increase has been but \$50,573, and that in spite of the fact that within the last three years that ser-

vice has been extended over our great Northwest, and an enormous expenditure to the country has been required by the necessity of furnishing settlers with adequate postal accommodation. Again, I find that the annual increase in collecting the Customs revenue under the late Administration was \$29,352; under the present Government it is but \$1,059, or about one twenty-ninth part as large as the increase of the late Administration, and that, spite of the fact that there was an aggregate decrease in the Customs revenue during the term of five years of \$171,340, while there has been an aggregate increase under the present Administration of \$5,621,268. (Cheers.) I find also that the collection of the revenue cost annually during those five years, \$381,130; the annual increase during the last three years has been but \$127,343. While the revenue itself increased during the period of the Mackenzie Government \$312,308 per annum; it has increased during the last three years, \$2,420,095. The hon. gentlemen opposite, when in office, actually increased the cost of collecting the revenue by \$70,000 a year more than the increase in the revenue itself. (Cheers.) I think this fact may be said to be pretty strong evidence that there was no great economy or carefulness in the administration of public affairs by hon. gentlemen opposite. Sir, I think you will agree with me, under these circumstances, that in relation to the financial administration of this Government, the hon. members of the Government themselves, or their supporters in Parliament, have no reason to fear the ordeal to which within a short time, sooner or later, we must all submit at the hands of the people of this country. (Cheers.)

#### THE INCREASE IN THE PUBLIC DEBT.

The hon. gentlemen opposite are fond of talking of an increase in the public debt. As between the two parties it may be a matter of no great consequence whether the debt increased more during the five years one party were in power, or the six years that another party were in power, or the three years that some from that same party have since been in power. The use which hon. gentlemen make of this increase in the public debt, is to create the impression through this country, and in other countries where it is our interest to stand well, and to which we are appealing for a share of the emigration that is going from them, that this country is going headlong to

ruin, that is, incurring debts beyond what its resources will fairly justify. Now, we are told the debt has doubled since Confederation. What are the facts? In 1867, the net debt was \$75,728,641; in 1873, the debt was \$99,848,471, or an increase of \$24,119,820, or an average annual increase for the six years of \$4,019,970. The net debt in 1878 had increased to \$140,362,669, an increase in five years of \$40,513,608, or an average annual increase of \$8,102,721. The net debt in 1881, on the 30th June last, was \$155,395,780, an increase in three years of a little over \$15,000,000, or an average annual increase of \$5,011,237. Let me give hon. gentlemen those averages: Six years of Conservative rule, an average increase of the public debt of \$4,019,970; five years of Liberal rule an average increase of \$8,102,721; three years of Conservative rule, an average annual increase of \$5,011,000.

Mr. MILLS—Does the hon. gentleman include in that second statement the loan effected by the hon. Minister of Finance in the autumn of 1873?

Mr. WHITE—Yes, and I include also the loan effected by the present hon. Minister of Finance in 1878-79. (Hear, hear.) Now, sir, what are the facts with regard to this debt, looking both to the public expenditure and to the increase of our obligations? I find that about \$20,000,000 of that increase since Confederation is represented either by the transference of the debts of the Provinces, or simply taking from one pocket and putting it into the other, relieving the provinces and putting it upon the Dominion; or it was incurred in bringing in new provinces with their debts, and was, therefore, represented by an increased population, an increased area of country, and must not be considered an increase upon the debt of 1867, in which the four provinces were involved. [Hear, hear.] Before 1873, during the time the Conservative party were in power, I find no less than \$15,525,279 was of this character, so that the actual increase of the debt during those six years, represented by the increased burden upon the people, was \$8,594,541, or an average annual increase of \$1,432,423. Then, of the increase between 1873 and 1878, I find that \$4,527,060 was of the character I have just described, represented by the introduction of new Provinces and their debts, or by the re-arrangements of debts, and was not an increased burden upon the people in relation to their debt. I find, therefore, that the average in-

crease, deducting this, of the five years of Liberal rule, was \$7,117,119.

#### EXPENDITURES ON CAPITAL ACCOUNT.

Now, as illustrating the difference between Conservative and Liberal rule, let me point out one fact of very great importance, and that is, the expenditure upon capital account as compared with the increased debt during the periods the two parties respectively were in power. I find that during the six years of Conservative rule no less than \$12,072,780 was spent on capital account in excess of the addition of the debt. During the five years of Liberal rule \$1,997,613 were added to the debt more than was expended on the capital account. Then I find that during the last three years of Conservative rule \$991,683 were expended on capital account in excess of the addition to the public debt; or if we take the expenditure up to the 1st January last, according to the statement by the Minister of Finance, we find that \$4,522,882 was expended upon capital account in excess of the debt. (Cheers.) That statement is more than fair to hon. gentlemen opposite, for it takes the expenditure of 1872-73, it gives them the benefit of 1873-74 and it places on the hon gentlemen now on the Treasury benches the responsibility of the expenditure of 1878-79. But if we take their method of using figures, what do we find? We find that during the time the Conservatives were in office, during the seven years which are usually credited to the Conservatives in connection with the public expenditure of this country, there were \$12,833,009 spent on capital account in excess of the addition to the public debt. We find the Liberals added to the debt, in excess of capital expenditure, \$4,257,612; and we find the hon. gentlemen on the Treasury benches, since they have returned to office, have expended upon capital account in excess of the addition to the public debt no less than \$7,543,033. [Cheers.] Now, I ask you, Mr. Speaker, and I ask this honorable House, whether in relation to the public debt of this country, that is a record of which the Conservative party have any reason to be ashamed?

#### RESPONSIBILITY FOR THE DEBT.

But I know that hon. gentlemen opposite say:—"We are not responsible for this enormous increase of debt during the time we were in office." The hon. member for West Middlesex puts their responsibility for the increased debt somewhere—I forget the figures—but less than \$1,000,000.

Sir LEONARD TILLEY—\$200,000, I think.

Mr. WHITE—Considerably under a million, at all events. It is undoubtedly difficult to apportion between the two parties the responsibility of the increased public debt, or the expenditures in connection with it. But my hon. friend from Lincoln (Mr. Rykert) in the speech which he delivered this afternoon pointed out what, I think, everybody must admit, that they are quite as responsible for all the increases to the public debt which have taken place since Confederation as the party who are now in office. The Intercolonial Railway was an obligation at the time of Confederation; it was part of the treaty. The then leader of the party, the late lamented Mr. Brown—and would to God he were with us to-night to see what are the principles his friends and former followers are venturing in his absence to proclaim—stated that Confederation was worth six Intercolonial Railways. I heard him make the speech myself in the Music Hall at Toronto. That was an obligation resting on the country as a whole; for it both parties were responsible. It is true, as the hon. member for Lincoln (Mr. Rykert) has pointed out, that there was a difference of opinion as to the route, but I would like to ask the hon. member for Gloucester (Mr. Gillin) what he thinks of the route of the Intercolonial Railway. (Hear, hear.) I would like to ask the members for Lower Canada—those who were in Parliament at the time and those who are in Parliament to-day—what they think of the route of the Intercolonial Railway. It is a notorious fact that except the Ontario Opposition and a few of the New Brunswick members, the whole of the Opposition—the Nova Scotia Opposition and the Quebec Opposition—voted with the Government of the day in determining the North Shore line as the route of the Intercolonial (hear, hear). What are the facts with regard to the canals, which is the next large item entering into items making up the increase of debt? Everyone knows who reads the Confederation Act that the question of expenditure upon the canals, although provided for by that Act, was contingent on the condition of the finances. It was for the Government of the time, whatever the Government might be, to determine when they would enter on the work of enlarging the canals. Now, what is the history of the case? When the Conservative Government left office in 1873, I think I speak accurately in saying that there was not a single contract let for the

enlargement of the canals west of Lachine, and all the work in connection with the canals west of Lachine was undertaken after the Conservative Government went out of office. Nay, more than that. Although the Conservative Government had advertised for tenders, and I believe, had received tenders for certain contracts in connection with the Welland Canal, the Minister of Public Works of the late Ministry, when they came into power, stopped these tenders—rejected them—and advertised anew for tenders. It was competent for him, under the terms of the Confederation Act, under the obligation the country had assumed in connection with the construction and enlargement of the canals, to say that the condition of our finances would not permit us to go on, and, therefore, under the contract we are not bound to go on. But when we remember that the first act of the Government was to increase the annual taxation of the country by three millions of dollars, because the ordinary requirements of the country necessitated it, including, of course, the expenditures on the Pacific Railway—every one will admit that the hon. member for Lambton should have taken that course, and said our finances will not permit us to enter into the work, and, therefore, we will not enter on it (hear, hear). He entered on the work on his own responsibility as a Minister; his party supported him on their own responsibility; and their organs in the country, the *Montreal Herald*, the *Toronto Globe* and others, actually called on the people of this country to sing peans of praise to them, because they entered on the work of enlarging these canals promptly which their predecessors had so long neglected to the injury of the country. (Cheers) In relation, therefore, to the canals they were undoubtedly responsible and solely responsible for the expenditures.

#### THE CANADIAN PACIFIC RAILWAY.

Then, sir, as to the Canadian Pacific Railway. This House had committed itself, and the Parliament of Canada had committed itself to saying that the Canadian Pacific Railway should be built by a company, aided by subsidies of land and money. That was the resolution that accompanied the contract with British Columbia. It was, in fact, part of the contract to all intents and purposes, and was accepted by hon. gentlemen who were here representing British Columbia; one leading gentleman from that

province, Mr. Trutch, declaring in a speech he delivered in the Russell House that it was part of the contract and that they were prepared to accept it as such. When these hon. gentlemen came into power it was for them to determine what they would do about the Pacific Railway. They arranged the policy. The member for Lambton (Mr. Mackenzie) said in a speech to his own constituents that he proposed to go on with the work as a public work, because the country would then have the profits instead of the contractors in constructing the railway. And yet, after he had gone into the work, more as a matter of profit to the Government than of profit to the contractors, his friends now come down and say that they must not be held responsible for the expenditure, because, forsooth, the agreement that the Pacific Railway should be built was entered into before they came into office. More than that, we have had during the last three years, in every Session of this Parliament, declarations of the most formal kind—declarations recorded in the Journals of the House, which, if they mean anything, meant that that bargain was not binding on the people of this country; that it was a bargain to be executed or neglected just in proportion as the Parliament of Canada might consider it to be in the interests of the country to do consistently with the then condition of its finances. And, sir, it was these same gentlemen who have since declared that to be the nature of the bargain imposed upon us for the construction of the Pacific Railway who are responsible for the increase of debt involved in connection with it. (Cheers.) That is the position in relation to this matter of the public debt; and I think, therefore, we might fairly say on that question, as in relation to the ordinary public expenditure—we can fairly claim that the policy of this Government, not as compared alone with the policy of their predecessors, but viewed simply by itself as a policy to be judged of in the interests of the country, is one that we can proudly defend and one which the people of this country will amply sustain. (Cheers.)

