

HOUSE OF COMMONS.

Tuesday, 9th March, 1880.

The Speaker took the Chair at Three o'clock.

PRAYERS.

PRIVATE BILLS PETITIONS.

TIME EXTENDED.

Resolved, That the time for receiving Petitions for Private Bills be extended four days from to-day.—(Mr. Robinson.)

BILLS INTRODUCED.

The following Bills were severally introduced and read the first time:—

Bill (No. 63) To extend the powers of the Manitoba South-Western Colonisation Railway Company, and to further amend the Act incorporating the said Company.—(Mr. Schultz.)

Bill (No. 64) To authorise and provide for the winding up of the Consolidated Bank of Canada.—(Mr. Gault.)

Bill (No. 65) To amend the Acts respecting the Montreal Telegraph Company.—(Mr. Gault.)

Bill (No. 66) To incorporate the Quebec and Ontario Railway Company.—(Mr. Cameron, North Victoria.)

SUPPLY.

II. CIVIL GOVERNMENT.

SIR SAMUEL L. TILLEY: Mr. Speaker, before submitting my financial statement, I desire to move the House into Committee, in order to take a vote on Supply, and I ask my hon. friend opposite to consent to concurrence to-day, because it would be much more desirable to make the statement on the proposition to go into Committee of Ways and Means. They quite understand that, therefore I move that the House go into Committee of Supply.

MR. MACKENZIE: I do not propose to object to the proceeding, but it would have been better to have observed the regular rule and taken a vote before now.

SIR SAMUEL L. TILLEY: I quite admit that, but the circumstances were peculiar. I desired to follow that course, but owing to the serious illness of the Deputy of the Department, and other matters, I delayed it, and I therefore rather throw myself on my hon. friends opposite on the present occasion.

House resolved itself into Committee of Supply.

(In the Committee.)

2. The Governor-General's Secretary's Office..... \$11,000.

Resolution ordered to be reported.

House resumed.

(In the House.)

Resolution reported, read the second time and concurred in.

WAYS AND MEANS—THE BUDGET.

SIR SAMUEL L. TILLEY: Mr. Speaker, in moving the House into Committee of Ways and Means, I desire to make my financial statement. When I had the honour of addressing this House on the motion to go into Committee of Ways and Means, last Session, I took the liberty of calling attention to the different position I occupied on that occasion to the position I occupied as Finance Minister in 1873. I briefly referred to the fact that in the period referred to (1873) the country was prosperous, and the Treasury overflowing. Last year, when I made my statement, I had to admit that the Treasury was not overflowing, and the country was not so prosperous as we could desire. The Government realised at that time the difficulties they experienced in meeting the House under such circumstances. These difficulties were, however, diminished from the fact that the right hon. gentleman who now leads the Government had, when leader of the Opposition, submitted resolutions to the House of Commons affirming a certain policy which was at that time rejected by Parliament, but subsequently affirmed by an overwhelming majority of the people of the Dominion. In dealing, therefore, with the most important subject which could receive consideration—and difficult as it was, we felt we had behind us and in the country a sentiment in favour of the policy that we were about to submit—the difficulty was to prepare that policy, and arrange its details in such a manner as to make it not only acceptable to our supporters in Parliament, but to make it universally acceptable if possible to the Dominion. We experienced less difficulty than we would have under other circumstances, because all those points had been previously considered and discussed throughout the length and breadth of the country. But, as I have just stated, the difficulty was to harmonise the views and sentiments, not only of our supporters in the House, but of our friends out of the House, so that the proposals in their operation should not

bear unfairly or unjustly on any portion of the Dominion. Well, Sir, the Government applied themselves to this task, and we had the satisfaction of feeling, at the close of the Session, that there was a general concurrence of feeling in the House and out of it, that the members of Parliament had redeemed their pledges, that the Liberal-Conservative party had carried out its pledges, that the Government had fulfilled its pledges; and there was every reason to expect and hope that the policy was not only acceptable to our supporters but would be beneficial to the country. It will be our duty, presently, to consider how far our hopes and expectations in that respect have been realised. But, Sir, our difficulties were not confined to the question of the Tariff; they extended to the question of finance. Why, Sir, it was shown by the statements which were submitted to the House in the Public Accounts, that for three or four years there had been a steady decline in the revenue as compared with the expenditure, and that the deficiency had reached for three years preceding, and as we estimated for the fourth year, an average of \$1,750,000. It became necessary, therefore, for the Government to consider what steps could be best taken while they were carrying out their policy with regard to the advancement of the industries of the country, at the same time to increase the revenues of the Dominion. Our difficulties were not confined to the providing for the deficiencies to which I refer. The Government found that heavy engagements had been made by their predecessors for public works embracing a great extension of our canal and railway systems. They had entered into engagements for the construction of canals involving an expenditure of millions of dollars, which the present Government were bound to carry out and to provide the means for. In passing, I may remark, that I recollect perfectly well the time when the Government proposal to construct additional canals was submitted; it was not objected to by hon. gentlemen in the Opposition, because it was found that it was then deemed advisable and necessary that employment should be given to the people, thousands of whom were idle; and it is rather a striking commentary on the present state of af-

fairs, that at the present day you do not hear, notwithstanding we are told that great depression exists, any proposition coming from either side of the House to construct public works, solely or largely, to give employment to unemployed people. But such was the case, and such engagements were entered into. Proposals had been made by our predecessors; contracts had been entered into involving a large expenditure for the extension of the railway towards Nipissing; for works west of Red river and east of Winnipeg, and for the completion of the Pembina Branch; and tenders had, moreover, been asked for 120 miles of railway in British Columbia. All these engagements required large sums of money, and added largely to the annual interest; therefore we had not only to provide for a deficiency of two millions a year, as was then estimated, but we had to look forward to an increased expenditure in the shape of interest on the Public Debt, amounting to from \$400,000 to \$500,000 a year. It was under these circumstances that the Government, having to assume heavy engagements, were called upon to give the subject our most careful consideration. Difficult as was our position at that time, the difficulty was increased from the fact that the late Administration had so arranged the expenditure for the Pacific Railway that to make it effective it became necessary that a very expensive link should be completed, in order that we might have the advantage, with the least possible delay, of the money which had already been expended. It became necessary for the Government at once to undertake the work of building 180 miles of railway, to connect the head of Lake Superior with Winnipeg, a most expensive public work; and it was not only our duty to put it under contract at once, but to stipulate that it should be completed with the least possible delay, in order that the expenditure on the works already carried out should be made effective and beneficial, and that the country might be opened for settlement and development. Well, sir, what did the Government find in addition to that? In addition to the providing for the construction of the roads named it was deemed necessary to add to our expenditure, and with the least possible delay, by providing for the

