

HOUSE OF COMMONS.

TUESDAY, 2nd May, 1899.

The **SPEAKER** took the Chair at Three o'clock.

PRAYERS.

FIRST READINGS.

Bill (No. 100) respecting the Guarantee and Pension Fund Society of the Dominion Bank, and to change its name to the Pension Fund Society of the Dominion Bank.—(Mr. Bertram.)

Bill (No. 101) to incorporate the Glenora Railway Company.—(Mr. Morrison.)

Bill (No. 102) to incorporate the Yukon Pacific Railway Company.—(Mr. Morrison.)

Bill (No. 103) to incorporate the Klondike Mining and Railway Company.—(Mr. Maxwell.)

Bill (No. 104) respecting the Dominion Permanent Loan Company.—(Mr. Clarke.)

BUSINESS OF THE SESSION.

The **PRIME MINISTER** (Sir Wilfrid Laurier) moved :

That Government Orders have precedence on Thursdays, after Questions, for the remainder of the session.

He said : I call the attention of my hon. friend to this motion. I think he will find it reasonable, and I hope he will agree to it.

Sir CHARLES TUPPER (Cape Breton). I presume I may assume that if this is conceded, there will be no attempt to infringe further on the business of private members until such business is pretty well forwarded.

The **PRIME MINISTER**. If my hon. friend will look at the Order paper he will see that private business has been pretty well advanced these last two weeks. At all events, I think we may fairly take this day, and for some time to come I do not intend, of course, to supplement it.

Motion agreed to.

COMMISSIONER OGILVIE'S REPORT.

Sir CHARLES TUPPER. Before the Orders of the Day are called, I would like to ask my right hon. friend if the Government has yet received Mr. Ogilvie's report on Yukon affairs, and if so, how soon it will be laid upon the Table of the House. It is very desirable that we should have that at the earliest possible moment.

The **PRIME MINISTER**. I am just informed by my colleague the Minister of the

Interior (Mr. Sifton) that Mr. Ogilvie's report has not yet been received.

Sir CHARLES TUPPER. I would like also to call the attention of the right hon. gentleman to the fact that a number of motions have been carried for the production of papers in regard to matters relating to the Yukon, and I would express the hope that the Government should lose no time in laying those upon the Table of the House.

PUBLIC BUILDING AT ANNAPOLIS ROYAL.

Mr. JOHN B. MILLS (Annapolis). Before the Orders of the Day are called, I would like to ask the Minister of Public Works (Mr. Tarte), if he intends to paint the public building at Annapolis Royal ; and if so, whether he has asked for tenders for the performance of the work ?

The **MINISTER OF PUBLIC WORKS** (Mr. Tarte). This question is of such vast importance that a notice of motion must be given.

Mr. SPEAKER. I am inclined to think it is not of sufficient importance to put upon the paper.

WAYS AND MEANS—THE BUDGET.

The **MINISTER OF FINANCE** (Mr. Fielding) moved :

That the House resolve itself into committee to consider the Ways and Means for raising the Supply to be granted to Her Majesty.

He said : In availing myself of this motion to make the customary statement of the financial affairs of the Dominion, I have the agreeable duty of dealing with a period which is unquestionably the most prosperous period in the history of the Dominion of Canada. I shall treat, in the first place, of the fiscal year ended June 30 last, and as some nine months have elapsed since that date, and all the main features of the year's accounts have long been public property, I shall be as brief as is consistent with the importance of the subject. Speaking generally, the operations of the year have surpassed the expectation formed by me a year ago in the statement I then made. The marked revival which has been experienced in all lines of trade in the business world has, of course, contributed to this result, and I am persuaded that the policy of this Government in relation to all that touches the people's interests has alike been an important contributory cause. For the year 1897-8, the total revenue amounted to \$40,555,238.03, or \$1,255,238.03 more than I anticipated, and \$2,725,459 more than the previous year. The details of this revenue I give as follows, with a comparison of the receipts of the previous year 1896-97 :—

	1897.	1898.	Increase.	Decrease.
	\$	\$	\$	\$
Customs ..	19,478,247	21,704,892	2,226,645	
Excise....	9,170,378	7,871,562		1,298,816
Post Office	3,202,938	3,527,809	324,871	
Miscellaneous..	5,978,213	7,450,972	1,472,758	

Showing a net increase for 1898 over 1897 of \$2,725,459. The increase in customs duties is very pronounced. From an analysis of the report of my colleague the Minister of Customs (Mr. Paterson), I find that on the following articles we received an increase in the amount of duty as compared with the previous year:—

Ale, beer and porter	\$ 4,073
Animals, living.....	31,521
Brass and manufactures of.....	4,572
Arrowroot, biscuits, rice, macaroni.....	65,729
Flour and meal of all kinds.....	29,119
Brooms and brushes	6,132
Candles	5,080
Cement	37,780
Clocks and clock springs.....	11,302
Coffee	3,814
Copper and manufactures of.....	5,342
Cotton, manufactures of.....	172,816
Drugs, dyes, chemicals and medicines...	34,752
Earthenware and china.....	7,125
Fancy goods	90,545
Flax, hemp and jute, manufactures of...	48,634
Fruits and nuts, dried.....	80,716
Fruits and nuts, green	25,147
Furs and manufactures of	5,115
Gunpowder and other explosives.....	3,509
Gutta percha and India-rubber, manufactures of	20,992
Hats, caps and bonnets.....	38,148
Iron and steel, manufactures of	744,756
Jewellery	25,624
Lead and manufactures of.....	10,784
Leather, manufactures of.....	48,674
Marble, manufactures of.....	6,413
Metal composition and other.....	63,879

Musical instruments	\$11,717
Paints and colours	10,158
Paper and manufactures of.....	32,288
Pickles, sauces and capers, all kinds....	3,844
Printing presses	11,013
Provisions, viz., butter, cheese, lard and meats	243,882
Ships and vessels and repairs on.....	16,474
Silk, manufactures of.....	166,047
Spices of all kinds.....	4,004
Spirits and wines	77,803
Sugar candy and confectionery	5,376
Tobacco, manufactures of.....	180,046
Varnish	4,287
Vegetables	15,167
Watches and parts thereof	3,552
Wool and manufactures of.....	174,207
All other dutiable goods	507,979

On the other hand, we have received from the following classes of articles a reduced revenue, as compared with the previous year:—

Books, periodicals and other printed matter	\$ 20,951
Grain of all kinds	116,722
Bricks and tiles	2,906
Carriages	90,048
Carpets and squares	11,047
Coal and coke.....	38,629
Cordage of all kinds.....	5,829
Embroideries, n.e.s.....	30,176
Fish and products of	3,791
Glass and manufactures of.....	45,355
Gold and silver, manufactures of.....	2,362
Oils	46,316
Seeds and roots.....	10,782
Sugar of all kinds	399,039
Sugar, molasses	12,630
Wood and manufactures of.....	3,980

Our receipts from excise declined to the extent of \$1,298,816, and, had the circumstances been at all normal, this decline would challenge comment. But you will remember, Mr. Speaker, that, owing to the expectation of increased duties in the spring of 1897, large quantities of spirits, malt and tobacco were ex-warehoused for consumption, and, as a consequence, the receipts from excise suffered in the year 1897-98 to the extent of this anticipation. The movement in the various articles of excise is as follows:—

Articles.	Quantity, 1897.	Quantity, 1898.	Duty accrued, 1897.	Duty accrued, 1898.	Increase.	Decrease.
			\$	\$	\$	\$
Spirits	Galls. 2,782,514	1,878,345	4,732,506	3,563,575		1,168,931
Malt	Lbs. 68,443,353	38,954,715	1,026,652	584,321		442,331
Cigars.....	No. 113,276,105	113,132,223	678,029	676,577		1,452
Cigarettes.....	" 93,798,000	80,562,817	156,257	240,343	84,086	
Tobacco and snuff....	Lbs. 10,690,765	*17,321,045	2,398,443	2,651,633	253,190	
			8,991,887	7,716,449	337,276	1,612,714
						337,276
						1,275,438

* This includes 8,506,199 lbs. of foreign raw leaf tobacco, on which a Customs duty of 10c. per lb. was collected.

The per capita consumption of spirits, beer, wine and tobacco for the year 1897-98 and for the three preceding years, according to the report of my colleague the Minister of Inland Revenue, is as follows:—

	Spirits, Galls.	Beer, Galls.	Wine, Galls.	Tobacco, Lbs.
1895	666	3,471	090	2,163
1896	623	3,528	070	2,120
1897	723	3,469	084	2,243
1898	536	3,808	082	2,358

Leaving the revenue, and coming to the expenditure side of the statement, I find the total expenditure on Consolidated Fund amounted to \$38,832,525.70. This is somewhat in excess of the estimate of \$38,750,000 I made last year, and is \$482,765 more than was expended in the previous fiscal year. In the following services I find there have occurred increased outlays:—

Sinking funds	\$258,154
Arts, agriculture and statistics	20,841
Immigration	133,756
Quarantine	17,081
Pensions	5,305
Superannuation	32,393
North-west Mounted Police	239,253
Public Works, Consolidated Fund.....	237,594
Railways and Canals, Consolidated Fund	56,085
Mail subsidies and steamship subventions	35,961
Lighthouse and coast service	28,473
Indians	44,520
Government of the North-west Territories	27,151
Customs	26,074
Excise	3,893
Culling timber	2,627
Public Works, collection of revenue	8,745
Railways and Canals, collection of revenue	323,584
Trade and Commerce	2,582

There have been decreases in the expenditures on the following services, as compared with 1896-97:—

Interest on public debt	\$ 28,905
Charges of management	43,340
Premium, discount and exchange.....	72,086
Civil Government	19,424
Administration of justice	9,153
Dominion Police	1,688
Legislation	404,943
Penitentiaries	23,203
Militia	153,115
Ocean and river service.....	42,704
Fisheries	1,862
Geological Survey	10,000
Miscellaneous	21,006
Weights and measures, and gas.....	1,469
Post Office	214,066
Dominion Lands	20,118
Electric light inspection	1,993

The principal increases will be found in Sinking Funds, Immigration, Mounted Police, Public Works (consolidated fund), and Railways and Canals (collections). The increase in the sinking fund is, of course, only nominal, as the money is simply taken out of one pocket and put into another. I need say nothing with regard to immigration other than to mention the necessity of bringing to our shores those who are capable of taking advantage of our vast tracts of unoccupied lands. The increase with regard to the

North-west Mounted Police is created by reason of the administration of the Yukon, and my hon. friend the Minister of Public Works (Mr. Tarte) has had to keep our various public works in the best shape, and the extension of the Intercolonial Railway to Montreal is the principal reason for the increase in railways and canals collection.

The principal decreases occur in Legislation, Militia and Post Office. You will remember that in 1896-97, we had two sessions of Parliament, and the accounts of 1896-97 contain the charge for the extra session; hence the reduction under the head of legislation in comparing the accounts of the year 1897-98 with those of the previous year. With regard to militia, in 1896-97, we had to expend extra sums on the annual training, in consequence of the camps having been omitted the last year of the administration of hon. gentlemen opposite, and hence the reduction of the expenditure in 1897-98 as compared with 1896-97.

The reduction in the Post Office Department expenditure of 1897-98, as compared with 1896-97, follows as the result of the business-like management of that branch of the public service by my hon. friend the Postmaster General (Mr. Mulock), whose accounts show an increase of revenue to the extent of \$324,871, and a decrease of expenditure to the extent of \$214,066, making, as regards these two items of increased revenue and decreased expenditure, a betterment in the Post Office Department amounting to \$538,937.

Post Office Department—

Increased revenue as compared with previous year	\$324,871
Decreased expenditure as compared with previous year.....	214,066

Total betterment in P. O. Dept.. \$538,937

This state of affairs has encouraged the hon. gentleman (Mr. Mulock), and the Government to take the important step of reducing the domestic postage to 2 cents, and also to extend the advantages of penny postage to a great part of the Empire.

I have dealt thus generally with the revenue and expenditure, and now let me recapitulate. We received a revenue of \$40,555,238; we expended \$38,832,525, and this left us a surplus of \$1,722,712, as a result of the operations of the year on the ordinary services.

Revenue received	\$40,555,238
Expenditure	38,832,525
Surplus.....	\$1,722,712

In my financial statement of last year I intimated that my aim was to insure a surplus for the year 1898-99 which at least would be equal to the deficit of the previous year, namely, \$519,000; and leave something to the good. I went on to say, however, that there were certain conditions of the trade at that time which were so hopeful that I would not be surprised if a more favourable result

were obtained. I am glad to be able to say that buoyancy of trade and our revenues was even greater than my own expectations, and so we are able to have this handsome surplus, which is largely in excess of the amount which I estimated in my statement to the House last year.

In addition to the outlay chargeable to what is ordinarily known as income in 1897-98 we expended other sums known as capital charges to the amount of \$4,156,696, made up as follows :

Intercolonial Railway and Prince Edward Island Railway	\$ 270,298 68
St. Lawrence River and Canals....	2,535,949 61
Other canals	671,658 68
Public Works—Government Buildings, Ottawa, improvement in St. Lawrence and Port Arthur Harbours	376,852 66
Dominion Lands	127,504 71
Militia	173,740 32
Canadian Pacific Railway Company.	692 17
Total.....	\$4,156,696 83

There was also paid out for railway subsidies—an item which goes to increase our debt, but which is not technically chargeable to capital, although it amounts to the same thing—the sum of \$1,414,934.78 ; making for capital expenditure and railway subsidies for the year a total of \$5,571,631.61.

After paying for this outlay and making provisions for \$930,482.25, representing discount and expenses of the loan of 1897 ; the net debt for the year 1897-98 has only been increased by the sum of \$2,417,802.

The capital expenditure was, of course, large in 1897-98, and is large this current fiscal year, but with the approaching completion of the enlargement of the canals, a reduction on this head is proposed, as you will see by the Estimates for the year 1899-1900, recently submitted.

The following statement gives details of how the increase in the net debt is accounted for :

Capital expenditure and railway subsidies	\$5,571,631 61
Discount and expenses of loan of 1897	930,482 25
Total.....	\$6,502,113 86
Less—Amount of receipts over expenditures on account of Consolidated Fund	1,722,712 33
Sinking Funds	2,359,968 55
Refunds on account of public works (capital) and N. W. Rebellion....	1,630 53
Total.....	\$4,084,311 41
Net increase debt	\$2,417,802 45

Coming now to the current fiscal year, of which but two months have to elapse. I wish to lay before you, Mr. Speaker, what my expectations are as to revenue and expenditure.

Up to the 30th of April of the present year, our receipts were \$37,232,700.46 ; being \$5,077,160.61 more than we received during the

Mr. FIELDING.

same period last year. From April 30th to the 30th June last year we received \$8,399,698.18, and if to these two sums we add the probable proportionate increase of \$1,000,000 between the 30th April and the 30th of June, we arrive at an estimated revenue for the current year of \$46,632,398.64.

On the other hand, up to the 30th April, 1899, we expended \$27,972,847.04 ; or \$2,493,503.14 more than for a similar period last year.

If to these we add the amount of expenditure between the 30th April and the 30th of June last year, namely, \$13,352,181.80, and estimating the probable proportionate increase of \$700,000 this year over last year, between this and the end of the year ; I estimate that our expenditure for the year ending 30th June, 1899, will be \$42,026,028.84.

As I have just estimated the revenue at \$46,632,398.64, you will see, Mr. Speaker, that for the current fiscal year I anticipate a surplus of receipts over expenditures of, in round numbers, \$4,600,000. With reference to this estimated surplus for 1898-99, I must, however, say that in consequence of the buoyancy of trade and the confident tone of business, the making of an exceedingly close estimate is very difficult. Some features which enter into the estimate, such as the amount of the royalties and other receipts from the Yukon, are conjectural, and there are no means of arriving at accurate estimates. But the figures given are based on the actual results up to the 30th of April of the present year, to which are added the figures of last year to represent the expenditure for the unexpired portion of the present year, with a proportionate estimated increase in the revenue and expenditure. It may possibly be the case that the surplus will turn out larger than the estimate I have just made ; but to be within reasonable bounds, and to avoid anything like being over-sanguine. I have put it down at \$4,600,000.