#### THE NATIONAL POLICY.

Now, sir, I come for a moment to deal with the National Policy. There is one fact, on which I think we may all congratulate ourselves, and that is, that with the exception of the particular surroundings of the hon. member for Charlotte (Mr. Gillmor), the condition of this country is everything we

can desire. We find that every hon. member who has spoken on that side, from the hon. member for Lambton (Mr. Mackenzie) and through all the others that have addressed the House—and I do not say through all the others in any tone of disrespect—I say we find an admission that this country is eminently prosperous; that every branch of industry, every branch of commerce is in a condition in the highest degree satisfactory. We heard to-day from the hon. member for South Brant (Mr. Paterson), and I do not wonder that he was so good-natured, so pleasant-looking when he made the announcement, I do not wonder that it prompted his eloquence to such an extent, that in his own particular business this last year had been one of the best years of his record. I think the same thing may be said of almost every man, for whatever may be the condition of the country there will always be exceptional cases from exceptional circumstances of people who do not do as well as their neighbors. But I think we may fairly conclude that that is the opinion and that is the estimate of every man in this country in relation to the present condition of the country. But, sir, we are told, although the country is prosperous, although every industry is flourishing, although commerce is yielding a larger return to those engaged in it than it has yielded at any time in the past history of this country, that all this is not due to the National Policy; and, curiously enough, we have the statement made with most emphasis by gentlemen who tell us that although they do not agree precisely with the arrangement of some of the duties under this National Policy, yet they always have been and are protectionists, friends of the manufacturers. They tell us that this improvement is entirely due to Providence. Sir, I bow with awful reverence and with profoundest truth in the presence of that great mystery. I consider that now, as in all ages past, national blessings will follow national well-doing, and national curses will follow national wrong-doing. I am a profound believer in the over-ruling guidance of Providence; but I say the manner in which the hon. gentlemen have been dealing with this subject is little less than impious. It is a fatalist doctrine which they have proclaimed. They tell us, the sun shining and the rain falling will give everything that is required, and that nothing is left to wise fiscal laws or to the industry of the people. According to their doctrine men may fold their arms

and drop on their knees and leave the rest to Providence; but if there is a doctrine of undoubted truth it is that Providence helps those who help themselves. In the very same breath in which they tell us that you cannot make men rich by Act of Parliament these hon. gentlemen propose to make them rich by Act of Parliament changing this policy for another. Their whole argument is that this policy is a bad one, an injury instead of a benefit to the industries of the country, and that if they were in office they would introduce an Act of Parliament by which they would promote the industries of the country and make men rich. (Hear, hear.) Sir, we have great reason in this country to be thankful to Providence, but I think that in Parliament, dealing with questions of legislation, we may fairly look after that legislation and consider its effects on the condition of the country, all of us recognizing how much we owe to Providence without this perpetual invocation of that power as the one source of the increased prosperity of the country. I am sorry, sir, and I say it in no irreverent mood, that this over-ruling power did not reach to the region of the hon. member for Charlotte, which seems to be the only place in the whole of Canada on which Providence frowns. I hope it is not a judgment on the people for sending the hon. gentleman to Parliament. (Laughter.)

#### THE INFLUENCE OF THE CROPS ON OUR PROSPERITY.

Now, sir, we are told that the whole of the increased prosperity is due to the fact that we have had better crops during the last year than we had before. What are the facts? The year 1877, for instance, was not a prosperous one in this country, but the very reverse. It was one of those years which hon. gentlemen opposite told us, happening to be a dull year in all departments of trade and commerce, paved the way for that great change which took place on the 17th of September, 1878. Now, what do we find with regard to the crops of that year? I hope that some day or other we shall have a Bureau of Statistics in Canada which will give us information on subjects of this kind. But in the absence of such, the annual crop reports furnished by the Grand Trunk Railway may be taken as official. According to them we find the average crops in 1877 and 1881 to be as follows:—Fall wheat, the returns above the

average in 1877 were 65, in 1881, 45; and below the average in 1877, none, in 1881, 12. Spring wheat, above the average, 53 in 1877, and 41 in 1881; below the average, 5 in 1877, and 9 in 1881. Oats, above the average, 56 in 1877, and 42 in 1881; below the average, 6 in 1877, and 3 in 1881. Barley, above the average, 47 in 1877, and 42 in 1881; below the average, 3 in 1877, and 5 in 1881. Pease, above the average, 43 in 1877, and 28 in 1881; below the average, 13 in 1877, and 23 in 1881. Thus we find from the only evidence of an official kind that we can get at, that the crop in 1877 was actually a better and larger crop than that of 1881. (Hear, hear.) But what do we find further? We find that the value of the crop, as entered for export in 1877-78, which was the crop of 1877, of wheat, flour, pease, oats and barley altogether amounted to \$15,375,486, against \$15,637,987 in 1880-81, or an increase in the latter over the former year of \$322,501, or only two per cent. (Hear, hear.) And will hon. gentlemen tell me that this difference of two per cent. accounts for the difference between the depression of 1877 and the prosperity of 1881? But, sir, we have been told that the National Policy has lessened the price of cereals to the Canadian farmer. What one cannot very well understand is this:—That when we are dealing with manufactures we are told that the imposing of a duty on the foreign articles coming into Canada increases the price to the Canadian consumer by the amount of that duty; but when we are dealing with the cereals of the farmer, we are told that it has the very opposite effect and decreases the price of the article coming into the country. (Hear, hear.) What do we find? I know that the hon. member for North Norfolk the other evening referred to the prices in Chicago as compared with those in Toronto. If they were disposed to deal with that question in that spirit of fairness to which the hon. member for South Brant adverted in his closing remarks, they would not make that comparison. They know the reason that at times prices in Chicago were higher than in Toronto. They know that for the same reason wheat in Chicago, during the last year, has been at times 6 cents higher than in New York, and therefore they were perfectly well aware that it was not because of any question of fiscal policy either on this side or the other that this particular fact exists; on the contrary, it is due to that miserable gambling spirit which is eating like a canker-worm into the whole commercial transactions of the United

States and this country. That is the cause of the wheat corners in Chicago, where men seek, not by legitimate trading, but by using *finesse*, by holding a hand which they think to be a strong one and going one better if they think it be necessary. This wretched gambling which, as I have said, is eating like a canker-worm into the commercial honesty and honor of this country and the United States, is the cause of the fact that at times the prices of wheat have been higher in Chicago than in Toronto. But what is the general fact? I take the average value of American wheat exported from Canada by customs entry, and that again is the only way we can arrive at the facts in connection with this matter. In 1877, the average value of American wheat was \$1 50 per bushel, while the average value of Canadian wheat exported was \$1.22, or a difference in price in favor of the American wheat of 27½ cents per bushel. In 1881, the average price of American wheat for export, as entered at the Customs, was \$1.07½, while that of Canadian wheat was \$1.03, or a difference in favor of the Americans of 27 cents in 1878, and of 4½ cents last year. That is the fact as derived from the customs returns in regard to the price for export of those cereals in the two years, 1878 and 1881. I do not say, I have too much respect for myself to say, that is due to the National Policy. I do not say anything of the kind; I should be sorry to say it. During the discussions which took place when those hon. gentlemen were in office, I never charged them with the whole of the depression that existed; what I did charge them with was this—that in the presence of the depression and in spite of suggestions made by wise merchants who understood trade and saw means by which the depression might at least be relieved and mitigated in severity, they failed to do anything. But although I do not think that change in the price of wheat for export is due entirely to the National Policy, yet I do think it is an all-sufficient answer to the statement made by hon. gentlemen opposite, that the effect of the National Policy has been to reduce the price of wheat to the Canadian farmer. If it has, then I ask upon what ground hon. gentlemen opposite are going down to the Maritime Provinces, as they did last year, and talking to the fishermen about the enormous tax on breadstuffs. [Hear, hear.] How can a tax on breadstuffs be detrimental in consequence of the fiscal policy, if the effect of that policy is to reduce instead of increase the cost to

the consumer? Let them take one course or the other. Let them at least have this amount of candor, that they will have the same story for all parts of the country. [Cheers.] If they will only do that I venture to say we will meet them fairly on every platform. But when they go to Ontario and tell the farmers that wheat was higher in Chicago on a particular day than it was in Toronto, and that this was due to the National Policy, and when they go down to the fishermen of the Maritime Provinces and tell them they are paying 50 cents per barrel more for flour than before the duty was imposed—when they undertake to adopt a policy of that kind, then they are not adopting a policy worthy of a great party, as they are, or consistent with that fair, proper and reasonable method of discussion which the hon. member for Brant commended to us at the close of his remarks, although I am afraid he did not act quite up to it during the progress of his speech. [Cheers.] What has been the effect on imports of agricultural products into this country for home consumption? I take the Trade Returns for 1878 and for 1881. The hon. member for Centre Wellington [Mr. Orton] last year made a comparison with the Trade Returns one year earlier than I am now able to submit. Taking the years 1878 and 1881, I find there is a decrease in the receipts of barley for home consumption, equal to 285,214 bushels, the aggregate in 1878 being 302,147 bushels, and, in 1881, 16,933 bushels. I find that the imports of Indian corn have decreased 5,344,198 bushels, and I venture to think that the coarser grains of the Canadian farmers supplied that large decrease. Oats declined 2,089,933 bushels between these two periods. Pease, which are not a large importation, decreased 6,306 bushels; wheat decreased 5,158,759 bushels; rye, 145,598 bushels; wheat flour, 126,939 barrels; and I venture to think that the void was filled up by the productions of the mills of this country which had to that extent a greater market for their output. (Hear, hear.) Then I find this fact, which is of interest to the fishermen of the Lower Provinces and the people of Lower Canada, who do not grow much wheat and have to get their flour from abroad, that, instead of increasing the price by reason of the tax, the average price of flour in 1878, which ought certainly to have given us prosperity in that year, if the mere condition of our crops is one test either of prosperity or the reverse, was \$5.93 per barrel, while in 1881 it was

34.65. (Cheers.) The people of the Maritime Provinces had certainly nothing to complain of in connection with the price of flour under this policy as compared with what it was before.