building of 200 or 220 miles west of Winnipeg, in order that, when the road was opened from the head of Lake Superior to Winnipeg, we should have the fertile country west of Winnipeg open for settlement, so that we might have the advantage and benefit of the expenditure so far made. As you will understand, Mr. Speaker, these new works involved a large additional outlay, and I may say we feel that in making it we have acted in accordance with the wishes and opinions of our friends in and out of the House, whose desire in common with that of the whole people of the country is that the North-West may be opened up, and that the old portions of the Dominion may derive the benefits, direct and indirect, of its development. Sir, if the Government could have had their own way in the matter, apart from other considerations, they would have desired that the expenditure on public works, chargeable to capital, should not have exceeded five or six millions a year; but, under the circumstances which I have related, engagements had to be met which will involve, perhaps, the expenditure of twelve millions during the current year, and twelve or thirteen during next year. The House will understand, under these circumstances, that our difficulties are great, and that they are not diminished by the fact that we have to provide, not only for this large expenditure, and for the deficiency of two millions a year, but for a sum largely in excess of two millions. Sir, if the deficiency in the last year had only been what was estimated, our difficulties would have been less to-day than they are. I desire, Sir, in order that we may understand this matter fully, in order that our position with reference to the expenditure of the current year and of next year may be fully understood, to state that the deficiency of the last year, instead of being two millions—when we take into account the fact that under the expected change in the Tariff we received in that year property belonging to this \$700,000 of Customs more than we would have received had it not been proposed to change the Tariff, and that we also received \$600,000 from Excise for the same reason—was \$3,400,000 instead of \$2,100,000.

Mr. MILLS: Hear, hear.

SIR SAMUEL L. TILLEY: A gentleman opposite says "Hear, hear." I may explain upon what basis I make that statement to the House. In the first place, let me call the attention of the House to the estimate submitted by the late Finance Minister as to the receipts and expenditures for 1878-79. The hon. gentleman estimated that the receipts from Customs would be \$13,750,000; and the receipts were \$12,900,659. I stated that experience has shown that \$700,000 of that was received as the result of the large importation of February and March of last year, and properly belongs to this year, and would not have been received had there been no prospective change in the Tariff. The Excise receipts were estimated by the hon. gentleman to be \$5,250,000. They were \$5,390,763. It is now clearly established, Sir, that had there been no proposed change in the Excise duties, \$600,000 less would have been received during that period, that should be credited to this year. The hon. gentleman estimated the receipts from bill stamps at \$250,000; they were \$188,000. He estimated the receipts from the Post Office Department at \$1,200,000; they were \$1,172,000. He estimated the revenue from Public Works and Canals at \$1,900,000; it was \$1,863,149. The interest on investments he estimated at \$800,000; the receipts were \$592,800. The receipts from all other sources he estimated at \$700,000; they were \$412,700. The estimates as a whole amounted to \$23,850,000; the receipts were \$22,517,380. Deduct from that the \$1,300,000 on imports and Excise, which would not have been received had there been no prospective change in the Tariff, and the receipts would have been \$21,217,380. Now, then, in reference to the expenditure. The estimated expenditure was \$23,669,073; the actual expenditure reached \$24,455,381. Of this expenditure, I may say that there was an under-estimate for interest of \$285,891. This is, of course, a charge provided for by law, but the payments under this head were \$285,891 in excess of the estimate. There were also the following under-estimates:—Charges of management to the extent of \$92,180; on sinking fund, \$146,992; on election expenses, \$62,757; on pensions, \$5,323;

on superannuations, \$3,521; on subsidies, \$21,901; and the Supplementary Estimates, \$627,000. I do not know that the hon. member desires me to give the details of the increased interest, but I hold a statement of it in my hand, showing it to amount to \$285,000. But I may say here that, while the expenditure reached, as I stated, \$24,445,381, the lapsed balances, as will be seen by the statement laid on the Table of the House at the request of hon. gentlemen opposite, amount to about \$700,000. Had the \$742,938 of lapsed balances been expended by the present Administration, the deficiency would have been \$4,161,866. But I do not purpose, Sir, to charge hon. gentlemen opposite with the amount unexpended, because we know that there are always lapsed balances.

MR. ANGLIN: Hear, hear.

SIR SAMUEL L. TILLEY: The hon. member for Gloucester says "Hear, hear." It is quite clear, Sir, that the deficiency, if it had not been for the \$1,300,000 that was received as a result of the changes in the Tariff and the largely increased revenues in the Customs and Excise during January and February, would have been \$3,482,917. But, Sir, it will be quite readily understood, I think, that, under these circumstances, while we were basing our calculations for the future upon a deficiency of \$2,000,000, we practically had to deal with a deficiency of over three millions of dollars, and it will not be surprising if our expectations with reference to the balances of the current year, based on a new estimate, which I purpose submitting, will be found not to be entirely realised. Sir, it means not only an increased expenditure for the current year of over a million on this basis, but it means an increased expenditure of a million a year for future years. We must necessarily see, in making our calculations for the future, whether we can possibly, with the greatest economy, make the two ends meet. There may be some criticism with reference to the expenditure for which Supplementary Estimates were asked last year I have gone into the different items of which they were formed, and I find that they contained items amounting to about \$100,000 in all, for which the present Government are responsible. I know

hon. gentlemen opposite may say: "You asked in that vote for an additional sum for railways." We know, Sir, that the expenditure for the Intercolonial Railway for that year exceeded very largely the estimate by our hon. friends opposite; but, Sir, that additional expenditure cannot be charged upon the present Administration. The deficiency on that public work reached \$700,000 during last year. The deficiency during the first six months amounted to \$380,000; so that the deficiency during the first six months of the year, for which hon. gentlemen opposite were mainly responsible, and during the other six months, for which they were partially responsible, was in the main the result of their administration. Therefore, if we examine this matter with the view of ascertaining how far we were right or wrong in regard to this proposition, it will be seen, I think, very clearly, that the expenditure, at all events, for which our hon. friends opposite were responsible, would have left a deficiency of at least three millions instead of two during that year. I now come to the consideration of the expenditure for the present year. I have prepared a revised statement of the revenue and expenditure, having regard to the experience we have had down to the present time. I estimated, last year, that we would probably receive during the present year from Customs \$14,000,000, exclusive of, as I stated then, an estimate of \$500,000, which was collected in February and March, and which fairly and legitimately belongs to the present year, but which at the close of the year was found to amount to \$700,000 instead of \$500,000. I now am firm, Sir, in the opinion that, apart from that money collected last year that belongs to this year, the receipts from Customs will be, as estimated, \$14,000,000 for this year. It has been said that the revenue up to the 1st of January does not warrant such a conclusion, but, if we will examine the amount received from Customs up to that period, and add to it even \$500,000, our original estimate, we shall find that it is very nearly half the \$14,500,000 estimated for the whole year, and, when we take into consideration that we have probably consumed, or that there have been thrown upon the market the goods that paid the duty last year and belonging to this, we may fairly expect during the

SIR SAMUEL L. TILLEY.