With regard to the capital expenditure and the effect on the net debt of the operations of the current fiscal year, I find, Mr. Speaker, that up to the 30th of April, 1899, we expended on capital account and for railway subsidies the sum of \$7,162,795.18. To complete the service of the year it is estimated that \$1,500,000 additional will be required, making in all an expenditure of \$8,662,795.18. If we deduct from this amount the aggregate of the estimated surplus of \$4,600,000, and the estimated outlay for sinking fund of \$2,355,000, it will be found that I anticipate an addition to our net debt on the 30th of June next of \$1,700,000.

Some hon. MEMBERS. Hear, hear.

Some hon. MEMBERS. Oh, oh.

The MINISTER OF FINANCE. My hon. friends opposite, I see, smile at the modesty of the amount, and at the idea that the Government should be able to carry on the vast operations which this Government have engaged in, and show only the moderate increase in the debt of last year of \$2,500,000

or less, and an estimated addition to the debt of the present year of only \$1,700,000, as against the average of \$6,000,000 which hon. gentlemen opposite added yearly to the public debt.

Now, while I put down the sum of \$1,700,000 as the estimated increase of debt, it is but right that I should add a word of explanation similar to what I have stated in estimating the surplus of the current year, because the amount of surplus affects the amount of net debt. It may not be surprising if at the close of the year it be found from increased revenues from the Yukon, which we cannot possibly at the moment foresee, that the increase of debt is not so large as I have anticipated. I may say also that the estimate of the capital expenditure and for railway subsidies for the next two months is a very generous one. Keeping these two circumstances in mind, I think the figure I have given of \$1,700,000 as the increase of net debt is an outside one. My desire has been to give you, Mr. Speaker, a fair, safe and accurate estimate of my expectations of the year's out-turn, and to keep well within bounds.

In speaking of our debt it might not be out of place to bring to the attention of the House the value of our principal stocks in the London market, as shown by the quotations of the Stock Exchange.

From the year 1894 until the end of 1897 the Bank of England rate ruled very low, for the greater part of that time being only 2 per cent, and during this period of stagnation there was a decided reserve on the part of investors to touch any class of securities except those of the very highest grade. As a consequence of the low rate of interest, the scarcity of first-class investments, and this reserve on the part of investors, all "gilt-edged" stocks rose in 1896 and 1897 to values which a leading financial paper characterized as abnormal. The market prices of Canadian 3 per cents rose with others to as high as 108.

With the revival in business, the rise in the bank rate, and the increasing openings for safe investments the abnormal values of 1896 and 1897 receded. This fall affected not only Canadian stocks but was experienced by all the highest class issues, even consols. In the case of the latter (consols), there was a fall of 2 to 2½ points between the prices of the end of December, 1897, and December, 1898. In India threes there was a similar decline of three points. In the class of securities known as British corporations, that run on all-fours with the colonial stocks, there has been a very special and noticeable set-back of from four to seven points in the prices of December, 1897, and those of December, 1898. In the whole line of colonial stocks there was a fall of three or four points, though in some cases the fall was as much as seven points. Although the Canadian securities were to some extent depreciated, as was the case with other stocks, yet the depreciation was not

so great nor so lasting as in the case of other securities of a similar character.

Taking the two stocks that have some time yet to mature, I refer to the 3 per cent and 2½ per cent issues, and eliminating the other stocks that are gradually approaching par in consequence of their early maturity, I find that the 3 per cents are quoted at 102-4 and the 2½ per cents at 91-2.

There is another subject of interest to which I might refer in this connection, and that is as to what has been done in the direction of obtaining Imperial legislation, so that Canadian inscribed stocks might be included in the list of securities in which investments might be made by trustees. Without going at all into the history of the matter, I may say that on the 23rd of February last an Order in Council on the subject was passed and forwarded to the Imperial Government, putting our case as strongly as possible, and urging that Her Majesty's Government take such action as would provide for the inclusion of Canadian stocks in the list of securities authorized for trustee investments. Our efforts are being ably aided by the High Commissioner, Lord Strathcona. This would be a distinct advantage to our securities, and I estimate that their enhancement in price, if they could be put on the trustee list, would be somewhere about two or three points. It was recently shown that in consequence of legislation according some favourable terms to Crown colonies in respect of their loans, the market price advanced so as in effect to place this class of securities on a level with the trustee list. The gain in several cases was from three to six points.

It may be noticed that recently a 2½ per cent loan of £1,000,000 was floated by the corporation of Liverpool. This security comes within the category of trustee investments, and it realized £93 10s. 5d. per £100. So that I am within bounds when I say that I think the effect of placing our securities in this class would enhance their value about two or three points. Looking at the large amount of our debt that matures at an early date, the advantage to Canada of this privilege is a very material one.

It is no doubt very probable also that at an early date, owing to the large absorption of consols by the Imperial Government for savings bank investments, they may have to extend the field of securities in which investments may be made. It is to be hoped that a further impetus will be given towards putting our stocks on a higher plane. In view of the fact that a very large amount of our debt is to mature within a comparatively early period, the very great importance of our inducing, if we can, Her Majesty's Government to place our securities on the trustee list will be realized at once by the House; because, if that were done, it would make a very material saving in our rate of interest.

With regard to the year 1899-1900, I am afraid that I cannot approach the making

of an estimate of the out-turn with any degree of certainty. The circumstances of this current year have been so exceptional, and the likelihood of their continuance is such, that I can do nothing but deal in very general terms with the year's operations. The Estimates for 1899-1900 have been laid before you, and I do not anticipate that the year will prove less favourable in its results than the current one.

The net increase in the Estimates for 1899-1900 over 1898-99 is \$563,484.99. The main items of increase are interest on public debt, immigration, railways (income and collection), and the government of the Yukon provisional district.

The increase in interest on public debt arises from the retention of the 3 per cent rate of interest on savings bank deposits, and the probable amount to meet new indebtedness.

The increase in the estimate for immigration of \$100,000 speaks for itself. The increase in the railways and canals expenditure arises mainly from the repairs to different canals. The enlarged appropriation for the Yukon provisional district speaks for itself. We are also asking for a larger vote for militia in order to put our forces on a more efficient footing.

I have alluded, Sir, in this connection, to the fact that in our Estimates for the current year we include the three per cent rate on the savings bank deposits. In that connection I may remind the House that a year ago it was suggested that we might probably reduce the rate on these deposits from 3 per cent to 2½ per cent, except in the case of the smaller depositors, for whom it was understood we ought to make exceptional provision. I argued then that it ought not to be the policy of the Government of Canada to make money artificially high by paying a rate of interest higher than it would command in the open market. At that time, there was a very evident tendency towards cheaper money, and I thought the probability was that we might be able to make a reduction in the rate with perfect safety. As we had just placed our new issue of securities on a 2½ per cent basis it seemed not unreasonable that we should follow this rate into our savings bank accounts. But the tendency towards cheaper money which appeared to exist at that time was not maintained; the demand for money throughout the world was strong, and we considered that the time was not favourable for reducing the rate below 3 per cent. We have, therefore, in our present estimate included the 3 per cent rate, which adds \$237,500 to the charge for interest as compared with last year's estimate, though it does not represent an actual increase of debt. For the time being, therefore, I have postponed making any reduction, though, of course, leaving myself free, if at any time the market should permit, to make the reduction contemplated. It is not likely at present that that will be done, but if it should at

any time become practicable, some provision could be made for a reduction of the rate, allowing the present rate to be continued on the smaller deposits.

I wish now to call the attention of the House to the fact that in January last we contracted a temporary loan of £500,000 sterling by the discounting of treasury bills, and our anticipation is that on the 1st July next we shall require to discount a further sum of £500,000 sterling, which will then make our floating debt on that date £1,000,000 sterling in all.

I would remind the House that in the session of 1897 we passed an Act giving us power to borrow \$15,000,000. At that time there were outstanding borrowing powers to the extent of \$8,000,000, so that at the passing of that Act the Government had borrowing powers to the extent of \$23,000,000.

It was the general impression of hon. gentlemen opposite that in view of the large obligations which were arising, we would speedily require a larger borrowing power, but I am glad to say, however, that owing to the buoyancy of our revenues we have been enabled to administer public affairs by the exercise of only a part of the borrowing powers I have mentioned. It will be remembered that the loan we placed on the market in the fall of 1897 was for £2,000,000 sterling, or something less than \$10,000,000. Having regard to our moderation in borrowing at that time, it would not have been surprising if we had been obliged since then to incur large temporary loans; but owing to the steady improvement of our revenues, it was not until January, 1899, that we had occasion to raise any temporary loan.

I have noticed a criticism emanating from our political opponents in connection with that temporary loan to which I ought to make a passing reference. It has been represented that the borrowing of this £500,000 in the month of January was conclusive evidence that the finances of the Dominion were not in that healthy condition which was had alleged. "The Government," said these critics, "pretend that there is a surplus; but how can that be possible when they have to go on the money market and borrow about two and a half millions?"

Among those familiar with our public affairs, no answer to that criticism would be required. But we shall agree, I suppose, that our duty is to have these matters so explained that they will be understood, not only by financiers, but by the general public as well. And no doubt some people were impressed by the criticism that because we had to borrow, therefore we could not have the surplus we claimed. Let me then point out that there is no connection whatever between a question of a surplus and the question of a temporary loan. It is quite possible that temporary loans may be required, even in the most prosperous years, and reference to the Public Accounts will show that under

the administration of our predecessors such loans had sometimes to be obtained even in years when there were handsome surpluses.

There are seasons when the revenue flows rapidly into the treasury and our bank's balance swell to gratifying figures. But there are other seasons when our expenditure not only keeps pace with the income but outruns it. At such times it may be necessary to obtain temporary loans to meet demands. Such a condition would be possible without the expenditure of a dollar on capital account. If the Minister of Finance should begin the year with an absolutely clean sheet, having nothing to provide for but the ordinary service of the year, his first duty would be to go into the money markets and raise a loan. At the very beginning of the year—before receiving a penny of revenue—he would find himself under obligation to provide over \$2,000,000 to pay subsidies to the government of the provinces, which under the British North America Act are paid in advance. Then he would require a considerable sum to meet other demands as they might arise. He could not afford to rely entirely on the receipts from day to day to meet the daily demands. The traditions of the Finance Department recognize about a million and a half dollars as about the lowest sum that should be kept available to respond to the demands from time to time, and no Finance Minister feels comfortable when he finds his balance falling below that sum, as may sometimes happen. It will be seen, therefore, that even in prosperous years that the question of a temporary loan has nothing whatever to do with the question of our surplus, and it is quite possible even in most prosperous years—years of surpluses—that it may be necessary to effect temporary loans to meet temporary conditions.

Mr. FOSTER. Is my hon. friend leaving this matter of the loan? He might give us an idea as to the terms, the interest, &c.

The MINISTER OF FINANCE (Mr. Fielding). The loan was effected by the discounting of treasury bills with the Bank of Montreal at 3½ per cent per annum.

Mr. FOSTER. What was the amount of the balance in the bank on January 1st?

The MINISTER OF FINANCE. I shall be glad to inform my hon. friend later on but have not the figures at hand. At all events the loan was really necessary in order to keep up our balance to the factor of safety as established by the traditions of the Finance Department.

With regard to the increase in the public debt, it has been very moderate under the present Administration, as will be seen by comparison with the records of previous Administrations.

In 1894 the increase was.....	\$4,501,989 87
1895	6,891,897 61
1896	5,422,505 68
1897	3,041,163 69
1898	2,417,802 45

Showing that the increase in the public debt during the two years of the present Administration has been exceptionally low as compared with its increase in the years in which our predecessors held office.

Mr. FOSTER. I hope that my hon. friend will not omit to mention the abnormal increase in 1896.

The MINISTER OF FINANCE. My hon. friend is quite correct. There was an item of upwards of \$2,000,000, some \$2,400,000 odd if my memory serves me right, for the province of Quebec, which had been originally granted as a railway subsidy and placed to the credit of that province and which it was not at liberty to draw, but by a subsequent Act of Parliament the province was authorized to draw it, and, therefore, it became a part of the debt. I thought, on coming to office, that it should be added to the debt of the country. Therefore it was shown in the amount for the year 1896 and did go to abnormally increase the debt of that year. But if we compare the whole Conservative period of administration with ours, you will find that during their eighteen years of office the Conservative Government increased the debt from year to year on an average of over \$6,000,000 per year against our annual increase of about two and a half million dollars.

That there should be any increase of the debt while the accounts show a surplus is something that some of our opponents profess to be unable to understand. The fact that at the close of the last fiscal year there was a surplus of \$1,722,712 appears to have been much more satisfactory to the public generally than to some of the Government's critics.

The statement has frequently been made, that there was no surplus, inasmuch as there was a large expenditure on capital account for railway subsidies, which, if added to the ordinary expenditure, would more than wipe out the surplus. This is a favourite line of attack from the Opposition press. It would be a fair criticism, if the practice of the Government in past years had been to add such railway and capital charges to the ordinary expenditure, before declaring a surplus. But every one who knows anything of the matter is well aware that such has not been the method in the past. We treat these charges in precisely the same manner as our predecessors did. Expenditure for the construction or subsidizing of railways and for the more important works, such as canals, is always charged to capital account. These being permanent improvements, are regarded as legitimate subjects for increase of the public debt, and only the interest thereon as a proper charge upon the ordinary expenditure of the year. If the ground now taken by the Conservative press is a correct one, then surpluses in Canada have been very rare indeed. The Public Accounts for the two

periods of Conservative administration purport to show sixteen surpluses. If we could admit the present Conservative argument to be a fair one, that a surplus does not exist unless the revenue exceeds the expenditure on both ordinary account and capital account, we would be obliged to wipe out fourteen of these surpluses and accuse hon. gentlemen opposite of having, in all these years, cooked their accounts. In the thirty-one years of confederation, there have been only two years in which the receipts exceeded the total expenditure chargeable to both income and capital accounts. But I have no intention of making such a charge against hon. gentlemen opposite. There have been many surpluses in the past; and, perhaps, the most gratifying of all was that of that \$1,720,000 last year, which was brought about by a policy which, at the same time, reduced the rate of taxation under the customs tariff. I have here a statement of the receipts and expenditure for the Yukon district:

YUKON DISTRICT.

1897-98—	Expenditure.	Revenue.
Interior	\$ 81,670 17	\$735,485 09
Customs	6,608 81	310,005 04
Mounted Police	495,777 08	.....
Militia	99,976 00	.....
Public Works	14,000 00	.....
	<u>\$698,032 06</u>	<u>\$1,045,490 13</u>
1898-99—		
Interior	\$218,112 26	\$472,872 40
Customs	19,569 02	322,884 67
Mounted Police	760,000 00	.....
Militia	117,900 00	.....
Public Works	31,000 00	.....
	<u>\$1,146,581 22</u>	<u>\$795,757 07</u>

This statement shows a balance against the Government on the Yukon account for the present year, but the receipts of the Yukon will likely come in before the 1st July, to more than cover the deficiency, because it is at the close of the fiscal year that we receive a considerable amount of royalty.

It will be remembered that, when the increase was made in the tobacco duties, the opinion was expressed by some hon. gentlemen—and not without reason—that tobacco had, perhaps, reached a point at which any addition to the taxation would fail to produce additional revenue. It is always possible, especially with an article of that character, to place your duty at such a figure that you encourage smuggling to an enormous extent, and so obtain no increase of revenue. In view of the difference of opinion—and a very legitimate difference—I have had a statement prepared showing the revenue collected on tobacco of all descriptions for a series of years:

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Year.	By Inland Revenue.	By Customs.	Total.
	\$ cts	\$ cts.	\$ cts.
1893-94 ...	3,136,053 51	287,703 95	3,423,757 46
1894-95.....	3,002,709 69	263,392 26	3,266,101 95
1895-96.....	2,997,852 95	267,245 59	3,265,098 54
1896-97.....	3,232,731 02	301,001 45	3,533,732 47
1897-98 ...	3,568,554 75	481,048 32	4,049,603 07

It will be seen, therefore, Sir, that, to a very large extent, our revenues have profited by the addition that was made to the taxation of tobacco. I have no doubt, however, that the smuggling of tobacco has, to some extent, been increased; but I think that, with the vigilance of my hon. friends the Minister of Customs (Mr. Paterson) and the Minister of Inland Revenue (Sir Henri Joly de Lotbinière), we may hope that that will not go on to any very large extent.

Mr. FOSTER. If I do not mistake, the hon. gentleman (Mr. Fielding), when he proposed the increase of duty, estimated an increase of nearly a million dollars from tobacco.