#### THE INFLUENCE OF THE NATIONAL POLICY.

But how far have the changes that have taken place in the country been the direct result of the National Policy? I quite admit that a change of policy with good times following, and with good times following in other countries at the same time, renders it extremely difficult to apportion precisely where the influence of the policy comes in in these improved conditions; but there are some facts which I think go to show very clearly that the National Policy has done its fair share in improving the condition of the people of this country. It has not been the only factor in bringing about that improved condition, but it is a most important one, and without it that improved condition would not have taken place to the same extent. (Hear, hear.) It is admitted that Canadian manufactures are improving—that they are in a prosperous condition. It is admitted, moreover, that new manufactures have been started. I am not going into details to show whether the two gentlemen who made the report to the Hon. Minister of Finance made a strictly correct one; they do not pretend to have done so, but they have given an approximate report of the condition of things as they found them in the different cities and towns they visited. I do not propose to go into those particular details, but simply to state what everyone knows to be the truth, that there has been a large increase in the manufacturing industries of the people of this country, as illustrated by improvements in old factories, and the new industries that have sprung up in all parts. In spite of that and of the fact that the existing factories have been employed full time, it is only with the greatest difficulty that orders can be filled at this moment. (Hear, hear.) Let me give you an illustration. Last year we had a provincial exhibition in the city of Montreal, and we had occasion to get an engine and boiler for the machinery hall; we sent round notices to a number of the people of Montreal who were in the habit of making those articles, and in addition we sent similar notices to other parties outside, for we were required to have them within a particular time; and what was the fact? That only one man in Montreal even offered to do the work or answered; and when we

went round and asked them why they did not make an offer, they said they were so busy it was impossible for them to get the order through within the time specified in the contract. (Hear, hear.) One gentleman from Stratford, who was anxious to introduce an admirable engine into the factories of Montreal and the Province of Quebec, made a stretch to give it to us. We got the engine from Stratford simply because our own factories in the city of Montreal were so crowded with business that they could not possibly undertake to perform that small piece of work within the time required for our exhibition purposes. (Cheers.) There is no merchant in the country who will not tell you to-day that he has the greatest possible difficulty in getting orders filled in almost any line of manufacture. Some of our factories have been actually stopped that would otherwise have been going on; they have been retarded in their progress towards completion because of the difficulty of getting machinery from manufacturing establishments of that kind in different parts of the country. Therefore I think I may fairly say that the industries of the country are all most prosperous and busily employed now, and it is certainly admitted on all hands that they were not in that condition in 1877-78. Now, is that due to the National Policy? Let me take only two examples.

#### THE COTTON INDUSTRY.

I take first the cotton industry, which is the special antipathy of hon. gentlemen opposite. In that industry there has undoubtedly been an enormous development during the last three years. The Hudson cotton factory of Montreal is not referred to, I think, in the returns submitted to the hon. Minister of Finance, because it is not a new factory. It was in existence before that time, but it has had two additions made to it since then, and if I am rightly informed another building very nearly as large as one of those additions, if not larger, is about going up immediately alongside of it. (Hear, hear.) The Hudson factory has been trebled in capacity, and new cotton mills have sprung up in all parts of the country. We have the Stormont mill, the Hamilton mill, the Coaticook and Stratford mills, all of them in operation before the 30th of June last—new mills started as a direct result of the National Policy. Then we have in addition to that, a large number of new mills which were in progress at that

time, which are approaching completion, and some of which, I believe, will be very soon in operation. I was glad to see, only the day before yesterday, a new establishment near Montreal—the Merchants Manufacturing Co.—for the purpose of turning out white cottons, put in motion, and operations have commenced, and they are now turning out cotton for the Canadian market. Now what I want to point out is that in spite of the old factories and their enlargement and the building of new factories, we cannot meet the demand; that the imports of all classes of cotton goods actually increased from 1878 to 1881 by 66½ per cent. The hon. member for South Brant would say, by that process of reasoning which he adopts in this House, and which reminds one very much of that process by which a gentleman undertook to prove that fish-pie was better than Heaven—he said fish-pie was better than nothing, nothing can be better than Heaven—therefore fish-pie was better than Heaven, that this increase of imports proved that cotton manufacturers were not prosperous. But what do we find? That the large importation of cotton is simply an evidence of the increasing purchasing power, and of the increasing wealth of the people of this country. It shows that our people are today much wealthier and more comfortable, in so much better circumstances, that they are able, in spite of this enlarged out-put of goods in their own factories, to increase their importations from abroad by this 66½ per cent. (Hear, hear.) But we find that of the two classes of bleached and unbleached cotton goods that are going out of our own factories there has been an increase of 27½ per cent. What is the fair inference from that? It is that the National Policy has, by the establishment of these factories, been able to supply that larger want of our people, and has thus added to the prosperity and wealth of the country. Look at the fact that in 1878 we imported of raw cotton 7,250,000 pounds, and in 1881 over 16,000,000 pounds, very nearly 9,000,000 pounds of cotton manufactured in this country more than was manufactured in 1878, and I believe more than we would have been manufacturing to-day if the National Policy had not gone into effect. (Hear, hear.) We are told, however, that the cotton manufacturers are all growing rich, and therefore this improvement in the condition of the cotton trade, instead of being a matter for which we ought to be glad, is a ground for dissatisfaction on the part of this

country. What has been the experience of people who have invested their money in cotton in Canada? Why, in 1877 and 1878 everybody knows cotton stocks for which people had paid 100 cents on the dollar in order to establish industries and to improve the country, could be had for 10 up to 60 or 70 per cent. of their value. You could have got the stock of the Cornwall Cotton Mills at 10 per cent., and people would have thanked you for taking it even at this price. We find to-day that cotton stocks have gone up, and those who bought at such low prices are now reaping their reward. Is it any harm that they should make a good thing out of it? Has anybody been hurt?

Mr. ANGLIN—Yes, a great many.

Mr. WHITE—Will hon. gentleman explain who?

Mr. ANGLIN—Everybody who has had to pay the additional price for the cotton manufactured.

Mr. WHITE—Well, sir, I shall go on with the argument; I propose to come to that point in a minute or two.

#### EFFECT ON PRICES.

I say that these people have not increased the price of their cottons, as compared with the foreign article, by the imposition of the duty. (Cheers.) What do hon. gentlemen opposite propose? A 17½ per cent. duty, even if the effect were to wipe out the cotton industry altogether. In fact they regard that industry as something that, if wiped out, would be a national blot effaced. Then what would they have instead? Foreign manufacturers, cotton lords, cotton princes in New England and in Old England, instead of in Canada, sending their goods in here; and the consumer, because of the non-production of the article in Canada, actually paying the 17½ per cent., and the merchants' profit into the bargain. (Hear, hear.) That is the way in which they propose to benefit the Canadian consumer. Hon. gentlemen opposite do not deny that there must be duty on those articles. They had a duty of 17½ per cent. themselves, when in power; and they tell us that that is the Tariff they are going back to. But they must admit that 17½ per cent. according to their principles, if it involved the wiping out of the cotton industry, would be added to the price to the consumer, with the merchants' profits besides. The difference is, that when the merchant imports from abroad he is away from the area of competition, but when he buys in Canada he is within that area. An Ontario

merchant may go to Montreal—take that as an illustration—and enter the stores of Gault Bros. to purchase cottons, manufactured in the Hudson factory on the one side, or in the Cornwall factory on the other. At either of these establishments he may buy them. Competing with these manufacturers, we have the merchants, who are thus compelled to sell at a smaller margin of profit. But, by importing the cottons from New or Old England, with no manufacturing in Canada, the merchant would be removed altogether from that area of competition and would secure a higher profit—as we are told by hon. gentlemen opposite—a higher profit not only upon the price of the goods itself, but upon the duty as well.

#### PROFITS OF THE COTTON MANUFACTURERS.

Those cotton lords of Canada, as they are called, have succeeded in making some money, at least those of them fortunate enough to hold their stocks, or buy them when low. They are yielding a fair return to-day. But the price to the consumer of the ordinary cotton goods manufactured in Canada—and I challenge hon. gentlemen opposite to go into an investigation of the facts—is not, on the average, ten per cent. in excess of the price in the New England factories, from which the larger portions of those cottons were coming to us before the National Policy was adopted. But there are cotton lords everywhere. One would imagine, from the speeches of those hon. gentlemen, that it is a sin for a Canadian to make money by investing in industries of this kind. He may lend his money on mortgage, and take what interest he pleases, add commissions and adopt any other tactics he likes in order to get a large sum out of the unfortunate who is compelled to borrow, and is respected by hon. gentlemen opposite as a man to be admired. But let him put his money into an industry which employs hundreds of people and furnishes bread to them and their families, and if he makes money and is encouraged to continue in his business by making money he becomes an object of dislike to hon. gentlemen opposite. In England, with free trade, cotton lords are well known; they are the rich men of the country, many of them having made enormous colossal fortunes, and how?—by the protection which cheap labor gives. That is the way they have succeeded; and hon. gentlemen opposite will argue that that is a policy in the interest of the people of the country where it prevails; that it is a cheaper country to live

in, where the toiling masses will eke out a miserable existence on small wages—that that is a system that we should adopt in order that our cotton lords should make money after the same fashion and by means of the same protection of wretchedly underpaid labor. (Cheers.)

#### WOOLLEN MANUFACTURES.

Then, sir, take woollen goods. I find that the effect of the National Policy in relation to them, or at any rate the fact as it exists with the National Policy if hon. gentlemen opposite will prefer that way of putting it—is that the imports from the United States have declined 48 per cent, and the imports from Great Britain have increased 4 per cent., so that this policy cannot be said to have injured our trade with the Mother Country. The decrease in the importation of woollen goods in 1881, as compared with 1878, is \$476,970. To that extent and the extent of the increased purchasing power of the people, for the increased production in the country itself, we have had a home market secured to our woollen manufacturers, to an extent not witnessed before the National Policy was adopted. What do we find? The importations of wool have increased from 6,230,084 lbs in 1878, to over 8,000,000 lbs in 1881, or an actual increase of 1,810,203 lbs; and that increase has been almost entirely in the finer grades of African or Australian wool, which we do not produce. The imports from the United States, of the class of wool which might to some extent compete with our own wools, decreased last year by 157,000 lbs. I find that of the exports of wool from Canada which formerly went into the manufactures of other countries, instead of those of our own, in 1878, we exported 2,250,000 lbs of wool; and, in 1881, 1,250,000, or about 1,000,000 lbs of a decrease. The farmers did not raise less wool in 1881 than in 1878; the decrease was simply the result of a larger consumption of Canadian wool in the factories of this country.

Mr. PATERSON—Do you not think less wool was grown in 1881?

Mr. WHITE—It less was grown, all I can say is that the fact is exceptional, because there has been a larger production of everything else in the country. I know that in my own district there has been an increased production. But the hon. member for South Brant, who, I know desires to deal with this question candidly and fairly, will not say that the woollen factories of Canada have

not been enlarged and better employed in 1881 than in 1878; and they must therefore, in the nature of things, have consumed a larger quantity of Canadian wool, as illustrated by the decrease in the export of that article. What do we find now? There is an enormous improvement. The woollen trade of Canada is an old trade—in existence for many years. It has had an existence of such a struggling kind that, I venture to believe, that but for the change of policy in 1878, the number who would have abandoned the manufacture of wool would have been very large—nearly all. What do we find lately? In consequence of the present tariff policy and the introduction of new machinery, a very great improvement. Let any one go up to Almonte, as my hon. friend from South Brant and I did the other day, and take a walk to the mills; let him look at the improvements in the machinery there visible, and at the enlargement of the establishments, as well as at the cloth turned out, and he will certainly experience no little surprise. Indeed, to-day, no man need wear foreign cloth unless he likes.