last six months of the present year to realise a sum equal to that received during the first six months, \$7,250,000. I may also state, from the returns made up every ten days, that we received during January and February and the first five days of this month, \$450,000 more than we received during the same period in 1878. This, Sir, goes to show very clearly that we have consumed the goods that were brought in last year, and that we shall, during the balance of this fiscal year, have increased revenues to an amount sufficient to meet the sum estimated by the Government. The estimate we now make for Excise, based upon experience to the present time, is \$4,500,000, to which is to be added \$600,000 that was received in last year, but which properly belongs to this, and we have \$5,100,000. This is not as large as the amount estimated this day twelve months. I recollect perfectly well that hon. gentlemen opposite took exception to my estimate, that we would receive from the additional 10c. per gallon on spirits \$100,000. That is the only item in the revenue that shows a falling-off down to the present time. It may be that the hon. gentleman was correct as to the causes which have led to that reduction, but I am disposed to take a different view, and have arrived at the conclusion, Sir, that it is caused by a decreased consumption of spirits, whether it may be from the increased duty, or from the fact that the habits of the people have changed with reference to the use of this article; but, under any circumstances, I believe that it will be considered by a very large proportion of the people that, if, by an increase of the duty, the consumption has been diminished, the change was justified; this is the item of all others in which they would desire to see a reduction, and one the falling off in which will not cause much regret. It was estimated that the Post Office would yield \$1,200,000, and we entertain that opinion still. In the Public Works, it will be found that we estimate an increase of \$50,000 over the estimate of a year ago. That arises from the fact of our taking possession of the Pembina branch of the Pacific Railway. It will be found from the Estimates now before the House, that

we have asked Parliament for \$50,000 for the management of that road. But, while we have increased the expenditure to that extent, our increased revenue will be in proportion. With reference to bill stamps, our estimate is \$200,000. On interest on investments it will be found that there is an increase arising in this way. From the loan which was obtained in England last year, and from the moneys which were subsequently obtained from 5 per cents of the Dominion of Canada, we had more money than was required for the current year, and held over at the present moment for the payment of liabilities due on the 1st of July next, and bearing interest; and, therefore, the interest we are receiving on that money, so held, will probably amount to \$200,000—though I have stated the amount at only \$150,000—over and above what was estimated. So that while the interest account on the debit side has increased, we have also an additional sum to place to the credit side of the account. Of all other revenues, it was estimated that they would amount to \$700,000, and, from looking at the returns of last year and the returns so far in the present year, I think it is very probable that that item will not exceed \$600,000, making the estimated receipts for the current year \$24,450,000, against a previous estimate of \$24,200,000. We now come to the estimated expenditure. It was stated last year that it would reach \$23,869,262. The Supplementary Estimates show that, after deducting the vote for items belonging to last year, after deducting the items chargeable to capital, the Supplementary Estimates for the current year, chargeable to income, amount to \$858,922. They are made up in part by \$100,000 for the relief of the sufferers in Ireland; \$201,000 for the relief of the Indians, who were in a starving condition; \$97,500 expenditure on public buildings in St. John more than was voted by the House; \$50,000 for the running expenses of the Pacific Railway; \$42,000 for repairs to canals and other items, making in all \$858,922. Then, Sir, we come to the under-estimates in interest. I have to call attention to the fact that the probabilities are that the interest account of this year will exceed the estimate by \$660,000. This increase was caused in this

way: I stated a few moments ago that the under-estimate of 1878 for interest was \$285,891, and the basing of the estimate of the current year upon the estimated amount of interest for last year led to an error to that extent in the estimate for the current year. The error of the last year occurred in the following way: the late Government probably estimated on a loan of £2,500,000 instead of £3,000,000, which would make a large difference. The 6 per cent. stocks that matured last year and were payable by the Government on six months' notice, were probably estimated by my predecessor at 5 per cent., and as notice was not given, the result was that those securities paying 6 per cent. were only redeemed in December or January last, and this made a difference of \$40,452. The sale of 5 per cent. stocks was estimated below what was sold during the year; and then there was paid to our financial agents in London, \$24,293; to Morion, Rose and Company, for interest on temporary loans made by my predecessor, amounting to £500,000, the sum of \$47,893; and to the Bank of Montreal for temporary loans on general account (which contained a loan of £500,000), \$64,472; interest on seigniorial indemnity, \$25,193; a difference in the amount of the estimate of deposits in the Savings Bank during the year of \$7,533. 47, making altogether \$288,891.87 of an under-estimate. As our estimate of this year on interest account was based on that estimate, we had as the result a large under-estimate under that head of \$280,000 and odd dollars. Then, Sir, during last year a new loan was necessary. There were 6 per cent. debentures for £400,000 sterling, falling due in England on the 1st January—£600,000 in addition to these falling due on the 1st July next. There were also the \$4,000,000 of 6 per cent. securities falling due in Canada, of which the Government gave notice in May last that they would, at the expiration of six months, either pay them or substitute 5 per cent. securities for them. The expenditure on Capital Account of the present year must amount to something like \$10,000,000. It was therefore decided that a loan should be negotiated, not only for the purpose of the payment of the 6 per cent. liabilities falling due in England, but that we should

also be in a position, in the event of the parties holding the securities in Canada, asking for money, instead of their accepting 5 per cents in lieu thereof. A loan of £3,000,000 was therefore placed on the market, though the money was not immediately required, as the time was considered a favourable one. This left the Government with a large amount of money for the time being, a considerable portion of which is now deposited in the banks of the Dominion, bearing from 3½ to 5 per cent. interest. So we have an offset of \$250,000 on the credit side to meet additional charges for interest. This swells up the interest account \$250,000 above the Estimates. The whole expenditure estimated for the current year, from the Estimates now on the Table of the House, is \$25,478,000. The expenditure on the Intercolonial Railway will, however, be \$300,000 less than the estimate, the fact being that, during the first six months of the last year, there was a deficiency of \$380,000, and the returns show that for the first six months of the current year the deficiency is but \$34,000. Under these circumstances, we are prepared to state that the expenditure will be reduced for the maintenance of Public Works \$300,000 less than the estimate, and that the lapsed balances, which are generally large, may be fairly estimated at \$200,000, making a deduction of \$500,000, leaving the estimated expenditure of the current year at \$24,978,000, against the first estimate of \$24,450,000, or \$500,000 of an estimated deficiency. Now, when it is considered that the deficiency of last year, had it not been for the exceptional circumstances I have named, would have been over \$3,000,000, and we are enabled to show in the present year a deficiency of but \$500,000 or thereabouts, I think that under those circumstances, and in view of the fact that, if our predecessors had estimated correctly the interest for the previous years, the result would have been that our Estimates would have been very nearly realised, we can justly claim that, in the first year of our Administration, our income and expenditure are not far from being balanced. I will now call the attention of the House to the estimated income and expenditure of next year. It will be seen by the estimates of next year that the expenditure is