The MINISTER OF FINANCE. Yes. The revenue for the year 1897-98 exceeded the average of the four years previous by \$677,430.47. Though we did not get the full million, we did obtain a very large amount; and I think that the difference would be, in part, explained by the fact, that there has been a very considerable displacement of foreign tobacco by the cultivation of the native leaf, which has been carried on to a very large extent. Perhaps, the figures on that question would interest the House. I have here a statement of the production and consumption of tobacco, the product of the Canadian raw leaf:

Year.	Number of Factories.	Produced.	Entered for Consumption.	Duty.
		Lbs.	Lbs.	\$ cts.
1893-94.....	10	322,581	302,836	15,141 82
1894-95.....	11	523,347½	472,643	23 632 20
1895-96.....	...	474,205	463,654	23,182 63
1896-97.....	12	690,141½	726,081	36,304 25
1897-98.....	14	1,949,429	1,887,959	94,398 03
First 9 mos. of 1898-99.....	11	1,502,153½	1,497,498	
+ ¼ for balance of year .....	.....	500,718	492,499	
Probable output, 1898-99.....	.....	2,002,868½	1,969,997	

Mr. FOSTER. Will my hon. friend be kind enough to tell me what the excise on the foreign leaf is?

The MINISTER OF FINANCE. 25 cents on manufactured, plus 10 cents on the leaf, 35 cents. During the past year there have been licensed 11 tobacco manufactories using Canadian leaf, 3 tobacco manufactories using Canadian and foreign mixed; 6 cigar factories using Canadian leaf, and 2 cigar factories using Canadian and foreign leaf mixed. In 1897, there were 2 cigar factories licensed to use Canadian leaf; in 1898, 3 were licensed to use Canadian leaf. There has been a large development of the Canadian tobacco industry, and many persons who, in the course of our tariff investigations, testified that there was no probability of Canadian leaf entering into general consumption, must, I am sure, be quite surprised at the extent to which their anticipations have been proved to be mistaken. Canadian leaf has been improved both in its growth and in its curing, and it is entering largely now into consumption in Canada. There is a side of that question that a Minister of Finance has to treat somewhat seriously, for every pound of that Canadian leaf that is used displaces foreign leaf, which would be a larger source of revenue. But, I suppose, there is a large number of hon. gentlemen in the House who will not attach so much importance to the revenue as a Minister of Finance is obliged to attach to it, and who rejoice in the fact that there has been a very large increase in the growth, production and consumption of native Canadian tobacco.

In view of the change of administration which occurred some two or three years ago, it is but natural that comparisons should be made between the expenditures of the late Government and the expenditures of the present Government. Such comparisons are eminently proper, always provided that they are made on a sound basis and with due regard to new conditions. The expenditure charged to consolidated fund for the year 1896, that is the last year of the late Government, was \$36,949,142.03. Hon. gentlemen opposite have been disposed to claim the expenditure of that year as a proper measure of the requirements of the country, as the proper standard of our expenditures, as a measure of the sum which would have been required to carry on the public affairs of the country if they themselves had been permitted to remain in power. I have had to take exception to that view in the past, and I am obliged to take exception to it here. I think it must have been quite plain from our past discussions that the expenditure of 1896 is not a fair standard, and if we would reach a fair conclusion by the records of the Government, we may properly see what was the expenditure from year to year. I have here a statement showing the increase for six years, beginning with 1890:

Year.	Expenditure.	Increase.
1889-90	\$35,994,031 47	.....
1890-91	36,343,567 96	349,536 49
1891-92	36,765,894 18	422,326 22
1892-93	36,814,052 90	48,158 72
1893-94	37,585,025 52	770,972 62
1894-95	38,132,005 05	546,979 53

The average increase for the six years is \$427,594.70 per annum. It will be observed that in every year there was an increase. In one year the increase was slight, but in all the other years the increase was very considerable. Can any one, with these figures before him, believe reasonably that that expenditure, which increased year after year to the extent I have mentioned, was going to stop suddenly in the year 1896? Is it not reasonable to suppose, and would not anybody who looked over these figures reach the conclusion, that the apparent reduction in 1896 was only temporary, and effected under conditions necessitating an enlargement of the expenditure in the following year? The figures I have given go far to sustain this view. But there is other evidence of a most conclusive character in the same direction. It is well to remember that the estimates of Parliament are presented in at least three stages. First, we have the main Estimates, usually at an early stage of the session; then, later on, we have the supplementary Estimates. The supplementaries very often contain very considerable sums. Both these books of estimates are submitted usually in advance of the fiscal year, while the old year is still running. Then, at the following session, when the year is well-nigh ended, it is usually discovered that some services have been left unprovided for, and further supplementary Estimates have to be introduced. So that we have these three stages of Estimates whereby appropriation Bills are passed. Now, the Estimates for the year 1897 were prepared in the session of 1896, and submitted to Parliament by my hon. friend the member for York, N.B., (Mr. Foster). Events, into which it is not necessary to enter, prevented the hon. gentleman from carrying through their supply Bills; but the Estimates which they brought down remained on record, and they amounted to \$38,308,548.13. If we make reasonable allowance for sums which would have lapsed, we should still find that the main Estimates for 1897, so prepared and submitted to the House by my predecessor, contemplated an expenditure largely in excess of the total expenditures for 1896. And all the supplementary Estimates had yet to come. These statements, I am sure, will show clearly to the House that the expenditure of 1896 cannot be accepted as a proper standard for comparison. But we have further information respecting the probable expenditure for 1897. I have shown that the main Estimates submitted were \$3,308,548.13. What the Supplementary Estimates for that year would have been if the late Government had remained in power is one of the subjects upon which my hon. friends opposite and myself have occasionally had some discussion. The ex-Minister of Finance has said that these so-called Estimates ought not to be considered, because, he says, no Estimates whatever were agreed to by the Government. Well, under ordinary circumstances, we should be obliged to accept a statement like that coming from the

hon. gentleman who had occupied the position of Minister of Finance. But our difficulty is that we cannot accept that statement of my hon. friend without discrediting some of his colleagues and supporters in the House. It is a matter of public notoriety that Government candidates, during the election of 1896, constantly referred to the Estimates which had been prepared and to sums of money which had been arranged for in the Estimates. We have had evidence of that in this House since this Parliament met; we have had hon. gentlemen, incidentally, unconsciously explaining to the House that certain things which were since done by the present Government had been arranged for and provided for in the Estimates of their predecessors. Now, if that was a fact, how can we accept my hon. friend's statement that there were no Estimates agreed to? If I am to accept it, then I am forced to the conclusion, that somebody was trying to play a sharp trick upon the electorate of the country, and the matter may be even worse than that, because it looks as if hon. gentlemen were also trying to play some sharp tricks upon the members who supported them, and who, no doubt, accepted in good faith the promises that were made. If we are to treat these Supplementary Estimates which were submitted and discussed in this House, and the details of which were given to the House, as bona fide Estimates, and if we are to make allowance for reasonable further Supplementary Estimates, which would be necessary to be brought down some months later, we should be forced to the conclusion that hon. gentlemen opposite contemplated an expenditure, or so estimated, at all events, for the year 1896-97 of about \$42,000,000. Now, of course, let us remember that we do not spend every item

of the money that is estimated. For one reason or another, considerable sums of money which are estimated and voted in Parliament, are not spent. Sometimes appropriations are made in the House, and then they lapse to a considerable extent. If we make a rough calculation in this respect, and, suppose we allow a million for possible reductions and for certain lapses, that would bring us down to the sum of \$41,000,000 as that which the hon. gentlemen, on the basis of these Estimates, must have spent in the year 1897, had they remained in power, whereas, we actually expended in that year only \$38,349,759. So, if this calculation be anywhere correct—and I admit it can only be a rough calculation—after we have credited hon. gentlemen opposite with lapsed items, the difference in favour of the present Government, in the year 1897, was nearly \$2,500,000. But let me, for the sake of argument, give my hon. friend the benefit of his contention that there were no Estimates agreed upon, and, of course, that necessarily implies that some of the hon. gentlemen who made various statements in letters and on the platform, were not as accurate as they should have been; but we need not dwell upon that. Let us assume that there were no Estimates agreed upon; but let us also assume that there must be Supplementary Estimates, in the natural order of events. What is a fair means of ascertaining the Supplementary Estimates that the hon. gentleman would have been obliged to ask for in 1897? I propose a method of calculation to which, I think, my hon. friends opposite cannot object. I have prepared a statement, showing what the Supplementary Estimates had been for three preceding years, which is as follows:—

Fiscal Year.	Passed in Session of	Amount.		Passed in Session of	Amount.		Total.	
		\$	cts.		\$	cts.	\$	cts.
1892-93	1892	1,494,026	91	1893	1,062,585	04	2,556,611	95
1893-94	1893	1,023,783	62	1894	791,876	99	1,815,660	61
1894-95	1894	1,327,803	31	1895	707,852	61	2,035,655	92
Total for three years							6,407,928	48
Average							2,135,976	16

This statement shows, that, in the three years, from the actual figures of the hon. gentleman's own blue-books, he had Supplementary Estimates to the amount of \$6,407,928.48, and an average per year, in these three years, of \$2,135,176.16. Now, if we

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take the amount of the Main Estimates submitted to Parliament by him, in the first session of 1896, for the fiscal year 1896-97, \$38,308,548.13, and add the average amount of the Supplementary Estimates for the preceding three years, \$2,135,976.16, we

have a total of \$40,444,520.29, as the least sum which the late Government would have appropriated for the year 1897. But to get at the probable actual expenditure of the year, we must take into account the sums that were usually allowed to lapse. As I have just said, it is not possible to spend every dollar of the moneys that are appropriated. Owing to various causes there are always sums which it is not found convenient to spend, although Parliament has appropriated the money. To ascertain what deductions should be made for lapses, I again take the average for the three preceding years. The following statement shows the sums estimated, the sums expended and the sums allowed to lapse for the three years, beginning with 1893 :—

		Lapsed.
Estimates for 1892-93.	\$38,479,892 12	
Expenditure in 1892-93	36,814,052 90	
		\$1,665,839 22
Estimates for 1893-94.	38,365,031 13	
Expenditure in 1893-94	37,585,025 52	
		780,005 61
Estimates for 1894-95.	39,103,912 71	
Expenditure in 1894-95	38,132,005 05	
		971,907 66
Total for three years	\$3,417,752 49	
Average	\$1,139,250 83	

It will be observed that, in the two later years, the lapses are smaller in amount than they were in the earlier one, a fact which indicates that the Estimates were more closely made. But, to give my hon. friend the fullest benefit in the comparison, I take the average of lapsed appropriations for the three years, which I find to be \$1,139,250.83. From the figures obtained in this way I make the following statement :—

Hon. Mr. Foster's Estimates for 1896-97, submitted to the House..	\$38,308,548 13
Add for Supplementary Estimates the average Supplementary Estimates of the preceding three years	2,135,976 16
Total Estimates for the year 1897 would thus have been	40,444,524 29
Deduct the average lapses of three years	1,139,250 33
Balance representing probable Conservative expenditure for 1897..	39,305,273 46
Against the actual expenditure of the present Government of.....	38,349,759 34
Showing a reduction by the present Government of	955,513 62

The tendency of Opposition financial critics, no matter what party may be in power, will always be in the direction of a large measure of confidence in their own ability to cut down expenditures, and it will not always be found possible for a Government to realize all the expectations of its friends in that direction. My hon. friend who now leads the Opposition (Sir Charles Tupper) has had some experience in that line. Towards the close of the session of 1878, on the eve of

his appeal to the people, he made a speech in this House, in which he attacked the extravagance of Mr. Mackenzie's Government, and he made this statement, standing in his place, as an important member of the Opposition of that day in this House. He said he was prepared to carry on the Government of the country with less money than the Hon. Mr. Mackenzie had spent. He said he and his colleagues had proved this by their experience in the past and that they could conduct the business of the country for a smaller expenditure than that which Mr. Mackenzie had taken. We have proved it before, he said, and we are prepared to do it again if we are placed in power.

I have given the quotation from memory, but I am satisfied it is substantially correct, and I shall be glad to give the actual words if they are called for. The hon. gentleman came into power on the strength of that assurance. The expenditure the last year of the Mackenzie Government (1878) was \$23,503,158.25. The leader of the Opposition (Sir Charles Tupper) and his friends came into power and the expenditure, instead of being reduced, was rapidly increased, as follows :—

	Expenditure.
1879	\$24,455,381 56
1880	24,850,634 45
1881	25,502,554 42
1882	27,067,103 58

Therefore, it will be seen that during the first parliamentary term after the Conservatives came into power under the assurance that they would conduct the public business for less money than Mr. Mackenzie had spent, they increased the public expenditure from \$24,500,000 to \$27,067,000. After that the expenditure went up by leaps and bounds, until at last it was more than \$38,000,000. Now, I venture to cite that as a proof that whatever expectations any persons may have as to the kind of government which the country would experience under the leadership of my hon. friend (Sir Charles Tupper), there is one thing certain, and that is, that nobody will ever expect him to carry on a Government of economy.

Perhaps, Sir, the best test, after all, of the degree of expenditure, and the fairest method of comparison, will be one which takes into account the growth of population and the responsibilities and development of the country. No one, I imagine, will suppose that the expenditure of a country like ours, under any Government, can remain at a standstill. As the country increases in population its needs will correspondingly increase. If the expenditure just keeps pace with the increase of population, or shows a diminution per head of population, there is nothing in it to alarm. If the expenditure per head increases, then there is just ground for criticism, and the increase will have to be justified by some important and urgent outlay. Under the administra-

tion of the late Government, not only did the total expenditure increase, but it increased much more rapidly than the population, and consequently the expenditure per head showed an increase. I have here a statement showing the expenditure of Canada chargeable to consolidated fund for all the years from 1867-68 to 1897-98, giving the rate per capita—the population in each year being taken from the census or from the estimates furnished by the Government statistician :

Expenditure of Canada chargeable to consolidated fund for years 1867-68 to 1897-98 : giving the rate per capita.

Year.	Expenditure Con. Fund.		Population.	Expenditure per Capita.	
	\$	cts.		\$	cts.
1868..	13,486,092	96	3,371,594	4	00
1869..	14,038,084	00	3,412,617	4	11
1870..	14,345,509	58	3,454,248	4	15
1871..	15,623,081	72	3,518,411	4	44
1872..	17,589,468	82	3,610,992	4	87
1873..	19,174,647	92	3,668,220	5	23
1874..	23,316,316	75	3,825,305	6	10
1875..	23,713,071	01	3,886,534	6	10
1876..	24,488,372	11	3,949,163	6	20
1877..	23,519,301	77	4,013,271	5	86
1878..	23,503,158	25	4,078,924	5	76
1879..	24,455,381	56	4,146,196	5	90
1880..	24,850,634	45	4,215,389	5	90
1881..	25,502,554	42	4,336,504	5	88
1882..	27,067,103	58	4,383,819	6	18
1883..	28,730,157	45	4,433,363	6	48
1884..	31,107,706	25	4,485,395	6	94
1885..	35,037,060	12	4,538,790	7	72
1886..	39,011,612	26	4,589,414	8	50
1887..	35,657,680	16	4,638,109	7	69
1888..	36,718,494	79	4,688,147	7	84
1889..	36,917,834	76	4,739,617	7	79
1890..	35,994,031	47	4,792,605	7	51
1891..	36,343,567	96	4,846,377	7	50
1892..	36,765,894	18	4,899,273	7	59
1893..	36,814,052	90	4,953,557	7	45
1894..	37,585,025	52	5,009,296	7	50
1895..	38,132,005	05	5,066,562	7	53
1896..	36,949,142	03	5,125,436	7	21
1897..	38,349,759	84	5,185,990	7	39
1898..	38,832,525	70	5,248,315	7	39

It will be seen from this statement that the present Government, while carrying on the ordinary services efficiently, and meeting large new obligations, have kept the expenditure down to 7.39 per head, against 7.53 in 1895. If we leave out the exceptional year 1896, for reasons which I have already given, we find that the expenditure per head under the present Government has been materially lower than it has been at any previous time during the past fourteen years. In view of all the urgent calls upon the treasury, including additional interest charges on account of large expenditure on canals and railways, the opening of the Yu-

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kon district and the extension of the Inter-colonial Railway to Montreal, it would not have been surprising if we had been obliged to show an increased expenditure per capita, but we have the satisfaction of presenting to the House a statement which shows that while meeting all the demands of Canada's "growing time," we materially reduced the expenditure per head of the population in 1897 and 1898. Sir, we are glad to be able to point out that whatever may happen this year or the next year (concerning which we have not the material yet for making a calculation) we are glad, I say, to be able to point out that for the year 1897-98 our expenditure was only 7.39 per head as against 7.53 in the year 1895.