#### FOREIGN AND HOME-MADE GOODS.

My hon. friend was pleased to refer to the Minister of Finance and to the clothes he wears. Well, that is a kind of *argumentum ad hominem* that perhaps has some little influence. I happen to have a Canadian suit on; I like Canadian tweeds—not particularly because they are Canadian, but because they are cheap. I am bound to say that if people do not like Canadian tweeds and wish to wear foreign tweeds, I can see no reason why they should not have the privilege of doing so if they are willing to pay the duty. (Cheers.) But what I mean to say is this—and I know it from my own experience, that experience that comes to a man who is not rich, and who is compelled to calculate what everything is going to cost him—I know I can get a suit of Canadian tweeds as good in appearance, and I believe better in wear than a Scotch tweed of the same pattern, that I can get it, at least in Montreal, for from 33 to 40 per cent. less. But if people will use Scotch tweed—and there are many who will do it as the country gets richer—if the people will do it, then I say let them do it, but let them pay the duty upon it. Now, I claim that both as to the Canadian woollen and cotton trades the improvements in them are the direct result of the National Policy; and I claim further, that in neither one industry

nor the other has the price to the consumer been in any way increased by the change of policy. There are people who prefer to wear foreign goods. They are found all over the world. You find, as a consequence of it, in the United States to-day, in spite of the enormous increase in the production of the country and their manufactures, you find an enormous increase of nearly 50 per cent. in their importations.

Mr. MILLS—Hear, hear.

Mr. WHITE—Does the hon. gentleman think that is an illustration against a protection policy? It means that the people are using expensive foreign goods. There are persons, for instance, who will not wear Canadian tweeds, because they say that when they go in the street to hail a carter they may find him with a suit from exactly the same piece, and, therefore, they prefer to pay the extra price for the foreign article. The effect of the tariff in relation to the article of woollens has been this: that it has apportioned the tax upon the shoulders of the people who are the best able to bear it. There is no man in Canada to-day that cannot clothe himself from head to foot without paying one cent of duty or of tax, and who cannot, on the contrary, get those articles just as good and at just as cheap a rate, having regard to the price of the raw material, as they are to be had either in England or in any other country where the articles are manufactured. But if he wants imported goods he has to pay a duty for them, and nobody will blame the policy which places that duty upon him. The effect of the other policy would be to drive those woollen factories out of the country, and that is the only way in which this matter can be argued. Drive them out of the country altogether, import the articles from abroad, and you put upon the poor man as well as upon the rich, the obligation of paying the full duty with the merchant's profit added. (Cheers.)

#### HOW THE N. P. HAS AFFECTED THE TEA TRADE.

Now, I take another article, and perhaps hon. gentlemen will say it is my hobby, but I cannot help it. I take the tea trade as an illustration, and in consequence of the differential duty put on by my hon. friend the Minister of Finance, and accepted by this Parliament in 1878, a very important result has followed in the trade of the country. What do I find? That the import of tea—and perhaps no better illustration can be

given of the generally improved condition of this country than is to be found in the increased consumption of tea in Canada—we find that the importations of tea in 1881 amounted to 16,647,015 pounds; in 1878 they were 11,019,231 pounds; so that the people of Canada have been able to use half as much more tea in 1881 in consequence of the generally improved condition of the country, the greater purchasing power and comfort of the people, than they were in 1878. Now, how has this trade been affected? I find the importations from Great Britain have increased 27 per cent; that is a foreign trade. I find the importations from the United States, which is not a foreign trade in the ordinary acceptance of the term, have decreased 11 per cent. I find that the importations from China increased 358 per cent; from Japan, 265 per cent; and from other countries the importations were not large, but I give the figures because the percentage might appear to indicate a disposition to mislead the House; the figures are 6,385 for 1878, to 59,687 pounds in 1881, or an increase of 900 per cent, so that from every country except the United States there has been an enormous increase in the importations, while from the United States the importations have decreased 11 per cent, notwithstanding that the aggregate increase from all countries has been somewhere about 50 per cent. We have had one large importation from the Dutch East Indies to Quebec of 47,475 pounds. Now, sir, I know hon. gentlemen opposite will say these were not direct importations. They will ask where was the ship that brought these teas into Montreal or Quebec?

Mr. ANGLIN—The Flying Dutchman.

Mr. WHITE—The hon. gentleman can sneer at a question of trade affecting the interests and well-being of this country when he has no better argument to offer. But, sir, these are questions which affect the well-being of the people of this country, and they will recognize and realize the conduct of hon. gentlemen who, in this discussion, have nothing but sneers to offer. (Cheers.) They ask, where is the ship? Well, sir, in 1878, what was becoming the position of this trade? New York was becoming the great centre or distributing point in relation to tea for the whole Dominion, and as merchants went there for that, they went there for other articles as well. What was the general tendency and course of our trade? Every year there was an increased importation of goods from the United States, and a decreased im-

portation from the mother country, and from other countries as well, largely in consequence of just such a policy as is involved in connection with this tea trade. (Hear, hear.) But as a result of direct importations, whether they came from China and Japan to Montreal merchants, or to Toronto or Hamilton merchants over the American railways, or whether they come directly up the St. Lawrence, as a large quantity of tea did come—but however they came, they came as direct importations, as the result of business relations between the commission merchant and the purchaser in the foreign country, or the commission merchant or broker in the foreign country, thus leading to those relations of trade between the two countries which, in the future, I am quite satisfied will produce important results in the commercial prosperity of this country. That policy has restored the distributing tea business to the merchants of Canada instead of to the merchants of the United States. (Cheers.)

#### THE ATTACK ON MR. REDPATH.

Now, I will take another article which may be considered a hobby of mine, and that is the business of sugar refining; I am not going to refer to sugar refining in its ordinary sense, I am not going to deal with that question as it has been dealt with so ably on the floor of this House. But I desire to refer for one moment to a sneering reference made by an hon. gentleman to Mr. Peter Redpath, who, it is said, has recently purchased Chiselhurst in Great Britain. The first hon. gentleman who made the sneering reference to that gentleman was the hon. member for West Durham, who, although himself a Chancellor of a university largely endowed with the public funds, and therefore not dependent upon the contributions of the benevolent and patriotic people of the country, ventured, at a public meeting in the city of Toronto, during an election, when he hoped to excite the popular mind against the sugar refining business, to taunt Mr. Peter Redpath with having contributed \$50,000 to a museum in connection with McGill College, Montreal. I am glad to know that it was not \$50,000, but \$125,000 that he contributed to that object. I do not think it comes well from a gentleman who occupies, in relation to the higher education of this country, the position which the hon. gentleman from West Durham occupies, I do not think it came well from him to make every man in Canada who is engaged in the indus-

tries of the country feel, if he contributed to the support of these great institutions, he would render himself liable in consequence of it to be traduced, vilified and sneered at by public men. (Hear, hear.) I say it was not what was to be expected from a gentleman occupying his position. The hon. member for North Norfolk (Mr. Charlton) does not appear to be aware that the Redpaths were an old family in Montreal long before sugar refineries were heard of in Canada. They made money in the ordinary course of trade; they were not only a family of wealth, but a family of respectability, and they realized what, unfortunately few rich men realize, the responsibilities which belong to great wealth, and they were always ready to contribute of the means they had accumulated to the promotion of objects of usefulness in the city in which they lived. If the Redpaths had made money in sugar refining they have made it by a close attention to business, by watchfulness to even the one-hundredth part of one per cent, in connection with their transactions. In fact I may say that they have made their money more as merchants than as refiners. They were taunted with making money in the old times; and yet the Molson family—a family of great business capacity—started a sugar refinery alongside of them. But it went down. It had not the skill which was brought to bear for the success of the Redpath's refinery, and it passed out of existence—an evidence of the fact that sugar refining requires great skill, great attention, great command of capital to make it a success. What occurred only the other day, and one cannot refer to it without a feeling of deep regret, at the City of Halifax? A refinery was started there, and one would have thought that with the enormous profits which hon. gentlemen are always talking of it would have been able to maintain itself. But it did not maintain itself. It has in the meantime, at any rate, suspended operations, and let us hope it will be able to renew these operations. But surely what has occurred proves that all these stories of the enormous profits that are realized as a result of the protection on sugar refining are simply fables to catch if possible the ear of the people of this country and of enlisting their sympathies against the National Policy. Mr. Redpath has gone to England and it is said that he has bought the magnificent residence that has been referred to. With all respect to the unfortunate and distinguished lady who recently occupied—if she does not now occupy

it—it never has had and never will have a worthier occupant than the gentleman who is now going into it. (Cheers.) His going from here is a loss to the country. Men like him are few and far between in any country, and in this new country where there are so many opportunities for the useful employment of wealth, such men are all too few. I am sorry—all his fellow citizens in Montreal—all who knew him are sorry that he has felt it incumbent for personal reasons to leave the country. But to find a man with his record sneered at and insulted in this House, because he has done that which many merchants who have imported goods and made money could have done, because he has employed his wealth in promoting the commerce of the country and building up a trade with the sugar producing portions of the world, is certainly what no one could have expected from hon. gentlemen having seats in this House. [Cheers.]

#### SUGAR REFINING AND FOREIGN TRADE.

The point to which I refer in regard to the sugar duties, is the change that they have effected in the foreign trade of the country. In 1877-8 we imported from Great Britain, 53,237,698 pounds of sugar. We imported from the United States, 45,195,305 pounds—or altogether, 98,433,003 pounds; from the countries of production we imported only 12,000,000 pounds, while in 1880-81, we imported from Great Britain and the United States, 21,263,390 pounds, and from the countries of production, 108,526,175 pounds—a complete change in the current of trade in this country. [Hear, hear.] Then, in 1877-8, when hon. gentlemen opposite had succeeded in utterly destroying the import trade from Brazil, we did not import a single pound from Brazil, while last year we imported no less than 23,603,775 pounds. Now, sir, this change in the current of our trade shows us that as our other industries become more thoroughly developed we would be enabled to send a surplus to those countries. This has been accomplished, and in addition to that an industry has been fostered in our midst which is so important in all its ramifications that even the leading apostle of hon. gentlemen opposite—Mr. David A. Wells—the great Free Trader of the United States, wrote a pamphlet to show that sugar refining must be taken out of the ordinary category of industries and receive the fostering and protecting care of the Government. The aggregate trade with South America has increased from \$669,804 in 1878 to \$1,369,-

731 in 1881; the aggregate trade with the West Indies from \$4,035,534 to \$6,742,933. These are the results of the National Policy, so far as the imports from these countries are concerned, and, as I have said, the time will come in the nature of things when the multiplication of the industries and manufactures of Canada will give us a surplus for exportation, and when that time comes the business relations we have with these foreign countries will prove to be valuable factors in the building up of foreign markets for the manufactures of Canada. (Cheers.)