placed at \$25,007,203. The estimate is as follows:—Customs, \$15,300,000. On looking into this matter very carefully, it is considered by the Government that, in view of the increased prosperity in the country, in view of the increased prices of articles to be imported, the amended Tariff, the changes in which are not made for revenue purposes, will produce an increased revenue of \$600,000. We expect to receive from Excise, \$5,213,000. In referring to the resolutions I am about to submit to the House with reference to Customs, it will be found that upon careful consideration we cannot count on any increased revenue from the proposals to be submitted. I will leave that question until I read them in detail, when hon. members will be able to judge for themselves. In reference to Excise, a proposition will be made to the House that will probably add \$200,000 to the income from that source. It is proposed to grant licenses to manufacture Canadian leaf tobacco, and that an Excise duty of 14c. instead of 20c. per pound will be imposed. With reference to Public Works, including railways and canals, it is estimated that we will receive \$2,286,000 during next year. The Estimates contain an additional appropriation for railways not beyond what was asked for during the present year, it is \$160,000 less; but there is \$200,000 required for working the Pacific Railway, and the Minister of Railways assures us, and the evidence to which I have referred warrants him in making that statement, that during the next year the income from these public works will be equal to the expenditure, and it will be found that in the estimated income we placed a sum equal to the estimated expenditure. Bill stamps will bring \$208,000; interest on investments \$600,000; and Post Office \$1,210,000. I will observe here that the interest on investments—\$600,000—is \$250,000 less than estimated for the present year, for the reason stated, that the sums of money that have been loaned and are now at interest, will be used in paying off certain liabilities, and the result will be that our income from investments will be \$250,000 less next year than during the present year. From other revenues we expect \$700,000, making an estimated revenue or income for next

year of \$25,517,000. If our expectations are realised in this matter, it will appear, Sir, that our pledges will have been redeemed, and the equilibrium between revenue and expenditure will have been restored, and there is a very good margin, indeed, which justifies us in arriving at the conclusion that such will be the case. I take this opportunity of making the statement that we expect to provide for the expenditure on Capital during the next year partly by the balances we now have on hand. As shown by the return made to the House, out of the thirteen millions four millions have to be paid for the redemption of debentures on the 1st July next. Five or six millions will therefore be available for expenditure under the heading of Capital Account during the next year, leaving over three millions as a reserve; and the Government propose to submit for the consideration of the House a proposition to extend the authority already given with reference to the issue of Dominion notes. The Government propose to ask that the amount now fixed, beyond which a note cannot be issued, unless we hold dollar for dollar in gold, shall be extended from twelve millions to twenty millions of dollars, and the Government will place whatever proportion of that twenty millions they may find it in the interest of the country, in circulation. Twenty-five per cent. of the circulation will be held in gold and guaranteed Dominion securities, not less than 15 per cent. to be in gold. That will be the proposition that the Government will ask the House to support. That will enable us, with the amount of gold that will be released and three or four millions additional circulation added to the five or six millions we have now on hand, to dispense with any necessity to go into the English market to provide money for next year's expenditure. We will be able to secure whatever the deficiency may be from the capitalists of the Dominion, at such a rate as will be satisfactory to the country. These are briefly the proposition that we submit with reference to income and expenditure during the periods to which I have referred. If there are any further details I will not detain the House now to go into them, but will take an opportunity to do so later on. I desire to trespass on the attention of the House

for a short time in dealing with the objections that were made last Session, and may be made again with reference to our Tariff policy. I ventured, when submitting that policy, to remark that the resolutions were not aimed specially at any particular country; still as British subjects, owing allegiance as we do to the great Empire of which we form a part, it was designed in the preparation of our Tariff that if we favoured one country more than another, it would be Great Britain. I recollect, and the House will recollect, the objections that were made by hon. gentlemen opposite, and the effort that was made to prove that the Tariff then submitted would operate more injuriously and affect more especially the manufacturers of Great Britain than those of the United States.

SIR RICHARD J. CARTWRIGHT: Hear, hear.

SIR SAMUEL L. TILLEY: Do I hear the hon. gentleman opposite say "hear, hear?" Then, Sir, we will have an opportunity of discussing this matter fully. Some gentlemen, out of Parliament, and through the press, have made various statements upon this matter, but here on the floor of Parliament, where we can bring up facts on both sides, we can arrive at a just and accurate conclusion on the subject; and while we could only speculate last Session with reference to these effects, time has shown, and the evidence lies upon the Table of this House, that instead of its operating to the disadvantage of British manufacturers, as compared with those of the United States, it has borne less heavily and affected them less than the manufacturers of the neighbouring Republic. I have made an abstract from the comparative statement of the Trade Returns for six months. The return submitted to the House represents the imports of the last six months, that is, from July to January, in the present fiscal year, compared with the first six months of the last fiscal year; and it is from these returns that we are able to draw some conclusion, and, I trust, accurate conclusions with reference to the effect of this Tariff. These returns show that the importations of iron and steel manufactures from Great Britain, in 1878, under the head of "free goods," amounted to \$961,672. Under the head of "free

goods," this year, they amounted to \$1,599,182. Under the head of dutiable, last year, the imports amounted to \$1,491,867, and this year to \$1,688,614. The dutiable goods bearing an average duty of 17½ per cent., there was a large increase, an increase of \$800 in the imports from Great Britain under that head (Steel and Iron) in the first six months, and in 1878 the imports from the United States under the free list was \$148,874, and in 1879, \$169,913. Under the heading of dutiable goods, last year, they were \$1,725,000, against \$1,288,000 in the present year, showing an increase in one case of \$21,000, and a falling off in the other of \$500,000. Under the heading of cotton goods, as shown by the return, in 1878 the imports from Great Britain amounted to \$1,824,921, in 1879 to \$2,089,812. From the United States, in 1878, for the six months, the imports were \$1,126,000; in 1879, \$745,000. This shows a large increase in the imports from Great Britain, and a falling off of nearly \$400,000 from the United States. In glassware the imports from Great Britain were, in 1878, \$76,246, and for 1879, \$95,440; from the United States, \$215,000 in 1878, and \$180,000 in 1879. Leather manufactures from Great Britain in 1878, \$187,000; 1879, \$227,000. From the United States, in 1878, \$332,735, in 1879, \$225,808. Under the head of sugars, the imports from Great Britain in 1878 amounted to 19,173,000 lbs.; in 1879, 9,964,000 a falling off of one-half. From the United States, in 1878, the imports were 38,000,000 lbs., and in 1879, 11,500,000 lbs. From the West Indies, in 1878, 4,728,000 lbs.; in 1879, 37,800,000 lbs. The imports of tea from Great Britain, in 1878, were 2,056,000 lbs.; in 1879, 3,201,000 lbs. From United States, in 1878, 3,516,000 lbs.; in 1879, 1,400,000 lbs. From China and Japan, in 1878, 575,000 lbs.; in 1879, 1,515,959 lbs. Wood manufactures, such as cabinetware, from Great Britain, in 1878, to the value \$5,700; in 1879, \$3,258. From the United States, in 1878, first six months, \$154,000; same period in 1879, \$46,800. Other woodenware—Great Britain, 1878, \$5,000; in 1879, \$20,000. From United States, in 1878, \$201,000; in 1879, \$199,000. Experience during the first