The question of economy is very widely discussed, and I suppose we can all agree as to the desirability of economy, but I am afraid there will not be such a universal agreement and clear understanding as to what economy means. It is very easy for men to advocate economy in classes of expenditure in which they feel they have no particular interest, but it is not so easy for men to favour economy in the case of public works in their own locality, or public works in which they feel interested. A large number of the gentlemen who rise to cry out against this Government in the matter of expenditure, and to call for economy, are among the first to come before the Government and ask that we enter upon large and expensive public works. As a curious example of the Conservative method of treating this question, I note that only a few days ago the chief organ of the Conservative party contained an article commenting on the Estimates which I had just laid on the Table of the House, the article being designed to show that we are spending far too much. But in the very same column there appeared a leading article complaining that we have not provided half a million dollars for Toronto harbour, and intimating that we shall be expected to do so in the Supplementary Estimates. I have no doubt that Toronto harbour ought to have a liberal expenditure, and if the object of that expenditure is half as good as has been represented by this newspaper, I shall be glad to assist my hon. friend (Mr. Tarte) in doing what is right for Toronto harbour. I think, however, that we shall have to ask some of our Conservative friends to recognize the fact that economy—like charity—should begin at home. If a gentleman of the Conservative party, whether he is in the House or out of it, looking around, sees the need of some particular public work in his own district or country, or some great scheme in which he feels interested, and if he is going to ask the Government to provide money for that scheme; then we must ask him to be broad-minded enough to remember that there are like public works and schemes in other parts of the country, and, if he expects these things to be done for the development of the country in his

own particular district, he must be prepared to have the same things done in other districts, and if necessary in other provinces. The critics, in Parliament and out, who condemn our expenditure as too lavish, and then call upon us to spend money freely in great enterprises, such as fast lines, Pacific cables, railways, canals, harbour improvements and public works of all kinds, can hardly expect to make much of an impression upon the fair-minded people of Canada.

I will give the House briefly a few statistics of Canada's trade—not because they have already appeared, but because they usually are a portion of the Budget speech. I have here a statement showing Canada's foreign trade on the basis of "total exports and imports" for the last five years, which is as follows:—

CANADA'S FOREIGN TRADE FOR FIVE YEARS.

Statement showing Canada's foreign trade on the basis of "Total Imports and Exports" for the last five years:

	Total Exports.	Total Imports.	Total.
1894	\$117,524,949	\$123,474,940	\$240,999,889
1895	113,638,803	110,781,682	224,420,485
1896	121,013,852	118,011,508	239,025,360
1897	137,950,253	119,218,609	257,168,862
1898	164,152,683	140,323,053	304,475,736

I have now a similar statement of our foreign trade for the last five years on the basis of goods entered for consumption and Canadian produce exported, which is as follows:—

Statement showing Canada's foreign trade for the last five years on the basis of "Goods entered for consumption and Canadian produce exported":

	Goods entered for Consumption.	Canadian Produce Exported.	Total.
1894	\$113,093,983	\$104,161,770	\$217,255,753
1895	105,252,511	103,085,012	208,337,523
1896	110,587,480	109,915,337	220,502,817
1897	111,294,021	123,959,838	235,253,859
1898	130,698,006	145,594,385	276,292,391

The following is a statement of goods entered for consumption for the nine months ending March of the following years, made from the monthly returns:—

	1896.	1897.	1898.	1899.
	\$	\$	\$	\$
Dutiable	50,972,796	50,299,935	56,534,679	64,772,597
Free	28,915,510	30,249,701	36,505,121	43,939,716
C. & B.	4,263,958	4,553,388	3,116,081	4,077,693
Total	84,152,264	85,103,024	96,155,881	112,790,006
Duty	15,463,213	15,169,626	16,585,938	18,751,708

I also give the exports for the nine months of the following years:—

	1896.	1897.	1898.	1899.
	\$	\$	\$	\$
Produce	\$2,387,098	\$8,513,890	\$112,575,032	\$104,544,707
Not produce	5,182,349	7,822,895	10,521,046	14,807,944
C. & B.	4,475,101	3,344,339	4,245,124	3,519,696
Total	92,044,548	99,681,124	127,341,202	122,872,347

There is here a slight falling off in 1899 as compared with 1898, but in comparison with any previous year the increase is very large; and it is not unlikely that the difference, as compared with 1898, may be made good before the close of the fiscal year.

I want now briefly to call the attention of the House to the extraordinary growth of the trade of Canada during the past two years. I have here a statement showing the total trade of Canada for several periods—imports and exports, but not including coin and bullion—as follows:—

In 1868	\$121,266,217
1878	171,432,739
1896	229,099,732
1898	295,461,754

The increase in the total trade of Canada from 1878 to 1896, eighteen years, was \$57,666,993; the increase in the total trade of Canada from 1896 to 1898, two years, was \$66,362,022; showing, Mr. Speaker, that the total trade of Canada in two years, under this Liberal Administration, the advent of which to power we were told was to bring ruin and disaster to our country, increased more by \$8,695,029 than it did during the eighteen years of the Conservative Government.

The attention of the world is being drawn more and more to Canada as a mining country. Apart from the precious metals, there is a wealth of other metallic and non-metallic substances the mining of which gives employment to numbers of our people and affords remunerative avenues for the employment of capital. That there has been a very great development of these mineral resources will appear from the tables issued by the Geological Survey, giving the mineral production of Canada for some years back. I give the total values of mineral production from 1890 to 1898:

1890	\$16,763,353
1891	18,976,616
1892	16,628,417
1893	20,035,082
1894	19,933,857
1895	20,758,450
1896	22,584,513
1897	28,661,430
1898	37,757,197

In 1898 there is an increase of over 32 per cent as compared with 1897. Whilst the large increases of late years have, of course, been partly due to the discovery and working of the rich gold placers of the Yukon, other important mineral industries have also

contributed to them and there is every reason to expect a continued rapid growth in many of them for some years to come.

Speaking generally of the business of the past year, I can fairly congratulate the country on having experienced the advantages of marked prosperity and sound progress. On every hand we are met by evidences of expansion, and at the risk of wearying you, Mr. Speaker, I propose to allude to a few of the many directions in which the activity has made itself felt, so that we may measure and compare what has been done in the past year with what has been done in years previous. In banking circles I find a healthy and strong tone pervading the returns coming to us from month to month, and running through the reports presented at the various annual meetings of these financial institutions throughout Canada. It is of interest to note the very striking advance in the aggregate of the deposits of the people in the chartered banks and the two classes of Government savings banks. For the two years 1896-97 and 1897-98, the figures tell their own tale. I give the detail of these deposits for the past eight years :

	Deposits, Chartered Banks.	Deposits, Gov. Savings Banks.	Total.
June 30—			
1892	\$160,942,778	\$39,529,547	\$200,472,325
1893	170,817,433	41,849,658	212,667,091
1894	174,930,936	43,036,012	217,966,948
1895	180,664,121	44,450,498	225,114,619
1896	183,769,992	46,799,318	230,569,310
1897	201,141,688	48,934,975	250,076,663
1898	227,063,343	50,111,118	277,174,461

On the 31st of March last the total reached \$297,483,152, indicating that the pronounced increase of the last two years in this direction is being more than maintained in the current fiscal year.

That there has been an unusual activity in business generally will be apparent if we look at the returns of the clearing houses throughout Canada. The total clearances in the six cities—Montreal, Toronto, Winnipeg, Halifax, St. John and Hamilton—during the year 1898, reached the aggregate of \$1,390,019,394, as against \$1,174,710,345, during the previous year, or an increase of over \$215,000,000, or over 18 per cent. You will remember that the clearings of the same six cities in 1897 were over \$125,000,000 in excess of those of 1896. So that the year 1898, so far as the clearings reveal it, shows a very much larger volume of business than 1897.

In the case of the city of Montreal, which now, I may say, comes ninth in the list of American cities according to bank clearings, coming immediately after San Francisco, the increase in 1898 over 1897 has been over 21 per cent, and in the city of Toronto the increase has been in the same proportion.

There is another feature of banking business that is of interest to us, and to which I will now refer, that is the note issue. In times of activity there arises a strong demand for currency. From year to year this

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is specially noticeable at harvest time, and immediately after, when the crops are being moved.

During the past year there has been a continued demand for currency, especially for small notes. At times it has been difficult to keep pace with the demands.

To show the extent of the issue, I give a statement of the circulation of the notes of the chartered banks and of the Dominion notes for the past years, taking for the purpose of comparison the 31st of October in each year, when as a rule the demand is greatest :

	Banks.	Government.	Total.
31st Oct.—			
1892	\$28,688,429	\$18,647,063	\$57,335,492
1893	36,906,941	19,844,248	66,751,189
1894	34,516,651	22,212,834	56,729,535
1895	34,571,028	22,893,259	57,564,287
1896	35,955,150	21,607,553	57,562,703
1897	41,580,928	24,751,932	66,332,860
1898	42,543,446	24,315,988	66,859,434

In the case of the Dominion notes of the small denominations, \$1 and \$2, the demand in the fall of the year has been very great, indeed. So much so that my department has at times had difficulty in keeping up with it. The amount of these notes outstanding on the 31st of October in each year for the past seven years is of interest, and I give it, as follows :

1892	\$7,266,569
1893	7,266,937
1894	7,031,368
1895	7,295,368
1896	7,583,712
1897	7,940,520
1898	8,612,602

Closely allied to the banking business is that of insurance. The prosperity of to-day leads the prudent man to think of to-morrow, and so we find that the buoyancy in business generally is reflected in the business of life insurance, which is regarded more and more in the light of an investment as well as a provision for a rainy day.

In the life business there is a very pronounced development in the net amount of insurance in force in the straight life companies, as will be seen from the figures of the past eight years :

1891	\$261,475,223
1892	279,110,265
1893	295,622,722
1894	308,161,436
1895	319,257,581
1896	327,800,499
1897	344,012,277
1898	368,517,074

The amount of life insurance effected in Canada in the straight life companies during the same period was :

1891	\$37,866,287
1892	44,620,013
1893	45,202,847
1894	49,525,257
1895	44,341,198
1896	42,624,570
1897	48,267,665
1898	54,270,775

or nearly \$5,000,000 more than in any pre-

vious year. These figures do not include insurance on the assessment system.

That the year has been a prosperous one with the traders will appear from the records of failures kept by the commercial agencies. Indeed, in this respect 1898 has the best record we have had for years. The commercial agencies give the total number of failures in Canada in 1898 as 1,300, with liabilities of \$9,821,323, against 1,809 failures with liabilities of \$14,157,498 in the year 1897, or a reduction of 28 per cent in number and 30 per cent in amount as compared with the year 1897. That is the best record for the past thirteen years.

The showing of the principal railroads have been very favourable, notwithstanding the rate war that lasted throughout the greater part of the year. The earnings of the Canadian Pacific Railway increased \$1,973,000, and those of the Grand Trunk Railway \$582,000 over those of the previous year. The figures for these two companies for 1897 and 1898 are :

	C. P. R.	G. T. R.
1897	\$23,822,000	\$23,530,000
1898	25,795,000	24,112,000

The large street railway companies have experienced an impetus from the improved conditions of the people. Their earnings show a steady progress. The following table gives the amount of the receipts of these companies in operation from 1894 to 1898 :

	1894.	1895.	1896.	1897.	1898.
	\$	\$	\$	\$	\$
Montreal .	896,090	1,102,777	1,265,898	1,342,367	1,471,979
Toronto...	958,370	992,800	997,273	1,077,612	1,210,613
London...	57,010	56,536	94,194	101,365	113,811
Ottawa...	193,991	203,173	212,105	223,801	231,802
Hamilton.	120,008	121,311	124,537	115,419	121,353
	2,226,371	2,476,600	2,694,009	2,860,167	3,149,504

In the city of Halifax, the receipts of the Halifax Tramway Company for 1897 were \$194,775, and for 1898, \$198,837. In the city of St. John, the receipts of the street railway company were :

For 1896	\$51,743
1897	57,949
1898	64,790

These are some of the features, Mr. Speaker, of the business record of the Dominion. They carry with them the inference that there exists a strong feeling of confidence, not only in the resources of the country, but also in the basis on which its business is founded.

There are other interesting figures of a like character which I am desirous of laying before you. These I have had incorporated into diagrams, copies of which will be placed in your hands. They cover fuller statements of the import and export trade ; the shipping and coasting trade ; the railways and railway traffic ; life and fire insurance ; deposits in chartered banks and savings banks ; dis-

counts of the chartered banks ; and deposits made with loan companies ; and show at a glance the strides that have in recent years been made.

Perhaps, Mr. Speaker, instead of using words of my own to describe the prosperous condition of Canada, I shall do better by quoting the words of others who are in a good position to speak with authority. Of the great development that has taken place in the Yukon gold fields, I need not speak. We have had abundant evidence of that in our recent discussions. As one of the indications of improvement in the North-west, I take this passage from the latest annual report of the Canadian Pacific Railway :

The satisfactory progress which has been made in the settlement of the North-west is evidenced not only in the largely increased land sales of the company, but in the number of homesteads taken up from Government lands in Manitoba and the territories beyond, which, according to official returns, were 4,848 in 1898, as against 2,406 in 1897.

To show what has been accomplished by the construction of the Crow's Nest Pass Railway, let me quote a recent article from the correspondent of the Montreal "Star" :

Never before in the history of the Canadian North-west did a wave of prosperity at once so sudden and so general, sweep over any portion as completely as did that ushered in by the construction of the Crow's Nest Pass branch of the Canadian Pacific Railway.

Everywhere along its line new towns have sprung up, as mushrooms in a warm shower. The land office and the newspaper led the van, and the settlement and upbuilding of the entire district has been nothing short of phenomenal. Nor are the towns so built carelessly knocked together, to be abandoned the moment the novelty wears away. The line runs, in its entire length, through a country of vast and varied resources ; and while the wild-cat operator may be here to-day and away to-morrow, the fact remains that the natural wealth of the country is such as to demand and abundantly repay years of development, so that all signs point to steady and permanent growth.

The last report of the Board of Trade of the city of Toronto offers abundant evidence of business activity in Ontario and throughout the country. I quote a passage from the address of the retiring president, Mr. Elias Rogers :

Turning to the always interesting subject of inter-Imperial foreign trade, the retrospect was no less agreeable. For the first time in the history of Canada the total imports and exports had exceeded \$300,000,000 in value.

The increase was due in part to the high price of wheat during a portion of the year, and to the large crops of 1897, which permitted heavy exporting. With the single exception of foreign products, however, all classes of exports contributed to the increase. The result was seen in the freedom of importation during the past summer, even before assurance of another good harvest gave added strength to the movement, and in the increasing demand upon our own factories and mills.

How much of the prosperity now to be seen on every side is due to the increase of the export trade must remain a matter of opinion. It may be noticed in passing that until six years ago the

exports of Canadian produce never exceeded one hundred millions, and that, as compared with a date so recent as 1896, the exports of 1898 show an increase of thirty-four and a half million dollars.

The greatest increase of late in the volume of free imports give to some extent the measure of the country's industrial development, because the free imports consist largely of raw materials for manufacture.

At the annual meeting of the Montreal Board of Trade, the retiring president, Mr. Charles F. Smith, spoke as follows:—

I think the time opportune to call your attention to this fact, for we are now in the enjoyment of prosperity such as this country has never known, and it is pretty evenly divided throughout Canada. Our railroad extensions are bringing to life new villages—indeed I might say new towns. Our population is steadily increasing, with a development in our agricultural and mining resources, to the importance of which we should be fully alive. Many of the towns on or near the lines of traffic are building elevators, deepening their harbours, or otherwise preparing to share in the profits of handling the produce that is moving eastward. Gentlemen, I believe that we cannot realize the valuable growth of the trade and traffic that must become our portion in the near future.