#### THE DECREASE IN EXPORTS.

This brings up the question which was started by hon. gentlemen opposite, relating to the decrease in our exports of manufactured goods. Well, all I have to say about that is this: that, assuming that all the manufactories in the country are fully employed, assuming that new factories are being built, assuming that in addition we are importing relatively to the articles manufactured in the country as much as we were before, all these things being taken for granted, and they cannot be denied, they simply prove that we are finding a home market for these productions, which everybody knows is the best market. Now, sir these hon. gentlemen, admitting that our factories are all busy—I take as a further proof of the fact, the increase in the imports of raw products, such as furs and skins, grease for soap, raw hides and skins, raw silk, wool, broom corn, undressed hemp, unmanufactured tobacco, raw cotton, gums, crude gutta percha, machinery for mills and unmanufactured steel; and I find that in all these articles we imported in 1881, 80 per cent. more than we did in 1878; that is to say, that to the extent of that 80 per cent. we had the manufacturing going on in Canada, not only giving employment to the people in our mills, but improving the condition of the people in the neighborhood of the mills. The hon. gentleman for South Brant, in one of his speeches, referred to sewing-machines as having been injured by the policy. He stated that the exportation of sewing-machines had largely decreased. As a matter of fact it has decreased; 7,946 machines, worth \$107,806, have been exported less than were exported in 1878. Well, while the hon. gentleman was making his speech I thought I would write down to the manager of the Williams' Sewing Machine Co. in Montreal, and ascertain the cause of that circumstance, and here is the reply:—

"In reply to your enquiries, I am happy to be able to state that our business has been very much improved by the operation of the National Policy. We are now employing three times as many hands, and making three times as many machines, as we made before the National Policy came into operation, and we find our home market very much improved, that is to say, we find that more machines can be sold though we do not get any higher prices. In fact, prices are rather lower than they were, but we do not complain of this as we much prefer doing a large business on small profits than a small business on large profits; it is much more profitable and satisfactory.

"There is one point on which I wish to make a bold assertion, and make it with a strong emphasis, and that is on the question, 'who pays the duty on imported machines?' I say that the foreign manufacturers pay it. Let a Canadian dealer go to any of the American manufacturers for machines, and he can always get them cheaper than an American dealer by the amount of the duty. In other words, a Canadian dealer can buy machines from \$3 to \$5 cheaper than an American dealer can buy the same goods. Thus the American manufacturer pays the duty which goes into our Dominion Treasury on machines imported into Canada."

Mr. MILLS—Then the duty can be no impediment to the importations?

Mr. WHITE—There is one of the wise sayings of hon. gentlemen opposite. I will tell you what the duty does: it ensures, to a certain extent, the Canadian market to the Canadian manufacturers. (Cheers.)

Mr. MILLS—Not at all.

Mr. WHITE—They can sell more machines. The object of the duty is not to increase the price to the Canadian consumer, but simply to give to the Canadian manufacturer that confidence which will enable him to enlarge his manufactories, to produce a larger output, and ultimately to sell to the consumer much more cheaply than before.

#### PACIFIC RAILWAY AND THE NORTHWEST.

Now, sir, the hon. gentleman who last spoke told us we were going to have new issues presented to the people of this country; he told us we were going to have as an issue that terrible bargain regarding the construction of the Canadian Pacific Railway. I have heard the hon. gentleman on that subject before; I had the pleasure, the inestimable pleasure of hearing him in the town of Cobourg, when he appealed to the people in relation to this terrible, this iniquitous bargain to which he has referred to-night. I remember his graphic description of that long night's sitting we had here; hon. gentlemen moved an amendment, affirming the principle that ought to be adopted; they made

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their speech upon it; no answer was vouchsafed; the members were called in and the large majority voted us down by brute force, and so the hon. gentleman went on with his description. Well, the hon. gentleman might, when he goes into the country next, at least tell the people that we had been discussing that question for six weeks on the floor of Parliament, that every single point in this series of amendments had been fully discussed, and that it was simply a question of whether there ever would be an end to the discussion in connection with the Canadian Pacific Railway. But the hon. gentleman made his statement, and what was the result? In that town where he made the statement 125 of a majority was recorded for the Government, and in the entire constituency, in other parts of which the hon. gentleman spoke, there was, with the exception of three polling sub-divisions, actually a larger Conservative vote polled than was polled in the election of 1878; and I think I may fairly say that what occurred in that constituency, in spite of the eloquence of the hon. gentleman, will occur in other places when the day of trial comes. Why, Mr. Speaker, the last subject which they care to discuss before the people is the National Policy; my hon. friend knows that in his heart of hearts; he knows that he would give the best dollar he ever was worth—yes, more than that—he would give half his last year's business, if he could wipe the National Policy question out of existence altogether, as an issue between parties, if he could only close the mouths of the gentlemen who sit on the front benches before him from presenting this perpetual free-trade view to the House and the country. (Cheers.) He would give his best half-year's business if he only could by some method prevent them from ever proposing the free-trade view of the tariff. If stories be true—I am not given to repeating matters of that kind in Parliament—an effort was actually made to induce a constituency in this country to drop the ex Finance Minister at the next elections. I know the hon. gentleman found it necessary to leave this House and go all the way to Centre Huron in order to be present at the convention, and with his gracious smile and pleasant face mesmerize it into negating the suggestion made in other quarters that he should be left at home that they might rid themselves of his influence, the subject of a National Policy.

Mr. PATERSON—I hope the hon. gentleman

does not mean that I made an attempt of that kind; I have not heard of such an attempt being made.

Mr. WHITE—I have too much respect for the hon. member for South Brant to think he would do that secretly which he would not do openly. Hon. gentlemen opposite, however, would be glad to get rid of this question. In their heart of hearts, if we leave out doctrinalres like the hon. members for Bothwell and Centre Huron and the hon. member for Charlotte, there is not a member who would not give his best half year's income to get rid of the National Policy as an issue, but I tell them this now, that when the trial comes they will be just as anxious to get rid of the Pacific Railway contract. There is no subject I know of that has been a subject between political parties in this country where the argument is so overwhelmingly on one side, and where, what is very much better, the facts are so much on one side as that in connection with the Canadian Pacific Railway. [Cheers] We shall probably have an opportunity of discussing it before the session closes, because, if what I hear be true, hon. gentlemen opposite are going to move amendments to almost every motion to go into committee of supply. I shall not object; it is a fair and legitimate course for the Opposition if they think fit to adopt, but when the time to discuss it comes there will be no difficulty whatever in dealing with it. Then, as to this question of locking up lands in the Northwest, what do we find? If we wanted any evidence that those hon. gentlemen do not believe—I use the word in a Parliamentary sense—the arguments which they are using in respect to influence of the Pacific Railway, we would have it in the fact that a number of them are now risking their whole fortunes almost in land investments in that country, which, if all that was said last session be true, is going to be utterly paralysed by the influence of the enormous monopoly imposed on it. (Hear, hear.)

#### THE CHANGED CONDITION OF AFFAIRS.

What is the position of the country today compared to what it was in 1878? When hon. gentlemen went out of office what was its condition? Its industries were paralysed, its commerce was almost at a standstill. There was scarcely a merchant or a man who had a dollar to invest in any enterprise in Canadian industries, but looked with anxiety to see whether the same insane policy—and insane it was, in view of

what was taking place on the other side of the line—was to be continued or not. (Hear, hear.) The hon. gentlemen opposite have referred to statements made by hon. gentlemen on this side, before the last election, and referred to a statement made by the hon. First Minister, that the very moment the elections took place and the Conservative party were returned there would be a revival of hope in the country. I say there was a revival of hope in the country. That the mere passing of an act was to operate as if by magic, without the influence of the operation of that act on the country, nobody for a moment could believe; but what they would and do believe is this, because it is true and they had a right to believe it, that the fact of placing that act on the statute-book had this effect: more men at once looked forward to see where to invest their money in the industries of the country with a fair opportunity of receiving a profitable return. The attempt of the hon. gentleman opposite to prove that the prices of bank stock in September, 1878, and September, 1879, when the hon. gentleman knew that matters were unsettled in the latter year in consequence of bank disasters that occurred at that time, the result, not of what had occurred in the year immediately preceding, but of continued mismanagement which at last became developed and known to the outside world—the idea of stopping a moment to contrast the two periods, was simply to insult the intelligence of the country, and an injustice to his own candor in dealing with questions of this kind. (Hear, hear.) At that time business was paralysed, the industries of the country were about hopeless, our great Northwest was looked upon by our best minds as an incubus and people talked of abandoning it, and the people were looking forward with but a slight gleam of hope to the future of Canada. What is our position to-day? In every town and village we find reviving trade, in every homestead we find reviving happiness. The hon. gentleman opposite tell us this Government does not make the sun to shine, but I heard a gentleman the other night say that this policy did make the sun to shine in many a household where formerly there was only sorrow, gloom and helplessness. In regard to the Northwest to-day, instead of its being looked upon as an incubus, we find our best men are going there. In every township of the country the hon. gentlemen opposite, like the hon. gentleman on this side of the House, know from

letters they have received for maps of that country, that you cannot go into a bar-room or into a friend's house but the subject of the Northwest is the general theme. In relation to the obligation undertaken by the Dominion for the construction of the Pacific Railway, we find that by the surplus of three years which the policy of this Government has brought about, and by the advantage which will result to Canada in saving of interest, by the redemption of our bonds, which in the three years we shall have to redeem, we shall be able, without adding a copper to our annual obligation by way of interest, to pay every dollar we have undertaken to pay as money subsidy for the Canadian Pacific Railway. If hon. gentlemen opposite will only give this country fair play, if they will remember that though they are in opposition, they yet owe some obligation to the country itself, if they will remember that they may attack the Government in regard to its financial administration and the conduct of the departments, but keep their hands off the country itself—I venture to say that the future will be brighter, and one of which none of us need be ashamed. (Cheers.)