six months with respect to the imports from these two countries shows this : that the falling off in the value of imports from Great Britain in free and dutiable goods amounts to 7 per cent., while the decrease from the United States was 33 per cent. Then it was asserted that the Tariff would act unfairly on the English manufacturers, and subject them to a large proportion of the increased percentage. By referring to the tables it will be found that the increased rate of duty upon free and dutiable goods, imported from Great Britain during the six months of the present year, was 19.43 per cent., against 19.9 under the old Tariff of 1878; and that the percentage from the United States, omitting as is proper, from the consideration of this question, the foreign goods that were imported but were also exported, but were entered last year for consumption, because there were no duties imposed on them, the percentage of increase has risen from 12 per cent. in 1878 to 15.3 per cent. this year. In the one case there is but an increase of $\frac{1}{4}$ per cent., while in the other there is an increase of 3 per cent. on the average duty collected on those goods. I know hon. gentlemen will very naturally ask how it can be possible that with the increased duties imposed upon British goods the rate of duty has only been increased $\frac{1}{4}$ per cent., but we must take into account the fact that the sugar that was imported last year was double that imported this year, and paid forty-two per cent. What I say with respect to English imports has double effect when applied to the United States, because we imported from them under the same rate of duty double the amount of sugar we imported from Great Britain, and if we had imported the same quantity in this year it would have given the increase in the same ratio, and have made the difference 4 per cent. instead of 3. These facts go to show that, while the object, design, and intention of the Government was not to legislate directly against any particular country, but in favour of Canadian interests, the effect of the Tariff has been to diminish less the importations from Great Britain than from the United States. The next objection to the Tariff was that it would increase the cost of goods and give us no revenue. The hon. gentleman opposite (Sir Richard J. Cartwright), speaking on this point,

said that, if the policy of the Government succeeded, if an additional impetus were given to the industries of the country, the Tariff would not produce the revenue that was proposed, and he was good enough to venture the statement on that occasion that the effect of the Tariff would be to increase the cost of goods to the consumers by six or seven or eight million dollars. You see, Mr. Speaker, that he left something of a margin, but what the effect has been is quite clear. The returns show that the increase of the Tariff upon imports has been $4\frac{1}{4}$ per cent. more than it was before. We had a revenue of twelve millions from imports, and if you add one quarter additional to that you do not get six, seven or eight millions, scarcely the half of it. But the statement was made that the Tariff would enrich the manufacturers and impoverish the masses. On the other hand, the hon. gentleman opposite said, in order that he might be safe in his predictions, whatever might be the circumstances, that by-and-bye the manufacturers themselves would be impoverished, and that the whole country would be in a worse position than ever before. An hon. gentleman opposite, anticipating the discussion of this question, said the other day, and I think it was the leader of the Opposition, that half the manufacturers of Canada are dissatisfied with the Tariff.

MR. MACKENZIE : Hear, hear.

SIR SAMUEL L. TILLEY : Well, I have not seen half the manufacturers of Canada, but I have seen a great many of them. Knowing what would be said on the floor of the House, judging from what has been said in the past, I felt it my duty to ascertain from personal observations, as far as our manufacturing industries were concerned, what the effect of the Tariff had really been; and in my intercourse with the manufacturers, I will not say that there were no objections made to the operations of the Tariff. Were I to say so, I would be stating what is not true; but what I do assert is that, on the whole, the manufacturers express themselves satisfied with the Tariff, and if I had not found some objections to some of its provisions, I would have concluded that it had been framed too much in their interests, so that the very fact

that they objected to some clauses led me to the conclusion that, on the whole, though there might be some slight amendments to the Tariff necessary, we were accomplishing the objects we had in view. Sir, as the discussion proceeds on the different items—because we will have as free and as full a discussion as we had last year—we will be in a position to examine into the operation of the various clauses of the Tariff, and more intelligently than last year, because we have had the experience of some months of its working. I have known that where railways have been constructed there have been particular localities which, from exceptional causes, have been injured; and so I am prepared to hear that hon. gentlemen opposite have found some point with reference to the working of the Tariff that will be a parallel to such cases as I have referred to; but who on that account would abolish our railway system? I am satisfied, from my own observations and from what I know in the matter, that the result of the Tariff has been such that there will be no declaration of this House, or on the part of the country, in favour of a change in the general policy of the Government. Sir, we will no doubt have it said by the gentlemen of the Opposition that the increased cost of certain articles has been caused by the increase of the duties, but I have here evidence, to show, with reference to the leading manufacturing interests of the country, that, beyond the increase in the cost of the raw material to the manufacturer, the people pay nothing more under this Tariff than they would have done under the old. I believe, Sir, that that can be established beyond a doubt, and, under the circumstances, I look forward to the discussion on this subject not with any dread, but with a degree of satisfaction, feeling that the facts we can present will be most satisfactory to the country and to the friends of the National Policy. It was also said by gentlemen opposite that this policy would create an unfriendly feeling in England towards Canada. It is true, Sir, that, when we were there last summer, mingling with men in the manufacturing districts, we found expressions of disapproval with reference to our policy.

It was to be expected, because, owing to the position and the circumstances of that great nation, it has been led to adopt a different policy. Looking at us from their standpoint, the manufacturers there believe that our policy is unwise and injudicious; but have we had any evidence, has anything recently transpired to show that the attachment of the people of England and their regard for Canada and Canadians has been diminished by the enactment of this Tariff? Has there ever been in the history of this country a period when Canada has been looked to with greater interest by the people of Great Britain and Ireland than at this very moment? I think a distinguished member of the British Government can claim some acknowledgments from this country for the course he has taken in calling the attention of the people of Great Britain to Canada. We on our part have shown by the liberal vote given so recently by this House, that we are not only in a position to give employment and comfortable homesteads to the thousands and tens of thousands of working men who cannot find work over the water, but that we are prepared to extend to them a helping hand in the hour of their adversity. Sir, I think, if at any period Canada stood well on the other side of the Atlantic, that period is to day. But, Sir, the statement was made that the course we have taken would affect our credit in England. What evidence have we that it has affected our credit except favourably? When it became my duty to visit England last summer, and to ask the capitalists of that country to take another three millions of our 4 per cent. unguaranteed securities, there were paragraphs in the papers, which may have originated with speculators; and not with our political opponents, decrying this loan; and when the time for the reception of the tenders came, there were very grave doubts expressed with reference to the chances of obtaining the minimum that was named, because it was 4 per cent. higher than had ever been named by any Finance Minister before. And yet, Sir, in the face of this alleged damaged credit, we obtained for that loan \$700,000 more than my hon. friend opposite obtained for his loan of the same kind in 1874.