From an address delivered at the same meeting of the Montreal Board by Mr. James Crathern, one of the oldest members of the board, I read as follows:—

I think to-day I may venture to congratulate this board, that the past year has certainly been to us what may be termed a jubilee year, in connection with the trade and commerce of this country. During the forty-five years in which I have been actively engaged in business as a merchant in this city, I have passed through many seasons of mercantile and financial depression; but at no time have I known the commercial and financial interests of the country to have been on a sounder or better footing than at present. We have been blessed with a bountiful harvest, and all engaged in commerce and manufacture report a satisfactory volume of business.

While the condition of the country generally is remarkably good, I recognize the fact that in the Lower Provinces they have not shared in that prosperity as fully as have the provinces further west. Nevertheless, we have very encouraging reports from that quarter. I have not at hand a quotation from the St. John Board of Trade meeting, but, from personal knowledge of the community, I am led to believe that the business of the port of St. John was a very encouraging one indeed. They have a good winter port trade, and with the revival of the lumber industry, which is of the utmost importance in New Brunswick, I think we may make up our minds that, in that province, there will be a fair degree of business activity. As to Nova Scotia, I take the following from the annual report of the Halifax Board of Trade:—

The business of the year has been of a fairly satisfactory nature, and although the prosperity which has attended the upper provinces, through abundant crops and high prices, has not been participated in by us to the same extent, we have

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great cause to be thankful. Our gold mines have yielded a larger return than ever, the production of our coal mines has increased, our fishermen have had their smaller catch largely made up to them by higher prices, our fruit-growers have been similarly blessed; our lumbermen, although compelled to accept lower prices than during the previous year, have not done badly; our new enterprise of pulp manufacture is flourishing, and generally speaking there has been throughout our province a very fair degree of prosperity. Failures have been much fewer in number, and smaller in amount, and we all look forward with confidence to the great future which awaits our province, with its varied interests, many of which are capable of great development.

Now, I am going to ask the attention of the House to a statement respecting the foreign trade of the United States and Canada. I have had prepared a comparative table, comparing, in very considerable detail, the foreign trade of Canada and the United States from the time of confederation down to the present moment. Living, as we do, alongside the great republic, it is natural that we should make comparison from time to time between their affairs and ours. I realize, Sir, that the United States, more than any other country, is a self-contained country: it does not need to go beyond its own borders for variety of products so much as does Canada, because they have a greater diversity of soil and climate than we have. Nevertheless, the people of the United States are very anxious to develop a foreign trade; and many of our American friends would be surprised to know how far behind Canada they are in this respect. The total trade of the United States, imports and exports, exclusive of coin and bullion, in 1898 amounted to \$24.60 per head. For the same year, the corresponding figures for Canada are \$56.29 per head.

Mr. FOSTER. That is foreign trade.

The MINISTER OF FINANCE. I am speaking of foreign trade. And I quite recognize the fact that we must not draw from this too quickly the conclusion that we are more prosperous than our neighbours, because, as I have said, from their natural condition, they do not need to go abroad for so many goods as we. Still, I think the comparison is a very interesting one. It will be seen by the table to which I refer, that in 1868 the total trade of the United States was \$17.29 per head, and thirty years later, in 1898, it had increased to \$24.60 per head, an increase of \$7.31 per head. The total trade of Canada for 1868 was \$35.96 per head, and in 1898, \$56.29 per head, an increase in thirty years of \$20.33 per head, as against an increase of \$7.31 per head in the United States.

Mr. FOSTER. Does my hon. friend (Mr. Fielding) happen to have the population of both countries in 1868?

The MINISTER OF FINANCE. I have not the figures in the statement before me. The United States domestic exports per head, last year, were \$18.05, while the Canadian ex-

ports, during the same year, were \$27.54 per head. Making a comparison for two years, I find the following:—The total trade of the United States for 1896 was \$23.32 per head, and for 1898, \$24.60 per head, an increase in two years of \$1.28 per head.

The total trade of Canada for 1896 was \$44.69 per head, and for 1898, \$56.29 per head, an increase in two years of \$11.60 per head for Canada, as against \$1.28 per head for the United States. The total trade of the United States for 1897 was \$24.94 per head, and for 1898, \$24.60 per head, showing a decrease in 1898, as compared with 1897, of 34 cents per head. In the same time the total trade of Canada increased from \$48.01 per head in 1897 to \$56.29 per head in 1898, showing an increase for the year of \$8.28 per head, as against a decrease of 34 cents per head in the United States.

This statement I shall ask the House to allow me to put in "Hansard" for future reference; it covers many details with which I do not wish to trouble the House.

Mr. FOSTER. I have no objection personally. But I want to call my hon. friend's

attention to the fact that I was very strictly kept to the rule. I think it was all nonsense to do it, and I do not propose to ask my hon. friend to do it.

The PRIME MINISTER (Sir Wilfrid Laurier). Not tables.

Mr. FOSTER. If my hon. friend denies that, I shall stand by my demand, that every thing be read.

The MINISTER OF FINANCE. I do not deny. I am much obliged to my hon. friend for his suggestion.

Mr. FOSTER. I remember it, time and again.

The MINISTER OF FINANCE. I accept my hon. friend's statement. Last year, I spoke to the editor of "Hansard," and he told me, that, while that was the rule, an exception was made in the case of the Budget speech. However, I accept my hon. friend's statement, and, thanking him for the courtesy he has extended to me, I will put this statement in.

Mr. FOSTER. We will be as generous to you as we can under your difficulties.

COMPARATIVE Trade Statement of the United States and Canada, *exclusive of Coin & Bullion.*
UNITED STATES.

Year.	Domestic Exports.	Foreign Exports.	Total Exports.	Total Imports.	Total Trade.	Domestic Exports per Capita.	Percentage of increase or decrease of Total Exports.	Percentage of increase or decrease of Total Trade.	Total Trade per Capita.
	\$	\$	\$	\$	\$	\$	p. c.	p. c.	\$
1867.....	279,786,809	14,719,332	294,506,141	395,761,096	690,267,237	7.73	.....	.....	.....
1868.....	269,389,900	12,562,999	281,952,899	357,436,440	639,389,339	7.29	4.26	7.37	17.29
1869.....	275,166,697	10,951,000	286,117,697	417,506,379	703,624,076	7.29	1.47	10.04	18.63
1870.....	376,616,473	16,155,295	392,771,768	435,958,408	828,730,176	9.77	37.28	16.35	21.49
1871.....	428,398,908	14,421,270	442,820,178	520,223,684	963,043,862	10.83	12.74	16.20	24.34
1872.....	428,487,131	15,690,455	444,177,586	626,595,077	1,070,772,663	10.55	0.30	11.80	26.37
1873.....	505,033,439	17,446,483	522,479,922	642,136,210	1,164,616,132	12.12	17.62	8.76	27.94
1874.....	569,433,421	16,849,619	586,283,040	567,406,342	1,153,689,382	13.31	14.98	0.93	26.95
1875.....	499,284,100	14,158,611	513,442,711	533,005,436	1,046,448,147	11.36	12.42	9.29	23.80
1876.....	525,582,247	14,802,424	540,384,671	460,741,190	1,001,125,861	11.64	5.24	4.33	22.17
1877.....	589,670,224	12,804,996	602,475,220	451,323,126	1,053,798,346	12.72	11.49	5.26	22.73
1878.....	680,709,268	14,156,498	694,865,766	437,051,532	1,131,917,298	14.30	15.33	7.41	23.78
1879.....	698,340,790	12,098,651	710,439,441	445,777,775	1,156,217,216	14.29	2.24	2.14	23.66
1880.....	823,946,353	11,692,305	835,638,658	667,954,746	1,503,593,404	16.43	17.62	3.00	29.97
1881.....	883,925,947	18,451,399	902,377,346	642,664,628	1,545,041,974	17.23	7.98	2.75	30.10
1882.....	733,239,732	17,302,525	750,542,257	724,639,574	1,475,181,831	13.97	16.82	4.52	27.91
1883.....	804,223,632	19,615,770	823,839,402	723,180,914	1,547,020,316	14.98	9.76	4.87	26.95
1884.....	724,964,852	15,548,757	740,513,609	667,697,693	1,408,211,302	13.20	10.11	8.97	25.64
1885.....	726,682,946	15,406,809	742,089,755	577,527,329	1,319,717,084	12.94	0.22	6.28	23.54
1886.....	665,964,529	13,560,301	679,524,830	635,436,136	1,314,960,966	11.60	8.44	0.36	22.90
1887.....	703,022,923	13,160,288	716,183,211	692,319,768	1,408,502,979	11.98	5.39	7.11	24.00
1888.....	683,862,104	12,092,403	695,954,507	723,957,114	1,419,911,621	11.40	2.82	0.81	23.67
1889.....	730,282,609	12,118,766	742,401,375	745,131,652	1,487,533,027	11.92	2.92	4.76	24.27
1890.....	845,293,828	12,534,856	857,828,684	789,310,409	1,647,139,093	13.50	15.44	10.72	26.30
1891.....	872,270,283	12,210,527	884,480,810	844,916,196	1,729,397,006	13.63	3.10	4.99	27.02
1892.....	1,015,732,011	14,546,137	1,030,278,148	827,402,462	1,857,680,610	15.53	16.48	7.41	28.40
1893.....	831,030,785	16,634,409	847,665,194	866,400,922	1,714,066,116	12.44	17.72	7.73	25.65
1894.....	869,204,937	22,935,635	892,140,572	654,994,622	1,547,135,194	12.73	5.24	9.73	22.66
1895.....	793,392,599	14,145,566	807,538,165	731,969,965	1,539,508,130	11.37	9.48	0.49	22.07
1896.....	863,200,487	19,406,451	882,606,938	779,724,674	1,662,331,612	12.11	9.29	7.97	23.32
1897.....	1,032,007,603	18,985,953	1,050,993,556	764,730,412	1,815,723,968	14.17	19.07	9.22	24.94
1898.....	1,210,291,913	21,190,417	1,231,482,330	616,049,654	1,847,531,984	16.05	17.17	1.75	24.60

COMPARATIVE Trade Statement of the United States and Canada, exclusive of Coin and Bullion—Continued.

CANADA.

Year.	Exports, produce of Canada.	Exports not the produce of Canada.	Total Exports.	Total Imports.	Total Trade.	Domestic Exports per Capita.	Percentage of increase or decrease of Total Exports.	Percentage of increase or decrease of Total Trade.	Total Trade per Capita.
	\$	\$	\$	\$	\$	\$	p. c.	p. c.	\$
1867.....									
1868.....	48,504,889	4,196,821	52,701,720	68,564,497	121,266,217	14.38			35.96
1869.....	52,400,772	3,855,801	56,256,573	66,167,935	122,424,509	15.35	6.74	0.95	35.87
1870.....	59,043,590	6,527,622	65,571,212	70,478,810	136,050,022	17.09	16.55	11.13	39.38
1871.....	57,630,024	9,853,244	67,483,268	93,359,877	160,843,145	16.38	2.91	18.22	45.71
1872.....	65,885,140	12,744,125	78,629,265	108,676,778	187,306,043	18.24	16.51	16.45	52.14
1873.....	76,538,025	9,405,910	85,943,935	125,005,816	210,949,751	20.65	9.30	12.62	57.50
1874.....	76,741,997	10,614,096	87,356,093	123,990,300	211,346,393	20.06	1.64	0.19	55.24
1875.....	69,709,823	7,137,319	76,847,142	120,860,194	197,707,336	17.92	1.20	6.45	50.87
1876.....	72,491,437	7,234,961	79,726,398	90,990,235	170,716,633	18.35	3.74	13.65	43.22
1877.....	68,030,546	7,111,108	75,141,654	97,153,873	172,295,527	16.95	5.75	0.92	42.93
1878.....	67,989,023	11,165,655	79,154,678	92,278,061	171,432,739	16.66	5.34	0.50	42.02
1879.....	62,431,025	8,355,644	70,786,699	80,325,338	151,112,007	15.05	10.57	11.85	36.44
1880.....	72,899,697	13,240,006	86,139,703	84,607,940	170,747,643	17.29	21.69	12.99	40.50
1881.....	83,944,701	13,375,117	97,319,818	104,207,565	201,527,383	19.35	12.96	18.02	46.47
1882.....	94,137,657	7,628,453	101,766,110	117,915,757	219,681,867	21.47	4.56	9.00	50.11
1883.....	87,702,431	9,751,773	97,454,204	130,978,499	228,432,703	19.78	4.23	3.98	51.52
1884.....	79,833,098	9,389,106	89,222,204	114,189,377	203,411,581	17.79	8.44	10.95	45.34
1885.....	79,131,735	8,079,646	87,211,381	105,987,242	193,198,623	17.43	2.25	5.02	42.56
1886.....	77,756,704	7,438,079	85,194,783	100,814,004	186,008,787	16.94	2.31	3.72	40.53
1887.....	80,960,909	8,549,333	89,510,242	112,360,018	201,870,260	17.45	5.07	8.42	43.52
1888.....	81,382,072	8,803,394	90,185,466	108,719,158	198,904,624	17.36	0.75	1.46	42.42
1889.....	80,272,456	6,938,455	87,210,911	114,649,680	201,860,591	16.93	3.29	1.48	42.59
1890.....	85,257,586	9,051,781	94,309,367	120,775,230	215,084,597	17.78	8.11	6.55	44.87
1891.....	88,671,738	8,798,631	97,470,369	118,156,468	215,626,837	18.29	3.35	0.24	44.49
1892.....	99,032,466	13,121,791	112,154,257	125,587,538	237,741,795	20.21	15.06	10.26	48.52
1893.....	105,483,798	8,941,856	114,430,654	122,540,068	236,970,722	21.29	2.02	0.32	47.83
1894.....	103,851,764	11,833,805	115,685,569	119,451,868	235,137,437	20.73	1.09	0.77	46.94
1895.....	102,828,441	6,485,043	109,313,484	106,205,062	215,518,546	20.29	5.50	8.34	42.53
1896.....	109,707,805	6,606,738	116,314,543	112,785,189	229,099,732	21.40	6.40	6.30	44.69
1897.....	123,632,540	10,825,163	134,457,703	114,542,415	249,000,118	23.83	15.59	8.66	48.01
1898.....	144,548,662	14,980,883	159,529,545	135,932,209	295,461,754	27.54	18.64	18.65	56.29

The MINISTER OF FINANCE. My hon. friend must see that the presentation of these interesting statements must be a matter of exceeding difficulty. In the Budget of a year ago we extended the benefit of the preferential tariff to the British West Indies (including British Guiana). This step on the part of Canada was received with great satisfaction by the press and people of the West Indies. Some improvement in our trade with these islands has already been accomplished, and we have ground for hoping for further extension, although there are certain conditions respecting the United States tariff which tend to check the growth of trade with Canada. Our West India trade has not been in a healthy condition for several years. Our imports from the British

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West Indies have been steadily declining. In the year ending 30th June, 1898, before the preferential tariff came into operation as respects the West Indies, our imports from these islands were a little more than half what they were in 1897. Our exports to the British West Indies also showed a steady falling off. The situation was such that but for the preferential tariff our trade with those islands would have been almost destroyed. While the trade is still far from what it should be, I am hopeful that when we have the statistics of the present year, which will include 11 months of the preferential tariff, we shall be able to show a very decided improvement as compared with the year before the preferential tariff began. Our

imports of sugar from the British West Indies (including British Guiana) for the six months ending 31st December, 1898, were :

	Lbs.	Value.
Six months, 1898.....	9,049,020	\$161,901
Six months, 1899.....	6,245,924	124,804
Increase	\$2,803,096	\$37,097

There is a feature of the United States tariff which tends to encourage trade between the West Indies and that country, and which to some extent, balances the preference we have extended to the West Indies. I know that when we extended a preference rate to the West Indies there was a disposition in some quarters to criticise us for giving a preference when we were getting nothing in return. But I am afraid that the advantage to our West India friends which we intended them to have, is not as great as some persons imagined. We give a preference of 25 per cent on sugar coming from the West Indies, and the United States, though they have not a preference in the same form, actually give a preference on cane sugar over beet sugar, which is more than 25 per cent ; in fact in some instances it may be as high as 35 per cent, and possibly more. They do this by a system of countervailing duties. They levy the ordinary tariff on beet sugars which come into the United States ; then, in addition, they have a provision in their tariff that wherever any sugar comes from what is called a bounty-fed country, then that sugar shall pay, in addition to the stated ordinary duty, an additional duty equal to the amount of the bounty which is paid by the Government of the country from which the sugar is exported. Now, as beet root sugars of the continent are all bounty-fed sugars, they are subject to this additional countervailing duty in the markets of the United States, and the difference thus made between the cane sugar which comes from the West Indies and the beet sugar which comes largely from the continent of Europe, amounts, as I said a moment ago, to fully 25 per cent, and indeed in some cases to a considerable more. Therefore, there is a great demand in the United States for cane sugar. There are strong inducements on the part of the American refiner to buy cane sugar, because he can enter it at a duty very much less than beet sugar. Whether we can do any large amount of trade with the West Indies, even under our present preferential tariff, is a question which, I frankly say, is open to some debate, and we may have to consider, if we desire further to encourage our West India trade, whether we can not devise some other methods of doing it. For the present, I think the figures of the present year show a considerable increase in our West India trade, but I am afraid we cannot look for any great increase while the United States tariff stands in the position to which I have referred.