#### SIR JOHN MACDONALD'S LOYALTY.

Hon. gentlemen opposite have also been pleased to refer to the speech made by the hon. leader of the Government in Toronto, in which he said he would prefer annexation to independence. What was the occasion of that remark? It was the demand for immediate independence made by the friends of hon. gentlemen opposite. (Hear, hear.) What do we find in the special organs of the hon. member for West Durham—I do not charge him with that view—why, an open advocacy for independence, because they say our trade can be improved with the United States to our advantage. Do hon. gentlemen imagine that the people of the United States, who naturally would prefer that this whole continent should be theirs,—in order to preserve our independence, in order to give us that status on this continent which we have sought so hard to obtain, that they would give us those trade relations? Not a bit of it; on the contrary, they would draw the cords in trade matters more strongly than they are to-day, until men, sickened of the poor results of their past efforts at independence, would say "Let us have annexation, it is the only thing now for us to get." (Hear, hear.) It was no wonder that the right hon. leader of the Government said better have annexa-

tion at once than such a miserable condition between the two countries, not as the result of any hostile—I mean any warlike—operations of our friends on the other side, but as the result of this deliberate policy, which they would adopt to prevent our getting those trade relations as an independent community, which we have not now, knowing all the time that the effect would be to cause us to look forward in another direction. Sir, the right hon. gentleman requires no certificate of loyalty at my hands; his whole career in Canada has been one of fidelity to the Mother Country. Why, the very charge which hon. gentlemen have urged against him, and which some day when the facts are all known—perhaps when he is gone far from among us, and God forbid that that day may soon come—I say, when the facts are all known will be found to have been utterly unwarranted, was that he preferred the empire to Canada. (Hear, hear.) They say that so true has he been in his allegiance to the Mother Country, that he has even sacrificed this country in the interest of the Em-

pire. That was the charge made from one end of this country to the other a few years ago. They misunderstand and mis-state a speech delivered by him, and they undertake to pose themselves as the special loyalists of the country, asking us to believe that the right hon. gentleman was untrue to the Empire. He requires no certificate of loyalty, either inside or outside of this House. His record is his best certificate; and wherever he is known, whether on the other side of the water or on this, he is known to be a true servant of the Queen; a true, loyal subject; an earnest, devoted statesman, who has, with self-sacrifice such as no man in Canada has ever made before, given a valuable life to the service of his country, which he might have used to the enrichment of himself; and when he passes from us he will occupy in the memory of the people of Canada as no other public man has ever done, the proud position of their best and ablest statesman. [Loud cheers.]

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# THE SUGAR TRADE.

*How it Benefits the People of Canada.*

**Speech of Mr. Thos. White, M. P. for Cardwell, on Mr. Paterson's motion for a change on the Sugar duties.**

The following is the *Hansard* report of Mr. White's speech, delivered on Wednesday night, the 5th April, in the House of Commons:—

Mr. White (Cardwell)—Mr. Speaker, I do not understand the hon. member for South Brant to desire to close the sugar refineries. As I understand his argument, it is that the duties should be so reduced or so readjusted, as that while largely lessening the burdens of the people, they will at the same time enable refiners, who look after their business, to carry on that business in Canada. That, I understand, is the proposition of the hon. gentleman. Well, Mr. Speaker, I think the hon. gentleman is in error in his argument, judging from history in connection with the sugar refining business in this country. Hon. gentlemen opposite were in office for five years. They had an opportunity of fixing the sugar duties as they might desire to fix them, and the result of their operations was that the only sugar refinery in Canada was closed, that a capital of from \$500,000 to \$600,000 was allowed to remain idle for four years, and that it was not until a change in the duties took place that the refinery was re-opened and the refining business in Canada re-established. (Hear, hear.) I would like to know why the hon. member, if he has discovered some talismanic method by which he can remove the burdens on the people, as he points out in his resolution, and at the same time maintain the refineries in operation, did not make the suggestion of the precise method of doing it to the late hon. Minister of Finance when he was in office. It certainly was not to the advantage of Canada that the sugar refinery

should have been closed, that this industry, which all men who have studied these questions at all, admit to be of very great importance, should have been driven out of the country, and, therefore, I cannot but regret that the hon. member for South Brant, who appears to have made the subject one of special study, who appears to have ascertained with precise accuracy how much refined sugar can be obtained from a certain quantity of raw sugar, exactly how much profit the refiner can obtain, did not, when he had an opportunity, and was in the confidence of the party in power, make those suggestions, when they might have had some effect. (Hear, hear.) Sir, I think the hon. gentleman, when he told the House—referring to the failure of the sugar refinery in Halifax—that there were various causes which led to the failure of people in business, that it required skill, enterprise, energy and attention to succeed in business, practically answered the whole argument which he presented to the House during the speech which he had delivered. Surely, Mr. Speaker, a business that realizes the enormous profits of which he spoke, which has put into the pockets of the refiners of Canada \$1,400,000 a year by way of profit over and above all expenditures which they have made in the operation of refining, ought to be able to sustain itself at least for a few months in Halifax. Unfortunately the failure of that business there, as the failure of a similar business a few years ago in Montreal, proves this: that all the stories of the enormous profits of refiners are simply fables with which to tickle the ears of the people, that they have no foundation in fact, and that sugar refining in Canada re-

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quires quite as great skill and energy, and the expenditure of quite as much capital, as any other business in which the people of this country are engaged. (Hear, hear.)

SHOULD SUGAR REFINERIES BE PROTECTED.

Sir, there are two views which I propose to take of this question, two aspects with which I propose to deal in the remarks I intend to address to the House, and which, I hope, will not be very lengthy. The first is whether it is worth while to protect the business of sugar refining in this country at all. I am aware that during recent years the ex-Finance Minister has dealt with this question of sugar refining, as if it were a matter of very little consequence to the country. He spoke of "washing our sugar at home" as a matter of so little consequence that it was not worth while to give consideration to it; yet I propose to show that the hon. gentleman, only a few years ago, did regard sugar refining as of some value to the country, and was prepared, if Parliament had accepted his proposal, to have placed a tariff on the Statute-Book, quite as protective as that which is on the Statute-Book to-day. When I had the honor of discussing this question on the floor of the House on a former occasion, I ventured to refer, as of some value, to the opinions of a gentleman in the United States, whose opinions have been frequently cited by hon. gentlemen opposite as those which ought to guide us in trade matters—I refer to Mr. David A. Wells—and I propose, very briefly indeed, to repeat one or two quotations which I then made, not for the purpose simply of enforcing the fact that even so great a free trader as Mr. Wells considered the question of sugar refining as one which stood out from the rest of the industries of the country and was entitled, from its peculiar circumstances, to the support and protection of the Government but for the purpose of illustrating the argument which I intend later on to enforce. Mr. Wells, in a pamphlet which he wrote, strongly maintaining the importance of sugar refining and the wisdom of the policy of the Government which sustained that industry, used these words:—

"Any exhibit of this great interest which should stop here would, however, be exceedingly incomplete, for, unlike tea or coffee, which are imported in a condition suitable to enter into immediate domestic consumption, nearly all the immense sugar product of foreign countries which comes, or rather is permitted to come, under the existing tariff, to the United States, as well as no inconsiderable

portion of the domestic product, is wholly unfit to enter into consumption until it has undergone a process of refining or purification. According to the census of 1870, this business of sugar refining, measured by the value of its product, ranked ninth in the order of importance of the so-called manufacturing industries of the country, 4,597 hands being employed, with an annual disbursement of \$3,177,288 in wages. But the statistics accepted by the trade, in 1878, give to the existing business of sugar refining a much higher place among the industries of the country than was assigned to it by the census relations of '70, and indicate a present employment of some 10,000 men, and also that before the 1,500,000,000 lbs. of foreign sugar annually imported into this country, enter into consumption, the refiners expend, in order to make the same marketable to the people, an average of 1 cent per lb., or an aggregate of some \$15,000,000 per annum. And yet further, that of this grand annual expenditure, a very large proportion accrues to labor of a multifarious character employed in a great part directly within the refineries."

Here is the statement of Mr. Wells, that the refineries of the United States expend about one cent per lb. in the conversion of the raw sugar into the refined article fit for the tables of the people. After pointing out, sir, that the higher the grade of raw sugar imported the less "home labor"—as Mr. Wells called it—is employed upon it, and the lower the grade the more home labor, Mr. Wells went on to appertain the expenditure in sugar refining as follows:—

"For labor direct 30 per cent.; for packages, the materials for which are derived entirely from the northern States, 30 per cent.; fuel, coal, 12 per cent.; bone black, machinery, cartage, &c., 28 per cent. The 1,500,000,000 lbs. of sugar annually refined in the United States, require the expenditure at the very least, for refining, of 1 cent per lb. on the average, or what is the same thing, \$15,000,000 per annum, which is directly dispersed by the domestic sugar refining interest on account of labor, materials and capital."

Then, coming to deal with a question which, to an economist like him, was of great importance, the question of the cost to the people of the sugar that is produced, he made this statement:—

"The American sugar refiners, the magnitude and comparative rank of whose industry has already been noticed, claim—and their claim is generally admitted—that they can make refined sugar cheaper than it can at present be produced in Europe, or any other country; and it is a fact little known to the American public that, if the duties now levied on imported sugars were deducted, the American refiners do now actually sell their sugar, on an average, some 11 cents per 100 lbs. cheaper than do the refiners of England, which country now permits importation of all sugars free of duty."

That was the statement of a gentleman who, as I have already said, has certainly always

been accepted by hon. gentlemen opposite as an authority on matters of trade. (Hear, hear.)

SIR RICHARD CARTWRIGHT'S FORMER VIEWS.

But, sir, he is not the only authority which may be cited as of importance on this subject of sugar refining. I shall cite the authority of the hon. Finance Minister of the late Government. You will remember, sir, that when that hon. gentleman brought in his first tariff in 1874, he included in it certain modifications of the duties on sugar. The tariff at that time was: Equal to and above No. 9 Dutch standard, 25 per cent *ad valorem*, and 1 cent per lb specific; below No. 9 Dutch standard, 25 per cent *ad valorem*, and a specific duty of  $\frac{3}{4}$  cent per lb; melado, cane juice, &c, 25 per cent *ad valorem*,  $\frac{3}{4}$  cent per lb. The proposal made by the hon. gentleman was as follows: Equal to and above No. 16 Dutch Standard,  $1\frac{1}{2}$  cents per lb. and 25 per cent. *ad valorem*; equal to and above 13 and below 16,  $1\frac{1}{2}$  cents per lb. and 25 per cent. *ad valorem*, the lower grades being left as they were before. That was the protection which the hon. gentleman proposed to give to the sugar refining industry under the tariff which he brought down in 1874. But the hon. gentleman had some difficulty with some of his friends in the country, and I dare say the hon. gentleman (Mr. Gunn) who sits behind the Knight from Westmoreland (Sir Albert J. Smith) will remember some of the circumstances connected with that difficulty with his supporters, who believed that a tariff of that kind would practically shut out the higher grades of sugar and give a complete monopoly to the refiners of Canada, there being at the time but one refiner in the country. A fortnight later the hon. gentleman came down with a complete change of his tariff—a change so complete that no one would have recognized in the later proposals the proposals which were made at an earlier period. (Hear, hear.) On that occasion he made this statement, according to the report of his speech, published in one of the newspapers:—

“He then alluded to the controversy in the case of sugars, and the difficulties there were in dealing with the question, and, in consequence the Government had decided to defer for the present any action in the matter. They did not mean to say that they were satisfied with the existing state of things; but they recognized the serious practical difficulty which existed, and they would restore sugars to the position they occupied previously.