We obtained, if I take the books of the Dominion of Canada to show the net results from the different loans, \$600,000 more than my hon. friend obtained for his loan in 1876. My hon. friend may rise in his place and say, as he said in the west, that Mr. Tilley was in England at a most favourable time; money never was so low; money never was so cheap; that I was the most fortunate man in the world. Well, Sir, I admit that, to a great extent, to be true; but I recollect perfectly well that my hon. friend opposite, last Session—not in the fair manner that, I think, he ought to have acted—referred to the loan I negotiated in December, and in his attempt to show that the unguaranteed portion of that loan only brought 86 per cent., he based his argument on the statement that Sir John Rose floated a guaranteed loan that brought 110 per cent., and the 5 per cent. portion of which brought but 90 per cent.; and the hon. gentleman made that statement for the purpose of showing, though his comparison was an incorrect one, that I had obtained only 86 per cent. Then the hon. gentleman followed his statement up by saying that in the *Economist* published a few weeks previous to the date of which he was speaking, he found our securities quoted at 92 $\frac{1}{4}$ or 92 $\frac{1}{2}$, while New South Wales 4 per cents netted 99 $\frac{2}{3}$; and the hon. gentleman was kind enough to say that he had the *Economist* in his desk, and would hand it to me, if I wished. Now, Sir, I have in my desk the *Economist* of the 24th February, and will let the hon. gentleman have the use of it; and what does it show? Not that the exceptional circumstances referred to produced such favourable results. According to his own statement, the difference between our securities and those of New South Wales was 7 per cent. The last quotations, those in the *Economist* of the 24th of February, quote the Dominion of Canada 4 per cent. securities at 96 $\frac{1}{2}$ to 97, while those of New South Wales were 98 $\frac{1}{2}$, whereas a year ago, there was, according to the hon. gentleman, a difference of 7 per cent.; that difference is now reduced to 2 per cent. Sir, when we consider the relative position of the securities of Canada today, compared with those of New South

Wales, which stands ahead of every other British Colony, we find that there has been an advance of 4 $\frac{1}{2}$ or 5 per cent. in the value of our bonds, compared with those of the Colony referred to, which proves that the policy of the Government of the Dominion has certainly not damaged our credit abroad. Sir, there was another statement made, and I hold that it was one of the gravest and most serious statements made during last Session with reference to this Tariff—and what was that statement, Sir? It was that this Tariff was framed in such a way that it would bear more heavily upon certain provinces of this Dominion than upon other provinces, that it would affect certain provinces unfavourably and would lead to the breaking up of this great Confederation. Sir, my own Province was singled out as the Province of all the provinces that was to suffer by the policy of the Government. Sir, I have endeavoured, during the time I have been a member of this House and of the Government, to refer as little as possible to provincial questions, or to matters of purely local consideration. But when, Sir, that idea has been persistently propagated, when the Opposition have unremittingly endeavoured, by their declarations with reference to the effect of that policy, to create dissatisfaction in the Provinces of the Dominion, when for the purpose of striking a blow at the Minister of Finance, they have sought to damage the credit, reputation and standing of the people of that Province, I feel that I am justified, independent of local considerations, to make some reference to the bearing of this Tariff, and its effect upon New Brunswick. Sir, that Province has passed through great trials and great difficulties. Two-thirds of the commercial centre of that Province was destroyed by fire, two years ago. Some fifteen or sixteen millions of dollars worth of property over and above what was insured was swept away in a night. The lumbering interest of that Province for two or three years has been very much depressed, and the shipping interest has not been remunerative as it was in days past. The partial failure of these two industries, in which a large portion of the people of that Province are engaged, and

in which their capital is largely embarked, together with the great disaster to which I have referred, deranged the business and trade of the Province; and a good deal of depression, a good deal of suffering, has followed in its wake. It has been attempted to be shown that the bankruptcies of that province have exceeded those of any other province, and I was surprised to find the attempt made to attribute these bankruptcies to the operation of this Tariff. I will say here, and I think without fear of contradiction, that there are not more than two cities in the Dominion, taking into consideration population and the amount of business done, that have had fewer failures and fewer bankruptcies than the city of St. John. The hon. member for Gloucester (Mr. Anglin) rose the other night, in anticipation of this discussion, and, in speaking of the condition of St. John, he made a statement which was true, but of a misleading character. He said that in 1877 there were more men employed in the city of St. John than there are to-day; that they were receiving larger wages than then they are to-day. Now, I agree with the hon. gentleman that it is the fact, but he should have gone on to say that the great fire took place in 1877, that two-thirds of the city was destroyed, that thousands of mechanics and labourers came to that city to secure employment in the work of restoration, and that increased wages was the result to the labourer and mechanical like; and now, when the city has been rebuilt, is it to be wondered at that thousands who came into the city to re-build it are leaving it, that wages are not so high as then, that there are not so many men engaged in the manufacture of doors and sashes and bricks, that there are not so many foundrymen at work as there were then. I say, is it surprising that such is the case? The hon. gentleman stated the facts truly, but his conclusions were entirely erroneous, because he had endeavoured to impress on the House and the country that the effect of the National Policy had been to bring wages down to their present rates. Let me further say with reference to the city of St. John and the Province of New Brunswick. The leader of the Opposition, the other day, and I can understand his object, said there was but little probability of manufacturing industries springing up in that

Province, and of St. John becoming a manufacturing centre; and he said that he always expected that in Nova Scotia, where they had coal and iron, they would be able to have large manufacturing industries, but what could New Brunswick expect? I assert that there is no portion of the Dominion of Canada which, in proportion to its population, has as large a number of its inhabitants engaged in manufactures as has the city of St. John. Manufacturing enterprises have been going on in that Province for a quarter of a century, increasing year by year, and extending, so that down to 1874, when these enterprises were at their height, 8,000 people in that city alone were employed in manufacturing industries. The hon. gentleman said he was not surprised that I should have been met with such limited cordiality when recently visiting that city. Was it limited? We had two dinners there on that occasion—the hotels we have there at present are not large enough to give dinners, to two hundred people at once. And I venture to say, further, that we had as many at the two dinners as the hon. gentleman had when he visited St. John as Premier of Canada. Let me give additional evidence of the ability of the people of that Province to carry on successfully manufacturing industries. I may tell this House that nearly every contract let since the new Tariff came into operation, for the construction of locomotives, snow-ploughs, cars, and turn-tables for the Intercolonial and Pacific Railways has gone, with the exception of three locomotives and two cars, to the Province of New Brunswick, and on lowest tender. When I state further, that though the sash and door manufacturers and carriage makers are not doing what they did in 1874, boot and shoe manufactories are in successful operation; machinists are freely employed; the cotton manufactory there has doubled its capacity within the last six months, and is preparing to quadruple it. And since this policy was adopted by the House of Commons a lock and brass factory has been started in Moncton, with a subscribed capital of \$200,000, of which \$66,000 has been paid up; that arrangements are being made for the establishment of a sugar refinery in the same place, the necessary capital having been subscribed; that re-