In this connection my attention has been called to the fact which is very interesting

indeed. It will be remembered that attention has been drawn to the fact, both in the press and in the House, that one result of the arrangements recently made between the United States and Porto Rico was to place Canadian shipping at a decided disadvantage. A considerable proportion of the shipping of our maritime provinces, and possibly some from the St. Lawrence also, carried the products of Canada out to Porto Rico, then loaded with sugar and carried the sugar back to ports of the United States. Under the changed condition of affairs whereby Porto Rico becomes virtually part of the United States—at all events it is so treated—that at once became a coasting trade, and under the coasting laws of the United States our ships were no longer permitted to take sugars or any other products from Porto Rico and land them in the United States ports. It was a matter of considerable embarrassment to our shipping interests, and though I do not know that we could have expected anything else, still it was a very regrettable arrangement, and one that we were particularly anxious to have modified if possible. I am glad to be able to say that from information now received, orders have been sent by the War Department to the general commanding in Porto Rico to permit all vessels, American or foreign, to load and clear for the United States. This is information which comes to us from the Foreign Office. I understand, of course, that they will always have the right to go to a foreign port ; the difficulty was that they had no right to go to a United States port, but they can now clear from Porto Rico for the United States.

The extent of the tariff reductions made by our Act of 1897 have been the subject of much discussion in Parliament and in the press. The positions assumed on this question by hon. gentlemen opposite from time to time have been strangely inconsistent. When the new tariff was brought down nobody doubted that the reductions were numerous and important. The fact that there was a sharp reduction on a great many items all along the line was recognized by hon. gentlemen opposite and by their press. If it were necessary I could quote abundant proof of that fact, and if the accuracy of my statement is called in question, some of these quotations will be given before the debate closes. It is enough for my present purpose to say that hon. gentlemen opposite and their press have recognized that we made a great many important reductions. Indeed the charge was made against us that our reductions were of such a character that we would paralyze the industries of the country. The opponents of the Government either believed or hoped that under the change of tariff policy the business interests of the country would suffer, and so they were prepared to condemn the Government roundly for the reductions that were made. But their expectations or hopes in this direction were doomed to disappointment. The

Liberals claimed that under a policy of tariff reform the business interests of the country would be benefited, not injured. Time proved the correctness of their views. In almost every branch of industry the settlement of the tariff question was followed by a revival of business. Trade, commerce and even manufactures flourished as never before. Then, finding that all their predictions as to the disaster which was to follow under a Liberal Administration had proved unwarranted, our opponents quickly swung round to the other side of the question, and took the ground that we had made no tariff reductions, and that the old so-called National Policy was still in force. This appears to be the last attitude of the Conservative party, and, therefore, I propose to devote a little attention to it. How a tariff in which, by their own admission, the duties in many lines had been cut unsparingly, could still be described as the old National Policy, is one of the things that an independent observer will have much difficulty in understanding. The facts and figures show conclusively that the old National Policy has not been continued, but that under a Liberal Administration a very large and substantial measure of tariff reform has already been accomplished. I shall invite the attention of the House to some of the evidences of this tariff reduction.

Our method of tariff reform involved the taking of three steps, two of them at the beginning and one at a later stage. In the first place, we prepared what we called a general tariff in which large reductions from the old tariff were made. Then we made our preferential tariff, whereby we provided that as compared with the general tariff, there should be a reduction of one-eighth of the duty in favour of British imports. And we made a further provision that, after the lapse of a little more than a year, there should be a further reduction of one-eighth so that at the end of that time, the duties on British goods would be one-fourth less than the duties on other goods. In the making of our general tariff, there were a few cases in which the duties were increased. In nearly every one of these, however, it will be found that when you apply the preferential rate, you have these duties lower now than they were under the old tariff. As the effort has been made to lead the public to believe that our reduction of tariff burdens was confined entirely to the preferential rate, I think it is important that the error of this view should be clearly pointed out. The preferential tariff was a most important and valuable feature of our tariff reform. But apart altogether from that, there was a large degree of relief from burdens in the form of reductions made in the general tariff, and of goods which were formerly dutiable and were transferred to the free list.

I have here a statement showing articles now in the free list of the tariff which were

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dutiable under the old tariff, and showing also the rates of duty imposed under the old tariff. These lists have been made by the officials of the Customs Department and they are guaranteed to be correct. I hope my hon. friend will consent to my putting them in without reading.

Mr. FOSTER. Well, I cannot do that, not because I do not want to be quite generous, but we have to reply to that statement, and we cannot reply to a thing which is not read.

The MINISTER OF FINANCE. I will give it to my hon. friend with permission to put it in the "Hansard" afterwards.

Mr. FOSTER. My hon. friend will have to read this too.

The MINISTER OF FINANCE. I do not object, but these statements are rather long and tedious.

STATEMENT showing articles now on the free list of the tariff which were dutiable under the tariff in force when the Liberal Government came into power, with the rates of duty then imposed.

Articles.	Former Rates of Duty.
Degras, oleostearine. (This was formerly free for the manufacture of leather only).....	20 p. c. ad valorem.
Florist stock, as follows:—	
Corms, tubers, rhizomes, arum, caria spiraea.....	20 p. c. "
Indian corn.....	7½ cts. per bush.
Seed beans from Britain.....	15 cts. "
Rape seed—sowing.....	10 p. c. ad valorem.
Mushroom spawn.....	20 p. c. "
Artificial limbs.....	20 p. c. "

Mr. FOSTER. Is that a heavy importation?

The MINISTER OF FINANCE. No, many of these items are not heavy, but they were regarded as very important to be put on the free list nevertheless. Of course, I could have selected only the heavy items, but I have taken them all fairly, big and little.

Articles.	Former Rates of Duty.
Asphaltum or asphalt, refined....	20 p. c. ad valorem.
Binder twine.....	12½ p. c. "
Articles for manufacture of binder twine.....	Varying according to material.
Religious tracts.....	35 p. c. ad valorem.
Books for the use of libraries of schools, or for the library of any incorporated, medical, literary, scientific or art association or society.....	6 cts. per lb.

Articles.	Former Rates of Duty.	Articles.	Former Rates of Duty.
Books on the application of science to industries of all kinds, including books on agriculture, horticulture, forestry, fish and fishing, mining, metallurgy, architecture, electric and other engineering, carpentry, shipbuilding, mechanism, dyeing, bleaching, tanning, weaving and other mechanic arts, and similar industrial books.	6 cts. per lb.	Steel for the manufacture of axes, hatchets, scythes, reaping hooks, hoes, hand rakes, hay or straw knives, windmills, and agricultural or harvesting forks, when imported by the manufacturers of such articles for use exclusively in the manufacture thereof in their own factories.	\$10 per ton.
Canvas or fabric, not frictionized, for the manufacture of bicycle tires, imported by manufacturers of bicycles for use exclusively in the manufacture of bicycle tires in their own factories	20 p. c. and 22½ p. c. according to material	Steel springs for the manufacture of surgical trusses, when imported by the manufacturers of trusses for use exclusively in the manufacture thereof in their own factories.	1 ct. per lb. and 20 p. c. ad valorem.
Clay crucibles	20 p. c. ad valorem.	Flat spring steel, steel billets and steel axle bars, when imported by manufacturers of carriage springs and carriage axles for use exclusively in the manufacture of springs and axles for carriages or vehicles other than railway or tramway, in their own factories.	Flat spring steel and steel bars, \$10, per ton; billets, \$5 per ton.
Cyanogen or compound of Bromine and Potassium for reducing metals in mining operations	20 p. c. "	Spiral spring steel for spiral springs for railways, when imported by the manufacturers of railway springs for use exclusively in the manufacture of railway spiral springs in their own factories.	\$10 per ton.
Quebracho	20 p. c. "	Stereotypes, electrotypes and celluloids of newspaper columns in any language other than French and English.	¾ cts. per sq. in.
Extracts of nut galls	20 p. c.	Barbed fencing wire of iron and steel.	¾ cts. per lb.
Fashion plates—Tailors', milliners' and mantlemakers'	6 cts. per lb. and 20 p. c.	Wire of zinc, screwed or twisted, or flattened and corrugated, for use in connection with nailing machines for the manufacture of boots and shoes.	25 p. c. ad valorem.
Head ropes (fishermen's)	1½ cts. per lb. and 10 p. c.	Galvanized iron or steel wire, No. 9, 12 and 13 gauge	20 p. c. and 25 p. c., according to purpose used.
Jute and hemp yarn for hammocks	20 p. c. ad valorem.	Philosophical instruments and apparatus, such as are not manufactured in Canada, when imported for use in public hospitals.	25 p. c. ad valorem.
Life boats and life saving apparatus. (When specially imported by societies established to encourage the saving of human life.	25 p. c. ad valorem.	Photographs, not exceeding three sent by friends and not for purpose of sale	20 "
Brass, in strips, not polished, planished or coated	30 p. c. "	Rubber, powdered	20 "
Copper, in strips, not polished, planished or coated	30 p. c. "	Surgical and dental instruments and surgical needles	15 "
Braas trimmings for bedsteads, when imported for the manufacture of same.	30 p. c. "	Books—donations of, for charitable purposes	6 cts. per lb.
Cream separators.	27½ p. c. "	Specimens, models and wall diagrams, for illustrations of natural history, for universities and public museums.	Dutiable according to material.
Cable chains.	5 p. c. "	Astrachan or Russian hair skins and China goat plate or rugs, wholly or partially dressed but not dyed	15 p. c.
Wrought iron tubing, butt or lap-welded, threaded or coupled or not, not less than 2½ inches diameter, when imported for use exclusively in mining, smelting reducing or refining.	15 p. c. "		
Platinum, in bars, strips or plates	20 p. c. "		
Sewing machine attachments.	30 p. c. "		
Steel, No. 12 gauge and thinner, but not thinner than No. 30 for the manufacture of bed fasts and furniture castors, when imported by the manufacturers of such articles for use exclusively in the manufacture thereof in their own factories.	12 to 16 gauge, \$10 per ton. 17 gauge and thinner, 5 p. c. ad valorem.		
Steel, for the manufacture of bicycle chain, when imported by the manufacturers of bicycle chain for use in the manufacture thereof in their own factories.	\$10 per ton.		

This is a large list of items, some of which go directly into general consumption, such articles as cordage, barbed wire, binder twine, &c., but many of these articles are the raw material used by the manufacturer, and the cheaper raw material which is furnished to the manufacturers has been the secret, to a very large degree, of the manufacturing prosperity which Canada is now enjoying.

Mr. McNEILL. Does this statement say that these goods are now free ?

The MINISTER OF FINANCE. These are now free, and I gave the duty that they formerly bore.

Mr. FOSTER. Is it not a fact that a large number of these articles could, by Order in Council, be admitted free for the use of manufacturers ?

The MINISTER OF FINANCE. That may be so : I have received the statement from the Customs Department. I will have that matter looked into, and, if it is so, I will have that correction made. The hon. Minister of Customs says that some were subject to Order in Council, and to that extent this list should be modified, and I will see that it is done.

Besides this transfer of goods from the dutiable to the free list, that were, as I

have said, important reductions in the general tariff. I shall now submit a statement giving a list of the dutiable goods upon which the duty under the present general tariff is lower than it was under the old tariff and giving also the respective rates under the two tariffs. It is to be noted carefully that the rate of duty on all such articles is reduced still further by one-fourth under the preferential tariff. I hope the hon. gentleman (Mr. Foster) will consent that I should put these items in. I will send the statement across to him and he can have the privilege of taking it home and studying it.

Some hon. MEMBERS. Read, read.

The MINISTER OF FINANCE. In the statement which I am now about to read, it should be noted that if any of these articles come in from Great Britain the present rate of duty is further decreased to the extent of the preferential tariff. These rates of duty which I shall read have no reference to the preferential tariff at all, but the statement is entirely a comparison of the present general tariff with the old tariff, and, as I have said, the present general rate of duty is to be further reduced to the extent of the British preferential rate on goods coming from that country.

STATEMENT giving a List of Dutiable Goods upon which the Duty under the present General Tariff is lower than it was under the Old Tariff, and giving also the respective Rates under the two Tariffs.

	Old Rate.	Present Rate.
Belts, surgical, and trusses, electric belts, pessaries and suspensory bandages of all kinds.....	25 per cent.....	20 per cent.
Books, printed ; periodicals, and pamphlets, n.e.s.....	6c. per lb., equivalent to 18 ⁷ / ₁₆ p. c. ad val. computed on basis of 1896 imports	10 per cent.
Posters, advertising bills and folders.....	15c. per lb. and 25 per cent.....	15c. per lb.
Labels for cigar boxes, fruit, vegetable, meat, fish, confectionery, and other goods; also shipping, price or other tags, tickets or labels; and railroad or other tickets, whether lithographed or printed or partly printed, n.e.s... ..	15c. per lb. and 25 per cent, equivalent to 46 per cent ad val. computed on basis of 1896 imports.....	35 per cent.
Breadstuffs—		
Wheat.....	15c. per bushel.....	12c. per bushel
Indian or corn meal	40c. per bbl.....	25c. per bbl.
Wheat flour.....	75 "	60c. "
Cane, reed, or rattan, split or otherwise manufactured, n. o. p.	17 ¹ / ₂ per cent.....	15 per cent.
Carriages—		
Buggies and carriages, pleasure carts and similar vehicles, n. e. s.	Costing not more than \$50, \$5 each and 25 per cent	35 "
Sleighs.....	30 per cent.....	25 "
Tower clocks	30 "	25 "
Coal, bituminous.....	60c. per ton	53c. per ton.
Collars of cotton or linen, xylonite, xyolite or celluloid..	24c. per doz. and 25 per cent, equivalent to 52 per cent computed on basis of 1896 imports.	35 per cent.