Now, sir, here was an announcement, a regretful announcement, by the hon. gentle-

man that he was not able to give, practically, a monopoly to the sugar refining industry. Here was a regretful announcement that, although for the time being he was compelled to give up that idea, the subject would be considered, and probably he would be able to do something at a later period for the refineries. (Hear, hear.) And he did do something later. A year later—in 1875—the hon. gentleman, I think, without reference to Parliament at all—I speak from memory and therefore under correction—but on the authority of an order-in-council he altered the duties, and on the 10th of April a circular was issued to the collectors of Customs announcing the change. The duties were changed in this way: All above 13, 1 cent per lb. and 25 per cent. *ad valorem*; 9 to 13 inclusive,  $\frac{3}{4}$  cents per lb. and 25 per cent. *ad valorem*; below 9 and melado,  $\frac{3}{4}$  cents per lb. and 25 per cent. *ad valorem*. I venture to say that if the hon. gentleman who made the speech on this subject to-day will take the difference between those figures and make a comparison such as he made in his speech, he will find on his method of reasoning that there was a very substantial protection to the refineries. It may be asked if the hon. gentleman made an arrangement of that kind; if he issued a circular to the Collectors of Customs reducing very low the duty on the raw material, which in fact, constitutes a protection to the refiners of the country—why, notwithstanding that protection, the refiners broke down? The reason was this: I have reason to think, though I do not know, that he was pressed at that time to go one step further and protect these refiners against the bounty which the drawback allowed in the United States practically gave to the refiners of that country; and the refiners broke down at that time almost as much from the absence of some protection against that concealed bounty as from the absence of adequate protection in the arrangement of the duties themselves. (Hear, hear.) I refer to this simply for the purpose of pointing out that at that time, in the earlier career of the hon. gentleman as a Finance Minister, he recognized that sugar refining in Canada was an industry to be protected; and, in the first instance, tried to induce Parliament to pass a tariff which was, in itself, far more protective than the one now upon the Statute Book; and that, falling in that, he subsequently issued a circular, by Order-in-Council, under which he gave a very materially improved protection to the sugar re-

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finere of the country. (Cheers.) Now, sir, we have these two great authorities on political economy, and on the relations in which the Government should stand to the industries of the country. Mr. David A. Wells, of the United States, and the hon. member for Centre Huron, united—in the one case in a pamphlet, in the other case in the form of an attempt to get an act of Parliament, and afterwards by means of a departmental circular—as to the importance to the country of sugar refining. I think I may, therefore, assume that it is too late for hon. gentlemen opposite to take the ground that the refiners ought not to have some reasonable consideration in the arrangement of the duties, so that they may be enabled to continue their operations in the future as they have been doing for the last two years. (Cheers.)

#### THE EFFECT OF THE TARIFF UPON THE REVENUE.

The hon. member for Brant, in the course of his speech, made some reference to the great loss of revenue resulting from this tariff, and took the year 1879 and 1880 as one of the years for his comparison. Now, the hon. gentleman, in dealing with this question on the floor of this House, can surely afford to be fair. I hold that the year 1879-80, the first complete year under the tariff, is not a fair year for comparison in connection with any matter affecting the Customs duties. But we may go back, and we ought to go back, to the year 1877-78, the last complete year before the change of the tariff, when hon. gentlemen opposite were in office. Now, I find that the duty paid on all kinds of sugar in 1878 was \$2,584,379, and in 1881 was \$2,440,855, or a difference of \$143,524 in favor of the former year. That is to say, we apparently lost in duty last year, as compared with the last complete year before the tariff was brought in, \$143,524. Of course, we all understand that this loss was due to the fact that in the former years the importations were almost entirely of the higher grades, and during the latter year almost entirely of the lower grades.

Mr. PATERSON—You forget the extra lbs. imported in 1881.

Mr. WHITE—On the statement of the hon. gentleman as to the quantity of refined sugar which can be obtained from the lower grades of sugar, I do not think there is very much difference between the two. Now, sir, the value of the sugar imported in 1878 was \$6,142,014, which was imported by the merchants of Canada, and the value in 1881 was \$5,070,040, which was imported chiefly

by or for the refiners, or a difference in the value of the imported sugar of \$1,071,974 in favor of the former year. Now, it has been said by the hon. gentleman that this difference, and the difference in the duty together, make up the profit of the refiners. Let us look at this proposition. In 1881, there were imported altogether, of all kinds of sugar, 135,126,176 lbs., and in 1878, 108,951,920, or a greater quantity, in 1881, by 26,174,256 lbs. But if we deduct the importations over 14, which may be said to include the finer grades of yellow sugar and all white sugar, we shall find that the quantity of sugar imported mainly for refining purposes last year was 119,268,171 lbs. Now, Mr. David A. Wells, the prophet of political economy of hon. gentlemen opposite, states that it costs one cent a pound to refine sugar, and this conclusion he says he arrived at after a careful examination of the books of several refiners in the United States. If we assume that to be correct, what do we find? That there was expended in the operation of refining the sugar imported last year, \$1,192,681, or a difference between the cost of refining the sugar and the difference in the value of the quantity brought in in 1881 as compared with 1878, of \$22,817. (Cheers.) That represents the profits to the refiners, over and above the expenditures that they have to make, and a reasonable interest on capital, instead of the enormous profit of \$1,417,000 referred to by the hon. gentleman.

#### HOW THE MONEY IN REFINING IS EXPENDED.

Well, sir, how is that money expended? I believe I am right in stating that there are employed in connection with the four refineries in Canada, about 1,200 men; if you put the wages of these men at an average of a dollar a day—and that is very much less than most of these men are receiving—you will have no less than \$360,000 paid in wages by these sugar refiners. Then these refineries consume from 50,000 to 60,000 tons of coal per annum, and I think I am right in saying that the coal consumed is to nine-tenths of it is Nova Scotia coal; and if you put that at a value of \$3.00 a ton, which is a very low estimate, you have \$180,000 expended for coal. Another item in connection with sugar refining is cooperage, and, so far as I have been able to ascertain, 350,000 barrels are annually required, the staves, hoops, and heads of which are all of Canadian wood. I venture to think that hon. gentlemen will

agree with me that a very important market has been given to certain classes of goods that, before the opening of refineries, had no market whatever in the country. In addition to that there were the horses employed, and the cartage, and the number of subsidiary trades, such as engineers, founders, carpenters, masons and others, employed in the various operations, and in the repairs connected with refining. All these things are so much direct advantage to the people of Canada, so much expenditure in the way of wages among them, which, under the system that prevailed when hon. gentlemen opposite were in office, used to go to foreigners instead of to our people. [Cheers] I will ask this honorable House whether it is to the advantage of our people that that extra \$1,000,000, which is the difference between the value of importations in 1878 and to-day, is not very much more to the advantage of Canada, whether it does not conduce more to our prosperity, than if it were expended in the employment of people in the United States. [Cheers]

THE PRICE OF SUGAR TO THE CONSUMER.

We are told, however—and I suppose hon. gentlemen opposite will admit, at any rate, that it is to our advantage that millions of dollars should be expended in Canada if there were no compensating disadvantages—that there are compensating disadvantages, that the price of sugar to the consumer is very much greater than it would have been had the former tariff remained in force. We must, in the discussion of this question, assume that if hon. gentlemen opposite were transferred to this side of the House—and God forbid that such a calamity should befall the Dominion—they would go back to the tariff which they considered a proper tariff when they were in power. I do not know whether the hon. member for South Brant would have any more influence with the coming Finance Minister—and if all the stories be true, he is not likely to be the late Finance Minister—than he had with the late Finance Minister; but, under any circumstances, we must, for the sake of argument, assume that the sugar duties would be restored to their former position. (Hear, hear.) That being the case, we can deal with this question as a mere mathematical problem. The speculations and fine-drawn theories of the hon. gentleman as to how much refined sugar you can get out of raw sugar, and the profit resulting to the refiner may be accurate; but, as the hon. gentleman himself knows, even

so great a statesman and economist as Mr. Gladstone was compelled to confess this question was one very difficult of solution, and which taxed even his great ability to solve, if he did succeed in solving it. If we can mathematically establish the fact that the people of Canada are not paying more for their sugar than they would under the tariff of hon. gentlemen opposite, and without the refineries in Canada—basing our argument on the experience of the four years during which we had no refineries, and had the late tariff—that is a method of dealing with this question which this honorable House and the country will consider much more satisfactory than the theories of hon. gentlemen opposite. (Cheers.) The hon. gentleman was good enough to read from a speech of mine in which he says I was inaccurate in some figures that I gave, although he admits that I myself supplied the antidote by a table of figures which I presume he admits were absolutely correct, since he has not questioned their accuracy. When I spoke on the question outside this House, I stated that the table in which I gave the prices of sugars for the three periods, the 5th, the 15th and the 25th of each month from 1876 to 1879—that that table had never been challenged. It was prepared with very great care by experts in Montreal, and I believe it to be absolutely correct. I have not the speech to which the hon. gentleman refers in which he says the error of a figure occurred. Whether the error was made or not, the hon. gentleman admits that the table I gave was correct, because he checks my argument with my own tables. But take the last fifteen months, and if it be any object to hon. gentlemen, I can give the average for each month during that time. The averages are as follows:—

Average prices of granulated sugar in New York and Montreal during 1881 and first three months of 1882:—

	New York.	Montreal.
1881.		
January .....	\$ 9 49	\$ 9 60
February .....	9 16	9 33
March .....	9 29	9 16
April .....	9 38	9 04
May .....	9 87	9 36
June .....	10 54	10 23
July .....	10 08	10 12
August .....	9 76	9 41
September .....	10 01	9 31
October .....	10 06	9 22
November .....	9 72	9 24
December .....	9 29	9 22
1882.		
January .....	9 50	9 06
February .....	9 25	8 81
March .....	9 33	8 80
Average .....	\$9 05	\$9 33

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The average price of granulated in New York for the whole fifteen months was \$9.65 per 100 lbs., that is the whole of 1881 and the first three months of 1882. The average price in Montreal during the whole of these fifteen months was \$9.33 (hear, hear). My hon. friend from Kingston, who knows a good deal about these subjects, will be able to check me if I am wrong in these figures. The difference in favor of Montreal—and mind you that is not my argument—in the average of that period was 32 cents per 100 lbs. (hear, hear). How would this have been under the old tariff, supposing the refineries were all wiped out? I take the price in New York, \$9.65, less the drawback, \$3.15, leaving a balance of \$6.50 as the gold price in bond for exportation. I add the Canadian duty under the late tariff 25 per cent, or \$1.62½; 1 cent a lb. specific, \$1 per 100 lbs.; and then the carriage which my hon. friend disputes, 30 cents per 100 lbs.