cently the inhabitants of the town of St. Stephens were called together to consider the propriety of establishing a cotton factory there—they having sent to the United States for experts to select a site—that a site has been selected, that stock is being subscribed, that American capitalists are willing to build it and put it in operation, if their taxes are remitted for twenty years, that the expenditure involved in such an enterprise will be between \$300,000 and \$400,000; that a company with a capital of \$60,000 is being formed for the manufacture of nuts and bolts, and that various other interests of that kind have grown up in that Province within the past six months, the whole requiring altogether a capital of \$1,000,000—when I mention all these things, I ask whether, under those circumstances, Ontario or Quebec has exhibited a greater spirit of enterprise than has the Province of New Brunswick, bearing in mind, at the same time, that in proportion to population, our one million of capital is equivalent to six millions in the Province of Ontario, or four and a-half millions in the Province of Quebec. Sir, a characteristic scene took place since I came into this House this afternoon. I heard of a petition being circulated in St. John, asking that certain amendments be made to the Customs Tariff, and if I heard correctly the late Minister of Customs presented such a petition this afternoon. If the object of this petition was to influence the Government when making their changes in the Tariff—considering that it has been in circulation for a month among those who do not agree with us politically—why was it left until just before I rose to make the Budget Speech. I say, Sir, that this petition was said in St. John to be a piece of political clap-trap, and it has proved itself to be so. It has been said that the imposition of a duty on corn and cornmeal is unpopular, and I know that duty is unpopular in Nova Scotia and New Brunswick.

MR. MACKENZIE: And in Ontario, too.

SIR SAMUEL L. TILLEY: And if we were legislating here solely for these Provinces we would not have asked for its imposition, but it was part and parcel of

our policy; and what is the fact? It will be seen by a return on the Table of the House that the duty collected on corn and cornmeal in the Provinces of Nova Scotia and New Brunswick has been nearly or quite met by the reduction of the duty on molasses consumed during the same period. It will be found that though in New Brunswick we consumed 55,000 gallons more than for the corresponding six months, the duty collected is something like \$9,000 or \$10,000 less, in other words, the reduction of duty on tea and molasses will balance what is paid by the Provinces of New Brunswick and Nova Scotia on corn and cornmeal. Still not a word is said on this point by hon. gentlemen opposite, their object being to alarm people as to the effect the Tariff is having on particular industries in these Provinces. Then we come to the duty on flour, and I have heard it stated that this is an Ontario Tariff. It will be found by the returns on the Table that during the last six months New Brunswick and Nova Scotia have not paid one dollar more on coal and flour than has Ontario, in proportion to population. We may expect objections to provisions in this Tariff, but on looking at its operation throughout, it is a marvel to me how we could have framed a Tariff that bears so equally on all portions of the Dominion. I am quite prepared in the discussion of this subject to have hon. gentlemen opposite differ with me on this point, but let us go to the returns and form a judgment from the facts submitted to the House. It is said the greatest enemy of truth is prejudice, and its greatest friend time. Time is solving this question with reference to the Tariff. The main discussion on the Tariff will be this Session. The result of another year's experience will be such that our friends opposite will be then veering their course for a moderate protective policy, in order that they may meet the desires of the country. It is said this policy has damaged the country generally.

MR. MACKENZIE: Hear, hear.

SIR SAMUEL L. TILLEY: The hon. gentleman says "Hear, hear." Well, the hon. gentleman and his organ for five months after the passage of this Act, endeavoured to show that the country was

poorer than it ever was before. For the five months subsequently, the Opposition organs endeavoured to show, when the prosperity of the country was so apparent that it could not be gainsaid, that it was not the result of the National Policy. Dun, Wiman and Company published a statement showing that the bankruptcies in Canada had been greater last year than ever before. Then the cry was again raised that the country was going to ruin. Here was something to build an argument on. It was amusing to read the varied statements made from time to time with reference to the Tariff. I will give you a sample. In one of the leading papers, which hazarded the statement that this policy was enriching the manufacturers at the expense of the masses, appeared a quotation of the price of rubber overshoes, to show how the prices had been increased and the manufacturer enriched; and yet the same paper in the same issue called attention to the fact that 2,000 pieces of Canadian woollens had been bought the day before at 30 per cent. less than any price ever before known in the history of Canada. Such is the inconsistent line taken by the Opposition. As to bankruptcies, it was stated in the House the other night that these increased bankruptcies were the result, to a great extent, of the general impression on the part of the people that the law would be repealed. The result of that impression was that the man who had been struggling along with his head just above water, took advantage of the law. On seeing the prospect of improved times, they came to the determination to obtain relief from these liabilities and start anew on the flood tide of prosperity. In the United States, in 1878, the same fact was noticed. Just at the commencement of prosperous times there were more bankruptcies than during the previous years. It is to be deplored that our magnificent country, with its grand prospects, should be decried, and its credit damaged for party purposes. The hon. leader of the Opposition stated that, if it had not been for the good crop last season, the country would be in a worse position than it ever was before—is it not in a better position than it was a year ago? Can you look anywhere throughout the length and breadth of the Dominion and say it is not so? Take the im-

porters who, from their position, would naturally have less sympathy with this policy, and with this Tariff, than those who are more directly benefitted by it, and you will find, universally, both in wholesale and retail lines, that in the last six months the general trade of the country has been largely improved and increased. If you go to the farmer, you will find that he recognises the improvement in prices for the articles he has for export, or for home consumption in the home market. You may go to our shipping interest, and you will find that during the last five or six months every one has a more hopeful feeling than they had before. Take the lumber interest of the Ottawa Valley and other parts of the Dominion, and mark the change. You will find every man, who is engaged in that business in the city of Ottawa, in the west, or down east, doing double work, making sales ahead, and with a different, a more buoyant, spirit than he had twelve months before. I care not in what part of the Dominion you go, you will find a more hopeful feeling and more confidence; and, notwithstanding all these evidences of prosperity, the hon. gentlemen of the Opposition will blind their eyes to the facts and state that the country is not prosperous and are doing everything in their power to prevent emigrants from coming into the country to settle and invest their capital, and help to promote the prosperity of the country. I think it is scarcely necessary for me to enlarge upon this point, but I have no fears for the future of the country. Its prosperity I feel is assured. I do not say that it is all the result of the National Policy. I agree with my hon. friend (Mr. Mackenzie) that there are other causes affecting it, but I assert this—that the day after this policy was adopted in this House, in leading commercial centres and throughout a large portion of the Dominion of Canada, there was an entirely different feeling, a more hopeful feeling than there was the day before the policy was announced. And I believe, from personal observation and indisputable evidence, that 10,000 men are now occupied in the country who could get no employment before; and, what is more, the returns of the last six months, adding the three millions and a half of imports of the previous year, which clearly