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	Old Rate.	Present Rate.
Cordage, n. e. s.	1½c. per lb. and 10 per cent, equivalent to 28 per cent computed on basis of 1896 imports.....	25 per cent.
Corset clasps, busks, blanks and steels, and corset wires, tipped or untipped.....	5c. per lb. and 20 per cent, equivalent to 37 per cent computed on basis of 1896 imports.....	35 "
Cotton—		
Embroideries, white.....	30 per cent.	25 "
Duck, white.....	25 "	22½ "
Jeans, coutilles and sateens, imported by corset and dress stay makers for use in their own factories.	25 "	20 "
Sheets.....	32½ "	30 "
Shirts of cotton, costing more than \$3 per dozen.....	\$1 per doz. and 25 per cent, equivalent to 37 per cent ad val. computed on basis of 1896 imports.....	35 "
Socks and stockings	10c. per doz. pairs, and 35 p. cent	35 "
Cuffs of cotton, linen, xylonite, xyolite or celluloid.	4c. per pair and 25 per cent, equivalent to 59 per cent ad val. based on 1896 imports....	35 "
Drugs, etc.—		
Glycerine imported by manufacturers of explosives for use in the manufacture thereof in their own factories..	20 per cent	10 "
Proprietary medicines, liquid, not containing alcohol...	50 "	25 "
Sulphuric ether.....	5c. per lb.....	25 "
Solutions of peroxides of hydrogen.....	50 per cent	25 "
Earthen and Chinaware—		
Demijohns, churns or crocks	3c. per gall. holding capacity, equivalent to 38 per cent ad val. based on 1896 imports.	30 "
Electric light carbons and carbon points.	\$2.50 per 1,000, length 12 inches, equivalent to 44 per cent based on 1896 imports.....	35 "
Electric light carbons over six inches in circumference..	25 per cent	15 "
Insulators of all kinds.....	30 "	25 "
Gunpowder and other Explosives—		
Giant powder, nitre and other explosives.....	4c. per lb.....	3c. per lb.
Nitro-glycerine	4c. per lb.....	3c. "
Gun or pistol covers or cases, game bags.....	32½ per cent.....	30 per cent.
Loading tools	35 "	30 "
Gutta percha and India-rubber, manufactures of—		
Boots and shoes, with cloth uppers.....	30 "	25 "
Belting	32½ "	25 "
Agricultural Implements—		
Farm, road or field rollers.....	35 "	25 "
Forks, pronged.....	35 "	25 "
Hay tedders.....	35 "	25 "
Hoes.....	35 "	25 "
Knives, hay or straw	35 "	25 "
Knives, edging	35 "	25 "
Manure spreaders.....	25 "	20 "
Post hole diggers.....	35 "	25 "
Potato diggers.....	35 "	25 "
Rakes, n.e.s.....	35 "	25 "
Scythes and snaths, sickles or reaping hooks.	35 "	25 "
Spades and shovels and spade and shovel blanks and iron or steel cut to shape for same.....	50c. per doz. and 25 p.c., equivalent to 38 p.c. based on 1896 imports.....	35 "
All other agricultural implements, n.e.s.....	35 per cent.	25 "
Cart or wagon skeins or boxes.....	32½ "	30 "
Bar iron or steel, rolled, whether in coils, bundles, rods or bars, comprising rounds, ovals, squares and flats, and rolled shapes, n.o.p.....	\$10 per ton.....	\$7 per ton.
Butts and hinges, n.e.s.....	32½ per cent.....	30 "
Cast iron pipe of every description.	\$10 p. ton, but not less than 35 p.c.	\$8 "
Cast scrap iron.....	\$4 per ton	\$2.50 per ton.
Chain, malleable sprocket or link belting for binders....	27½ per cent.....	20 per cent.
Tacks, shoe, equivalent to 52 p.c. based on 1896 imports.	{ ½ ounce to 4 ounces to } { 1000, one cent per thou- } { sand. }	35 "
Steam engines and boilers.	27½ per cent.....	25 "
Fittings, iron or steel for iron or steel pipe.....	35 "	30 "

	Old Rate.	Present Rate.
Forgings of iron or steel of whatever shape or size or in whatever stage of manufacture, n.e.s.....	35 per cent, but not less than \$15 per ton.....	30 per ton.
Steel shafting, turned, compressed or polished; and hammered iron or steel bars or shapes, n.o.p.....	\$10 per ton and $\frac{1}{4}$ c. per lb. additional, estimated equivalent to 35p.c	30 "
Hardware, namely,—		
Builders', cabinetmakers', upholsterers', harness makers', saddlers', and carriage hardware, including curry combs	32 $\frac{1}{2}$ per cent.....	30 "
Iron or steel ingots, cogged ingots, blooms, slabs, billets, puddled bars and loops and other forms, n.o.p., less finished than iron or steel bars but more advanced than pig iron, except castings	\$5 per ton	\$2 per ton.
Iron in pigs	\$4 "	\$2.50 per ton.
Iron in pigs, (charcoal)	\$4 "	\$2.50 "
Iron in kentledge.....	\$4 "	\$2.50 "
Locks of all kinds	32 $\frac{1}{2}$ per cent.....	30 per cent.
Machines and Machinery—		
Fanning mills	35 "	25 "
Grain crushers	35 "	25 "
Windmills	30 "	25 "
Ore crushers and rock crushers, stamp mills, cornish and belted rolls, rock drills, air compressors, cranes and derricks and percussion coal cutters.....	27 $\frac{1}{2}$ "	25 "
Fodders or feed cutters.....	35 per cent.....	25 per cent.
Horse powers	30 "	25 "
Portable engines.....	30 "	25 "
Portable saw mills and planing mills.....	30 "	25 "
Threshers and separators.....	30 "	25 "
All other portable machines.....	30 "	25 "
Slot machines	27 $\frac{1}{2}$ "	25 "
Typewriting machines.....	27 $\frac{1}{2}$ "	25 "
All other machinery, composed wholly or in part of iron or steel, n.o.p.....	27 $\frac{1}{2}$ "	25 "
Nails and spikes, cut, and railway spikes.....	$\frac{1}{4}$ c. per lb.....	$\frac{1}{4}$ c. per lb.
Nails, wire, all kinds, n.o.p.....	1c. "	$\frac{1}{4}$ c. "
Mould boards or shares or plough plates, land sides and other plates for agricultural implements, cut to shape from rolled plates of steel but not moulded, punched, polished or otherwise manufactured, when costing 4c. per lb. and under.....	20 per cent.....	5 per cent.
Pumps	30 "	25 "
Railway fish plates and tie plates.....	\$10 per ton.....	\$8 per ton.
Rolled iron or steel angles, tees, beams, channels, joists, girders, zees, stars or rolled shapes, or trough, bridge, building or structural rolled sections or shapes, not punched, drilled or further manufactured than rolled, n.e.s., and flat eye bar blanks, not punched or drilled.	12 $\frac{1}{2}$ per cent.....	10 per cent.
Rolled iron or steel hoop, band, scroll or strip, eight inches or less in width, No. 18 gauge and thicker, n.e.s.	\$10 per ton.....	\$7 per ton.
Rolled iron or steel angles and channels, weighing less than 35 lbs. per lineal yard, not punched, drilled, or further manufactured than rolled, n.o.p....	35 per cent, but not less than \$10 per ton.....	\$7 per ton.
Rolled iron or steel plates or sheets, sheared or unsheared and skelp iron or steel, sheared or rolled in grooves, n.e.s.....	\$10 per ton	\$7 per ton.
Rolled iron or steel plates not less than 30 inches in width and not less than $\frac{1}{4}$ -inch in thickness, n.o.p....	12 $\frac{1}{2}$ per cent.....	10 per cent.
Rolls of chilled iron or steel.....	35 "	\$0 "
Skates of all kinds and parts thereof.....	10c. per pair and 30 per cent, equivalent to 57 per cent ad val. based on 1896 imports.....	35 "
Skelp iron or steel, sheared or rolled in grooves, imported by manufacturers of wrought iron or steel pipe for use only in the manufacture of wrought iron or steel pipe in their own factories	\$10 per ton, equivalent to 54 per cent ad val.	5 "
Stoves of all kinds and parts thereof, n.e.s.....	27 $\frac{1}{2}$ per cent.....	25 "
Stove plates and sad or smoothing hatters' and tailors' irons, plated wholly or in part or not.....	27 $\frac{1}{2}$ "	25 "

	Old Rate.	Present Rate.
Boiler tubes of wrought iron or steel, including flues and corrugated tubes for marine boilers	7½ per cent.	5 per cent.
Tubes or rolled steel, seamless, not jointed or welded, not more than 1½ inches in diameter.	15 "	10 "
Tubes, seamless steel for bicycles	15 "	10 "
Enamelled iron or steel ware, n.e.s.	35 "	30 "
Wire fencing woven and wire fencing of iron or steel, n.e.s.	27½ "	15 "
Buckthorn strip	¼c. per lb.	15 "
Wire of all kinds, n.o.p.	25 per cent.	20 "
Wire, stranded or twisted, clothes-line, picture or other twisted wire	27½ "	25 "
Iron or steel scrap, wrought, being waste or refuse, including punchings, cuttings, and clippings of iron or steel, plates or sheets having been in actual use; crop ends of tin plate bars, blooms and rails, the same not having been in actual use.	\$4 per ton.	\$1 per ton.
Table cutlery of all kinds, n.o.p.	32½ per cent	30 per cent.
Steel plate, universal mill or rolled edge, bridge plates imported by manufacturers of bridges.	12½ "	10 "
Steel in bars, sheets or plates, thicker than 17 gauge, when of greater value than 2½c. per lb.	\$10 per ton.	5 "
Steel in hoops, scrolls or strips, 18 gauge and thicker, when of greater value than 2½c. per lb.	\$10 "	5 "
Adzes, cleavers, hatchets, hammers, picks, mattocks and eyes or poles for the same.	35 "	30 "
Axes	35 "	25 "
Saws	32½ "	30 "
Files and rasps, n.e.s.	35 per cent.	30 "
Tools, hand or machine, of all kinds, n.o.p.	35 "	30 "
Leather—		
Tanner's scrap leather.	20 "	15 "
Type-making accessories for lithographic presses.	27½ "	10 "
Composition metal for the manufacture of jewelry.	25 "	10 "
Stereotypes, electrotypes and celluloids for almanacs, calendars, illustrated pamphlets, newspaper advertisements or engravings, and all other like work for commercial, trade or other purposes, n.e.s., and matrices or copper shells for the same.	2c. per sq. in.	1½c. per sq. in.
Stereotypes, electrotypes and celluloids of newspaper columns and bases for the same, composed wholly or partly of metal or celluloid.	¾c. "	¼c. "
Stereotypes, matrices or copper shells for the same.	2c. "	1½c. "
Wire of all kinds, except iron or steel, n.o.p.	25 per cent.	20 per cent.
All parts of organs, except reeds.	30 "	25 "
Pianofortes.	35 "	30 "
Oils—		
Coal and kerosene, distilled, purified or refined, naphtha, and petroleum, n.e.s.	6c. per gall	5c. per gall.
Products of petroleum, n.e.s.	6c. "	5c. "
Crude petroleum, fuel and gas oils (other than naphtha, benzine or gasoline), when imported by manufacturers (other than oil refiners) for use in their own factories for fuel purposes or for the manufacture of gas.	3c. "	2½c. "
Olive oil, prepared for salad purposes.	30 per cent	20 per cent.
Lubricating oils, composed wholly or in part of petroleum and costing less than 25c. per gallon.	6c. per gall	5c. per gall.
Paper and manufactures of—		
Hanging or wall paper	Equivalent ad val. rate based on 1896 imports, 39 per cent	35 per cent.
Plaster of Paris or gypsum, calcined or manufactured.	40c. per bri. of 300 lbs.	12½c. p. 100 lbs.
Enamelled iron or steel signs, and letters for same.	35 per cent.	30 per cent.
Socks and stockings of silk.	10c. per doz. pairs and 35 per cent.	35 "
Slate—		
Roofing slate.	30 per cent, but not more than 75c. per square for black or blue, or more than 90c. per square for other colours.	25 per cent, not over 75c sq.
School writing slates.	30 per cent.	25 per cent.
Soap—		
Pearline and other soap powders.	35 "	30 "

	Old Rate.	Present Rate.
Stockinettes for the manufacture of rubber boots and shoes, imported by manufacturers of rubber boots and shoes for use in their own factories, unbleached.....	22½ p. cent }	15 per cent.
" " " coloured.....	30 " }	
Stone and manufactures of—		
Flagstone, granite, rough freestone, sandstone and all building stone not hammered or chiselled.....	20 "	15 "
Granite and freestones, dressed ; all other building stone, dressed, except marble.....	30 "	20 "
Flagstone, dressed.....	30 "	20 "
Glucose or grape sugar, glucose syrup and corn syrup, or any syrups containing any admixture thereof.....	1½c. per lb.....	¾c. per lb.
Watch cases.....	35 per cent.....	30 per cent.
Rakes, hay, of wood	35 "	25 "
Willow or osier—		
Window shades in the piece, or cut and hemmed, or mounted on rollers	35 per cent, but not less than 5c. per sq. yd., equivalent to 41 per cent computed on basis of 1896 imports.....	35 "
Wool and manufactures of—		
Socks and stockings of wool, worsted, the hair of the alpaca goat, etc.....	10c. per doz. prs. and 35 per cent.....	35 "
Yarns costing 30c. per lb. and over, imported on the cop, tube, or in the hank, by manufacturers of woollen goods for use in their products.....	30 per cent.....	20 "
Worsted tops made from lustre, wools and other like combing wools such as are grown in Canada.....	20 "	15 "
Blankets.....	5c. per lb. and 25 per cent, equivalent to 39 per cent ad val. computed on 1896 imports.....	35 "
Carpets, two-ply and three-ply, treble ingrain, composed wholly of wool.....	5c. per sq. yd. and 25 per cent, equivalent to 36 per cent computed on 1896 imports.....	35 "
Carpets, two-ply and three-ply, ingrain, of which the warp is composed wholly of cotton or other material than wool, worsted, etc.....	3c. per sq. yd. and 25 per cent, equivalent to 37 per cent computed on 1896 imports.....	35 "

I submit, Mr. Speaker, that if even no further reductions had been made than those shown in the above statement, there would still be a large and substantial measure of tariff reform. But when we take into consideration the preferential tariff, whereby the duties of the general tariff are further reduced to the extent of one-fourth, we begin to see how large and important the tariff reductions have been.

I have pointed out the extent of the tariff reductions as applied to a large list of articles. I purpose now to invite the attention of the House to a further evidence of tariff reform ; but before doing so, I think I shall ask you to call it six o'clock.

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

After Recess.

The MINISTER OF FINANCE (Mr. Fielding). Just before you left the Chair at six o'clock, Mr. Speaker, I had read to the House a very long, and, possibly, a very tiresome, list of the items in our present general tariff the duties on which are materially lower than the duties in the old tariff of 1896. And I had observed, Sir, in commenting on that

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list, that if there had been no other tariff reform than that which was contained in the list of items I submitted to the House, our tariff we have been far from continuing the old National Policy, but would have given a large and substantial measure of tariff reform. But when in addition to that we consider that on every one of these items which can be purchased from the mother country, there is a further reduction of one-quarter of the duties, then I think we shall satisfy the House and the country that instead of having the National Policy still in force, as my hon. friends opposite have been contending, we have given the country a very large and substantial measure of tariff reform, which may be regarded as a fair and full compliance with the pledges in the Liberal platform of the convention of 1893.

But I propose now to take another view of the extent of this tariff reform. I have pointed out the reductions on a large number of items ; let me now invite the House to the question of the amount in the gross or the lump sum which these reductions represent in the taxation of the people during the past year. We want to ascertain what the tariff taxation would have been on the trade of 1898, if instead of having the present tariff we had continued in force the tariff of 1896.

Now, there are two ways in which we may ascertain this fact. If we ascertain the average rate of duties imposed under the tariff of 1896 and apply that to the importations of 1898, and then compare the results with the actual payments of duty under the tariff of 1898, we shall approximately reach the sum which represents the saving to the people. But there is a more exact way of making the calculation, and that is the way which I propose to take. That exact way is to take the tariff of 1896, item by item, and apply it to the importations of 1898, and see just what the taxation would be if the tariff of 1896 were applied in that way. I have here a statement of the tariff of 1896, applied to the importation of 1898. The duty on the imports of 1898, applying to these the tariff of 1896, would have been \$24,752,827.08. The duty collected under the tariff of 1898 amounted to \$22,157,788.49, and deducting the refunds under the preferential tariff, estimated at \$120,000, that makes the net duties collected under our tariff in 1898, \$22,037,788.49. Deducting this amount from the duty that would have been levied by imposing the rates of 1896 on the imports of 1898, we find that the reduction by the tariff of 1898 amounted to \$2,715,038.59. Such is the result of a comparison between the sum collected on the imports of 1898 and the sum which would have been collected if the old tariff rates had applied.

But there is one item which may, perhaps, be the subject of special consideration and may go to qualify that statement. I allude to the imports of Indian corn. We imported in 1898, 19,771,314 bushels of Indian corn, which, being free, was entered for home consumption, notwithstanding the fact that a considerable portion was really intended for export and was afterwards exported. It may be said that if the old tariff of seven and a half cents per bushel on corn for home consumption had been in force—corn, of course, being free when passing through in transit—that corn would not have been entered for home consumption, and, therefore, we ought not to consider it in the home consumption at present. I have to observe on that point that if one of the results of our tariff has been that we have not only encouraged the use of corn for home consumption, but besides have attracted into the country a large quantity of corn for export, we have thereby given employment to our railways, elevators, steamships, and all the workmen who are associated with those various industries; and in that respect, we have something to credit the tariff with which is by no means unimportant. But for the purposes of argument, I propose to give our opponents the benefit of their contention respecting the item of corn, and to apply the tariff of 1896, not to the total imports of corn in 1898, but only to that part which remained in the country. That is to say, from the total imports I deduct the quantity, not the produce of Can-

ada, which was exported, and I find the following result:

Total duties collected in 1898.....	\$22,157,788 49
Less—Estimated refunds under the preferential tariff.....	120,000 00
Net.....	\$22,037,788 49

The duty that would have been collected under the 1896 tariff on all goods, allowing a duty of 7½ cents per bushel on 5,440,764 bushels of Indian corn—being the difference between 19,771,314 bushels set forth in the Trade and Navigation Returns for 1898, as imported free for home consumption, and 14,330,550 shown as the exports of Indian corn not the produce of Canada—I find would have amounted to \$23,678,035.83. Or giving our opponents the benefit of all reasonable contention with regard to this particular item of corn, we still find that the duties levied by our tariff in 1898 were \$1,640,247.34 less than they would have been if the old tariff had been applied to the imports of last year. The foregoing calculations are based on the trade of the year ending 30th June, 1898, but I have had a statement prepared—

Mr. FOSTER. Before my hon. friend leaves that portion of his argument, will he give the House some idea as to the method by which he has arrived at his conclusions. It is all very well to state that such is the case, but how does he arrive at it.