Mr. PATERSON—Leave that out.

Mr. WHITE—I will strike it out for the hon. gentleman in a little while, but I prefer to add it in the meantime for the purposes of this argument. The effect of the 30 cents is to make the several distributing points Canadian instead of American points. The price would have been, under these circumstances, \$9.42½, as the average price for the last fifteen months in Montreal, importing from New York and taking as basis the prices in New York, with the duty and charges under the old tariff added. The actual average price in Montreal during those fifteen months, was \$9.33. Thus the average price in Montreal for the last fifteen months of sugar was, on that basis, 9½ cents per lb. less than it would have been under the old tariff, and if the refineries were not in existence. (Cheers.) But, sir, there is something to be added to this. During the four years when the Canadian refineries were silent, when nothing was being done in the way of refining in Canada, the average price of sugar, gold in bond, in New York, was \$6.19 per 100 lbs., that is with the drawback off. The average price in Canada of that American sugar, with duty and charges paid was \$9.62 per 100 lbs. These are the actual prices in the two places irrespective of any calculation. (Hear, hear.) Now, sir, what should have been the price under the late tariff? The duty was \$2.55, calculated on the basis of 25 per cent and 1 cent per lb. the carriage—the hon. gentleman will allow me to include it—30 cents, making together \$9.04. But the actual price was \$9.62, so that we paid no less than

58 cents in addition for general business of the merchant, his profit, the profit of the middleman, the wholesale merchant, my hon. friend from Kingston for instance, who was a distributor in Canada for the products of the refiners of New York, in order to account for the ruling price in Canada. (Cheers.) Fifty-eight cents is the actual result under a calculation, which is not a mere estimate, which is no fine-drawn theory, but which is the actual result ascertained; that is, if you take the average price, in gold, in bond, in New York for the four years before our refineries were opened, and add the duty under the old tariff, and the 30 cents charges—I am bound to say that these are included—we have then still to add 58 cents as the profit of the merchants, who became the distributors in Canada for this sugar, in order to bring it up to the price which we paid for the American sugar during that time. (Cheers.) Now, if we add 50 cents—and I have shown that it was 58 cents—to the average during these four years, what do we find? That during the last fifteen months the cost of this American sugar in Canada, under the late Customs tariff, when our refineries were out of existence, would have been 59½ cents per 100 lbs. more than we paid in Canada during these fifteen months for Canadian refined sugar. Now, sir, I will ask you whether whether this simple statement of facts.

Mr. PATERSON (Brant)—Has not Redpath's sugar to be distributed in the same manner as the American sugar was distributed?

Mr. WHITE—No, not in the same way.

Mr. PATERSON—It has to be distributed here.

Mr. WHITE—The hon. gentleman is mistaken; the smallest dealers in Ontario can and do buy sugar direct from the refiners.

Mr. PATERSON—But not at your prices.

Mr. WHITE—Yes, at their prices. There is no such distribution as the hon. gentleman speaks of, and that is the real ground of opposition to this tariff on the part of my hon. friend from Kingston. If the wholesale merchants had this profit on the Montreal or Halifax or Moncton refined sugar, there would be no complaint about this tariff at all. They are patriotic enough to desire, if they can make the same profits, that the expenditure on the refining should be made in Canada, instead of the United States; but it is because the smallest dealer almost comes into direct contact with the refiners here, which he did not do under the former state of

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things, that this difference takes place. (Hear, hear.) I think, under these circumstances, I may fairly say that this is a sufficient answer to the argument of the hon. gentleman. But I will take the last three months, bringing it down to date; and I find that the average price of granulated sugar in New York was, for January, \$9.50; February, \$9.25, and March, \$9.38 per 100 lbs., making the average for the three months \$9.38. I also find that in Montreal, during the same period, the average price was: for January, \$9.06; February, \$8.81, and March, \$8.80, or an average for these three months of \$8.89 per 100 lbs. Taking the comparison of these three months on the same basis, and taking the price at New York, and adding the old tariff and the charges to which I have referred, and 50 cents for intermediate profit, I find that the cost of sugar would have been in Canada, during the last three months, if we had had to import it under the old tariff from the United States instead of refining it in Canada, the price, I say, would have been \$9.59, while the average price in the city of Montreal was \$8.89, or a difference in favor of Montreal of 70 cents per 100 lbs.

Mr. PATERSON—Add another \$1 for contingencies, and you will have \$10.59.

Mr. WHITE—Then, sir, I take the price of granulated sugar on Monday last—and this will bring the matter within the cognizance of any hon. gentleman who is engaged in the business, or who knows anything personally about the subject from contact with it—and I find that on Monday last the price of granulated sugar in New York was \$9.62½, while the price in Montreal was \$9.14; and taking the same process which I have pursued in the other case, and it will be seen that the price of this New York sugar, if it was brought in and the duties paid on it under the old tariff, no refineries being in existence in Canada, would have been \$9.89 per 100 lbs., the Montreal price being \$9.14, or a difference in favor of the Canada consumer of 75 cents per 100 lbs. Now, sir, that is in relation to granulated sugar. I venture to say, with regard to yellows, the case is still stronger in favor of the Canadian consumer, but, granulated being the standard sugar, I have made up the calculation with regard to it.

#### WHY PROTECTION WAS NECESSARY.

Now, sir, the hon. gentleman will probably ask—as he has asked before—when an argument similar to this was presented:

Where is the necessity for this protective tariff, if we are getting our sugar cheaper than we would have done under the old tariff, with the charges added? Why could we not have this state of things continued under the old tariff, the hon. gentleman may say. Well, Mr. Speaker, the answer to that question is a very simple one. The reason why we have to put on this protection is simply this: that, in view of the much larger refining business done in the United States than is done here, of 1,500,000,000 lbs. of sugar being refined there, instead of 100,000,000 and some odd which are refined here, these refiners are and would be most anxious to cut away, if they could, this competition, or rather this home market, from Canada, in order that they might have the Canadian sugar market for themselves as they had it before; and until they were able to break down our refiners, they would be willing to give us our sugar a little cheaper. There can be no doubt about that; but what would we gain? Our refiners would soon be broken down, and then they would do as they did during these four years I have mentioned—charge us higher prices—the regular standard prices of their own market, and we would be obliged to pay higher prices for our sugar, with that inestimable privilege, as it appears to be to hon. gentlemen opposite, of seeing spent \$1,000,000 among the work-people of the United States instead of among the work-people of Canada. (Cheers.)

#### RESULTS OF THE POLICY.

Now, sir, what has been and what is the result of this policy? As I have said, I do not desire to detain the House at any length in connection with this subject; but, according to David A. Wells, a high authority for free trade, sugar refining is an important industry which ought to be protected, and according to the older view of the late hon. Minister of Finance, the member for Centre Huron, sugar refining is an industry which ought to be protected by such arrangements under the tariff as may be made for that purpose. We have thus the opinion, as I have said before, of two very high authorities on the subject of political economy in favor of the principle of protection to our refiners. [Hear, hear.] We have secured the expenditure within this country instead of the United States—on the basis of Mr. Wells' statement, that it costs one cent expended in the act of refining in order to produce refined from the raw sugar—of \$1,000,000, which was formerly

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expended in connection with foreign refineries. We have built up a West India trade and are building up a South American trade, which the hon. member for South Brant thinks is a matter of no consequence, and regarding which I venture to differ from him. (Hear, hear.) We have not materially affected the revenue, because, as I have shown, the difference in the revenue for 1878 and 1881 is only some \$140,000. We have done all this, sir, and we have secured for the people of Canada at the same time, as cheap—aye, cheaper,—sugar than they would have had if we had not refineries in Canada at all, and had been compelled to import our sugar from the other side. I think that in view of these facts, we may very fairly say that this is a policy which the people of Canada are interested in maintaining, and not in destroying; and I think that we may fairly, under these circumstances, vote down the resolution which the hon. gentleman has presented to this House. (Cheers.)

#### THE PRODUCTION OF WEALTH.

The hon. gentleman read a quotation from a speech I delivered, in which I referred to the fact, that the strength and wealth of a nation was to be found in the strength and wealth of the individuals in that nation, and he calls that Tory doctrine. I am bound to say that if it is, I am a Tory. I say most decidedly—and I repeat it here—that the strength and wealth of a nation is to be found in the strength and wealth of individuals in that nation. But this does not say, and it does not follow, that this only means the strength and wealth of two or three people; but what does it mean?

Mr. PATERSON—There are only four sugar refineries.

Mr. WHITE—The hon. gentleman exclaims that there are only four sugar refineries, but there were merchants in Canada who made more in a single year than those refiners did. I may be excused for alluding to the late Mr. Forster, of Hamilton, who, in a single year, made as much money in importing sugar, in watching the market and looking after it, as a single year's profit of a refinery and he employed nobody in the doing of it. There was no \$1,000,000 then expended among the people of this country. These hon. gentlemen consider that there is no merit in making money, by employing labor and taking a fair profit out of that employment. (Cheers.) They seem to think the money ought only

to be made by rigging the Stock Exchange, or in lending money on mortgages at as high a rate of interest as they can get, or in speculating in lands in the Northwest, as hon. gentlemen opposite are doing, and perhaps some hon. gentlemen on this side of the House—I am not among the number—as well. They seem to think that the very moment a man undertakes to employ labor, and make a profit out of its employment, that instant he becomes an enemy of his country. That appears to be Liberal doctrine. Now, sir, if that is Liberal doctrine, then I am not a Liberal. (Cheers.) I prefer what the hon. gentleman has called the Tory doctrine: that the best interests of this country are to be found in the promotion of the wealth of the people of the country, and in the promotion of that wealth in such a way as to give employment to the people of the country, and to the largest possible number of them, instead of merely employing the comparative few who are used as middlemen in the distribution of the foreign goods which are brought into the country. [Cheers.] That, Mr. Speaker, is the distinction which I see between the policy of the hon. gentlemen opposite and the policy which we favor on this side of the House. [Hear, hear.] I may say here, that when I was addressing the House on the Budget debate, I made some reference to Mr. Peter Redpath, provoked by the reference which was made by the hon. member for North Norfolk. Well, sir, I find that the story which has been going about as to Mr. Redpath having purchased Chiselhurst, has not a word of truth in it; neither as an owner, nor as an occupant, nor as a tenant, has he anything to do with that magnificent establishment. He has bought for himself a quiet, unassuming, modest residence on the other side of the water, where he is living; and I hope that before long we may have him back again amongst us. I do not desire to detain the House further, Mr. Speaker, but I think I have shown by figures, and not by fine-drawn theories similar to those of the hon. gentleman, that we are not promoting any injury to this country by the policy which has been happily adopted in connection with our sugar refining, but that, on the contrary, we are thereby securing the material advantage of the country, as well as of the great mass of the consumers, who are better off than they would have been if the old policy had been in force, and our refineries were all destroyed. (Loud cheers.)