belonged to that, will show that the difference between the imports and exports of the Dominion for the last six months are in favour of the exports by \$6,500,000. At the close of the year we will find that by the reduction of imports and the increase of exports, the balance of trade, which some gentlemen think is of no importance, though I think it is of vital importance to this country, will for the first time in the history of the Dominion be in our favour. I am, Sir, hopeful with reference to the future of this Dominion, and I believe that with the policy of developing the Great North-West, with the expenditure that was asked for this year, and is asked for by the Government for next year, we will be able by 1882 to pass through from Ontario to Manitoba by rail on our own territory and 200 miles beyond it—that we will be able to place hundreds of thousands of immigrants in comfortable homes in that magnificent prairie country, and bringing out of it its products. We will then have in an increased revenue and exports, a return for the expenditure we are now making. If we can fairly succeed in making our financial arrangements for the next two or three years, our difficulties will have been tidied over, and we will then be on a sound basis for the future. I said, in introducing the resolutions last Session, that the change in the fiscal policy was so great, that it was quite impossible for any Government or any body of men to frame it, so that after the experience of a year there would be no amendments to propose. The amendments that I desire now to submit to the consideration of the House will show that there are no radical changes whatever to submit for the approval of Parliament. There are many of them framed rather with the view of removing the difficulties in the working of the Tariff than as changes of policy. In the working out of the propositions of last Session, there necessarily was a good deal of friction. Many articles were composed of different materials, and of course the rate of duty was levied in proportion to the material of which the article was made. It was found that difficulties were arising from that source, as well as from others, and these considerations have led the Government to submit some amendments for consideration. I have

had a synopsis of the resolutions prepared, which I propose to read to the House; it will show more clearly the changes made than the reading of the resolutions themselves. In the first place, it is proposed, as it was found that the duty on demijohns, when they were brought into the country.

AN HON. GENTLEMAN: Oh.

SIR SAMUEL L. TILLEY: My hon. friend laughs at the demijohns. He rather sneered the other night at my temperance principles. If my hon. friend, (Mr. Mackenzie,) and I were going on together now as we did twenty years ago, in favour of temperance, perhaps he would not have sneered so much at me on this question. As to demijohns, those imported with vinegar, or wine, or acids, were subject to a different duty from demijohns imported empty. They will be charged 30 per cent. *ad valorem* instead of 20 per cent.; asphaltum, used in making varnish, 10 per cent. *ad valorem* instead of 20 per cent.; bagatelle tables or boards, with cues and balls, 35 per cent. *ad valorem* same as furniture; billiard tables raised from 10 to 15 per cent. *ad valorem*; the same will apply to pianos, the specific duty remaining the same; bird-cages of all kinds will come under uniform duty, no matter of what material they are composed. Shoemakers' ink is placed at 25 per cent. Books are changed from 6 cents per lb. to 15 per cent., in consideration of our hon. friends opposite, who advocated that course last Session. Account books, 30 per cent. instead of 25 per cent.; valentines, chromos, and cards generally, a duty of 30 per cent. They were classed under different heads before. Some paid 20, some 25, and some 30 per cent., and it led to confusion in collecting the duty. Braces and suspenders are placed on the 25 per cent. list, they having previously been charged different rates, according to the materials of which they were made. Cans containing fish, under the Washington Treaty, will be charged 1½ cents per quart can, and the same price for each additional quart. This duty was imposed in order to counteract the effect of the American legislation, by which the trade of the United States had an advantage over our people of eighteen cents per

dozen on all canned fish. China and porcelain is to be increased from 20 to 25 per cent. Combs are placed at 25 per cent., instead of a duty being charged according to the materials of which they are made. Crapes of all kinds are now placed at 20 per cent. Fishing rods at 30 per cent. Fire-proof paint $\frac{1}{4}$ cent per pound. Flagstones, dressed, \$1.50 per ton. Artificial flowers are reduced from 30 to 25 per cent. Grapes are increased from 1c. to 2c. per lb. Mattresses of all kinds, 35 per cent. Silvered, plated glass, imitation porcelain, shades, decanters, etc., 25 per cent. Gloves and mitts, of whatever material made, 25 per cent. Wrought iron tubing, plain, not threaded, coupled or otherwise manufactured, 15 per cent.; slabs, blooms, loops or billets, are reduced from $12\frac{1}{2}$ to 10 per cent. Liquorice is placed at 20 per cent.; when in extract or confection, 1 cent per lb. and 20 per cent. Malt, extract of, or for medical purposes, 25 per cent. Poultry and game, 20 per cent. Milk food, 30 per cent. The *ad valorem* duty on cabinet organs is increased from 10 to 15 per cent., specific duty unchanged. Bismuth is placed on the free list. Ruled paper is charged 25 per cent. Collars, if cotton, linen or paper, 30 per cent. Quick-silver is placed at 10 per cent. In regard to the duties on champagne, it is provided that the quarts and pints in each case shall be the ordinary sized quarts and pints. Steel and manufactures thereof are placed on the free list for another year. In regard to sugars, syrups and molasses, it is provided that the duty is to be charged on the export duty or other Government tax. Trunks are increased from 25 to 30 per cent. The duty on cigars and cigarettes is increased from 50 to 60 cents per pound. Tomatoes in cans are placed at 2 cents per pound. Watch actions, movements, 20 per cent., cases and watches 25 per cent. Hubs and spokes in rough are reduced from 20 to 15 per cent. I now come to a question of some importance, and that is the question of coal. When this was under the consideration of Parliament before, the Government after giving the matter very careful consideration, came to the conclusion that 50c. a ton on bituminous coal would carry it from Nova Scotia to Toronto. A considerable quantity of coal was sent to Toronto during last year, and it was

hoped that arrangements could have been made with the Grand Trunk Railway by which the quantity might have been largely increased. After giving the matter the most careful consideration, and desiring to enable that industry to send its products as far west as Hamilton, it is proposed that ten cents additional per short ton be charged on bituminous coal. That will make the duty sixty cents per ton. Slates of all kinds and manufactures of slate not otherwise specified are made 25 per cent. *ad valorem*. Wool, viz., Leicester, Cotswold, Lincolnshire, and combing wools, such as are produced in Canada, are to be placed on the Tariff at three cents per pound.

MR. MACKENZIE: Will the hon. gentleman state what the revenue he expects to derive from these changes on the Tariff?

SIR LEONARD TILLEY: I stated that after examining this matter carefully I do not think we will receive much additional revenue from these changes.

MR. MACKENZIE: Not from coal?

SIR LEONARD TILLEY: No; because we think this will carry the coal from Toronto to Hamilton, and if it does we will lose revenue, the Nova Scotia coal taking the place of imported coal. But upon the export duty on sugar and some other articles we will have an equivalent. However, the Estimates of increased revenue are not based upon these resolutions. The following are the additions to the free list: sulphate of ammonia; bismuth; cinnabar; machinery of worsted and cotton mills, limited to October 1st, 1880; muriate, of potash crude; settlers' effects, under regulations to be made by the hon. the Minister of Customs; live stock, when imported into Manitoba or the North-West Territory by intending settlers, until otherwise ordered by the Governor-in-Council; steel till 1882; water-colours, by well-known artists; quarterly, monthly and semi-monthly magazines, unbound. Mr. Speaker, in conclusion, I may say that these propositions the Government lay with confidence on the Table of the House, believing that they are in accordance with the policy declared last Session, and that they will be sustained not only by the House, but by the country.

It being Six o'clock, the Speaker left the Chair.

SIR SAMUEL L. TILLEY.