The MINISTER OF FINANCE. By instructing a very competent officer, who, I am sure, has acted very impartially, to apply the tariff of 1896, item by item, to the importations of 1898, as shown in the Trade and Navigation Returns.

Mr. FOSTER. Has my hon. friend the statement worked out?

The MINISTER OF FINANCE. Only the results. I have not it by me, but I think I could obtain it for my hon. friend subsequently. At all events I gave instructions that the inquiries should be made. I do not know that I could give more than the results, but I will speak about it later with my hon. friend.

Mr. FOSTER. It would be satisfactory to have it.

The MINISTER OF FINANCE. The Minister of Trade and Commerce (Sir Richard Cartwright) thought you said the results were satisfactory.

Mr. FOSTER. Oh, he thinks queerly these days.

The MINISTER OF FINANCE. I have now a statement for the nine months ending the 31st March, 1898, in comparison with figures of a similar period for 1896:

Comparative statement showing the value of goods entered for consumption for the nine months ending 31st March of the fiscal years 1898-99 and 1895-96, and showing also the reductions of duty under the present tariffs :

Nine months, 1898-99.

Value of dutiable goods entered for consumption	\$64,772,597
Value of free goods entered for consumption	48,017,409
Total	<u>\$112,790,006</u>

Nine months, 1895-96.

Value of dutiable goods entered for consumption	\$50,972,796
Value of free goods entered for consumption	33,179,468
Total	<u>\$84,152,264</u>

Deducting coin and bullion, the value of goods entered for consumption for the nine months of 1898-99 was.....	\$108,712,313
The total duty paid was.....	18,751,708 05
Less—Refunds on account of preferential tariff (estimated)	40,000 00
	<u>\$18,711,708 05</u>

Average rate of duty on goods, dutiable and free, exclusive of coin and bullion—17·21 per cent.	
Deducting coin and bullion, the value of goods entered for consumption for the nine months of 1895-96 was.....	\$79,888,306 00
The duty collected was	15,463,213 11
Average rate of duty on goods, dutiable and free, exclusive of coin and bullion—19·35 per cent	

	Per cent.
Rate, 1895-96.....	19·35
Rate, 1898-99	17·21
Reduction	<u>2·14</u>

This reduction is equivalent to 11 per cent of the old rate, or, in other words, one-ninth of the whole duty.

Applying the rate of nine months of 1895-96 to the importations of nine months of 1898-99, we have the following result : —

Duty that would have been collected under 1896 rates.....	\$21,035,832 56
Duty actually collected	18,711,708 05
Reduction	<u>\$2,324,124 51</u>

Calculating on this basis, the reduction in duty for the whole year will be over

\$3,000,000 00

Summing up these statements, I think it will be clear to the House, that the reduction in the tariff, as compared with the so-called National Policy, during the last fiscal year, when our preferential tariff was only partly in operation, amounted to \$1,640,000, even when allowing for the corn. When our preferential tariff came fully into operation, this reduction became greater, amounting in the nine months of the present fiscal

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year to more than two and a quarter millions. And, if we make our calculation, as I said, for the whole year, we will find that total reduction on imports for 1899 is about three millions, as compared with what the duties would have been under the National Policy. I think, then, I may reasonably ask the House and the country to believe, that we have made a large and substantial measure of tariff reform; and I think I may say that the facts and figures which I have quoted will silence for ever the story that the National Policy remains in full force and operation.

There has been some discussion in the House, from time to time, over the change from specific to ad valorem duties. Specific duties are admittedly wise in many cases, especially in the matter of food products, because ad valorem duties might cause a temptation to import adulterated food. But in some cases, where you have, upon manufactured goods, specific duties or compound duties—that is, duties partly specific and partly ad valorem—those duties are likely to become excessive. There were cases in the old National Policy in which, adding the specific and ad valorem duties, or taking the specific alone, the duties ran up to an ad valorem equivalent of as much as 50 or 60 per cent, and, as my hon. friend beside me reminds me, in some cases even higher. Whether wisely or not, it was deemed a point of great importance to reduce these specific duties. They have not all been wiped out; but there are 59 items on which the duty was either specific or partly specific and partly ad valorem, which have now been transferred to the ad valorem list.

Mr. FOSTER. How many remain ?

The MINISTER OF FINANCE. Quite a number. I have said we have not removed them all. But give us a little time.

I wish to say something now with regard to the operation of the preferential tariff. I have observed that the opponents of the Government have of late adopted a new line of attack with regard to the preferential tariff. The signal success which followed the adoption of that measure, its effect upon public opinion, both at home and abroad, do not appear to have been entirely gratifying to hon. gentlemen opposite. Hitherto, their chief complaint has been, that we had granted this preferential tariff to Great Britain without receiving anything in return.

Mr. FOSTER. Hear, hear.

The MINISTER OF FINANCE. The hon. gentleman evidently wishes to emphasize that as a policy which they have talked about in the past. However, according to their latest view, there is a different argument. They now tell us that this preference, which formerly they complained of our granting freely, and which they said we ought not to have given without receiv-

ing something in return, does not amount to anything at all. They have spent considerable time in trying to prove that, after all, there is not any preference. They have said that we humbugged and deceived the British people, that John Bull has been sadly humbugged by this Liberal Government. I have here a recent article from the leading Conservative organ; and I am justified in quoting from it as if it were the utterance of the party:

Now we have the exposure of the British preference. The British people, when this offer was first made public, were made to believe that the full 25 per cent was being knocked off in their favour—that is to say, that where the duty was 35 per cent it would remain at that figure for foreigners, but that it would be only 10 per cent for British goods. This tremendous discount was the cause of the jubilations in Britain, and of Kipling's poem, "Our Lady of the Snows."

The article concluded as follows—I am reading from the Toronto "Mail and Empire":—

The so-called British preference is an imposture on Great Britain, and, owing to the flourish of trumpets with which it was introduced is a dishonour to us.

Now, the statements in the Opposition organ are a little stronger than those made in the House, but they are in line with those of the hon. gentleman (Sir Charles Tupper) who leads the Opposition, and others, who declare that there is no preference, and that we have humbugged and deceived the British people. Well, Sir, whatever else may be said of the British people, I do not think that anybody outside of the Conservative party in Canada would say that the British people are so unintelligent, so ignorant, that they cannot read the plain words of English in the preferential tariff. No member of this Government, or of this House, ever made such a statement as that we proposed to reduce duties from 35 per cent to 10 per cent in favour of British imports. No such statement was ever published in an English paper. There is absolutely no foundation for such a statement. But we find the chief Conservative organ solemnly publishing that statement, and saying that we have deceived and humbugged the British people.

The preferential tariff stated in the plainest words that the duties provided under the general tariff—not the old Conservative tariff, but the revised general tariff, the duties of which, as I have shown, in many cases are much lower than under the old tariff—that the duties under the general tariff were to be reduced in favour of British imports to the extent of one-eighth of the duty, and that at a later date there would be a further reduction of another one-eighth, making a total reduction of one-fourth of the duty. That preference took effect from the moment the tariff was brought down, in April, 1897. Owing to the action of Her Majesty's Government, based upon the German and Belgium treaties, the

disposition on the part of this Government and this Parliament to give Great Britain the benefit of that preference at once, had to be postponed until a later date, as respects our transactions with many of the countries of the world. But I want to call the attention of the House to an important point which I do not think has hitherto been dwelt upon, and that is that while there was some unavoidable delay, owing to the action of Her Majesty's Government, in bringing that preference into operation as between British goods and goods of the continent of Europe, as respects England and her great competitor in Canada, the United States, there never was any delay in the preference, but the preference took effect on the 23rd day of April, 1897, and continued from that time down to the present moment. Consequently the preference over her chief competitor, the United States, was a substantial preference from the beginning, it was a preference of one-eighth for the first 14 months, and it is now a preference of one-fourth. I would commend this particularly to my hon. friend the leader of the Opposition, who has repeatedly made the statement that there was no preference in this matter, carrying out the same line of argument that they do now, that all this story of a preference was a humbug. Now, whether the duties in the general tariff are high or low, does not in any way affect the extent of the preference. No matter what the duties may be on the general tariff, the preference rate is one-fourth less. Even if the contentions of hon. gentlemen opposite were correct, and if we had largely increased the general tariff, the fact would still remain that there is a real and genuine preference of one-fourth of the duty. If the goods of a British merchant come into the custom-house of Canada alongside the goods of a foreign merchant, the preference makes itself manifest immediately, because while the goods of the British merchant are admitted for 75 cents, the goods of the foreign merchant cannot be admitted until they have paid \$1. That is the simple fact, and I am sure it is understood by the British people, it is understood by the British merchant, it is understood by the British manufacturer and, therefore, there is not any shadow of foundation for the statement that we have misled or deceived the British public. My hon. friend beside me reminds me that it is also thoroughly understood by the American manufacturer. In support of that I may call attention to the fact that Colonel Bittinger, the American consul at Montreal, recently addressed a report to his Government at Washington, in which he pointed out that the decided preference which is given British goods in Canadian markets was operating against the trade of the United States. Now, as an illustration of the extent and value of this preference, I want to give the House a specimen invoice of goods imported by one of the large mercantile houses in

Canada. The merchant imported 91 packages of dry goods covering a wide range. I will read you a list of the articles :

Gloves, caps, wool fabrics, lace, wool cloth, garter elastic, wool yarn, white cotton tape, ribbons, lace curtains, linens, damask, handkerchiefs, towels.

I think we may regard that as a fairly representative statement of a general line of British dry goods. Now, what is the effect of the tariff on that importation? Under the old tariff, the duty would have been \$3,754, equal to 30.62 per cent. The amount actually paid by the Montreal merchant who imported these goods was \$3,058.88, equal to 24.93 per cent, making a reduction in that one importation under the preferential tariff in favour of British goods of \$695.12, being equal to 5.69 per cent on the value of the goods.

Mr. FOSTER. What was the value of the bill of goods?

The MINISTER OF FINANCE. I think it was about \$12,000, but I find I have not put down the statement of the value. The value is given by the gentleman in the invoice, but I have not put it down in my notes. I have heard it said that the British preference is of no value after all, because it is only sufficient to meet the increased cost of importation of goods from Great Britain as compared with the cost of goods from the States. Well, the fallacy of that argument will be seen at once. If, with the preference, the British importer is only able to meet the American on even terms in the markets of Canada, then it follows that if there were no preference, the British importer would not have the ghost of a chance to get into the markets of Canada; therefore, the argument is evidently baseless. But in addition to that I have ascertained by the experience of a very large importing house in importing goods from England, that the freight, insurance, inland freight and shipping charges, &c., amount to about 10 per cent of the whole duty; therefore, there is 15 per cent of the 25 per cent duty still left, clearly to the advantage of the British importer. But the main point I want to note is the one I made a moment ago, that if it be a fact that the cost of importation from England is somewhat greater than the cost from the United States, and if by the preference the British exporter is only able to get amends in whole or in part for that increased cost, then it clearly follows that if there were no preference the British exporter would have no chance whatever in the Canadian market. The preference therefore is of very substantial value to him.

Attention has been drawn to the fact that imports from Great Britain have been increased but little, while our imports from the United States have increased a great deal. Well, there is nothing in that which our British friends can take exception to. We import from the United States a large

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amount of raw material, articles which England herself has to import, and which of course she could not expect to send us. Take, if you will, the matter of corn. No Englishman is going to complain because we admit corn free, for free corn, in a much wider sense than we have it, is one of the things of which most Englishmen are disposed to boast. Take the matter of iron. To a considerable extent England herself is buying iron from the United States to-day, and England cannot complain if we are importing from the United States the very class of goods she is obliged to import herself. The Englishman knows that we have given him a plain, straight preference of 25 per cent of the duty. Whether he can avail himself of that, is his business, and he can be safely trusted to look after that for himself. If he finds that the things which are being imported from the United States into Canada are things which by some accidental circumstances are made cheaper than he can make them, then the Englishman is going to look after the matter, and provide a remedy in due course. If, on the other hand, these increased imports are the result of our wanting to purchase things which England has not to sell, things which, by reason of the climate and soil of the United States, can be produced more cheaply in that country, or by reason of any special circumstance which cannot be overcome, then England will recognize the fact that we ought to import these goods from the United States, and she will herself follow in the same direction by importing these same goods, as she actually does. There are several reasons, however, why the British merchant has not been able to take advantage of this preferential tariff as largely as we hoped he would. I think the first reason, and it is a reason that we are pleased to note, is this, that under the broad and liberal tariff of the British Government the English manufacturer, the English merchant, is so busy, and has been so busy for several years, that he has no time to exploit new markets. It is a fact that the manufacturing industries of England are and have been for some time very prosperous, and when the manufacturers are so busy, naturally they are not disposed to stretch out their hands in search of new markets when they have all they can do to supply the old ones. Then there is another difficulty, and this is perhaps not entirely creditable to our English friends—and his only excuse must be that he is so busy—and that is the fact that the English manufacturer does not, in many lines, produce articles which the Canadian merchant and the Canadian people want.

I had a conversation, a day or two ago, with a gentleman who is a large consumer of cottons in Canada, and I asked him why he could not get these cottons from England. He told me that he had to buy them from the United States, because, as he said, the English manufacturer did not make the style of goods that he required, and was

not prepared to change his machinery to suit the Canadian market. Then, there is another reason. I read recently an interesting article from the London correspondent of the Montreal "Gazette" on Anglo-Canadian trade, based on a statement made by Mr. Chamberlain in the British Parliament, as to the extent to which trade with Canada was increasing. The writer, referring to the small increase that had taken place in British exports to Canada, said he had discussed the subject with several well known London merchants, who said that, before we could have any large increase in British exports there must be a body of Canadian merchants in London to whom the manufacturer could go and sell his goods. It is pointed out by the writer that the large business which is being done between England and the Australian colonies is carried on, not by direct communication between the Australian merchants and the manufacturers, but through Australian houses in London. "In this year's London directory," says the correspondent, "there are some 250 Australian and New Zealand export merchants and only five Canadians." All these things, I think, may be taken into account as reasons for the British merchant and manufacturer not being able to avail themselves more largely of the advantages of our preferential tariff. But, while the increase has been less than we would have been glad to see, let us not for a moment suppose that our new tariff has not been of substantial advantage to the British manufacturer, which he understands and appreciates. I have here a statement of British importations in 1898 showing the duty that was actually paid, and the duty that would have been paid under the old tariff. It is as follows:—

Value of goods, dutiable and free, entered for consumption from Great Britain (less coin and bullion)	\$32,043,461
Amount of duty that would have been collected on such imports if the average ad valorem tariff rate of 1896, on British goods, viz., 22.42 per cent, was applied.....	7,184,143 96
Duty that was actually collected, less estimated refund of \$100,000 on account of preferential tariff...	6,549,428 60
Amount of reduction on British goods in 1898 was	\$634,715 35

There is another view of this question of British imports which deserves consideration. If the imports of British goods have not been so large as we had hoped for, let us ask ourselves the question, how much worse would the situation have been if this preference had not been in operation? The blue-books show that the imports from Great Britain had been declining for a number of years. The importations for consumption for the three years 1896, 1897 and 1898 were as follows:—

1896	\$32,979,742
1897	29,412 188
1898	32,500,917

It might be of interest to go back a little further and see how these importations have been steadily going down as appears from the following statement:—

1893	\$43,148,413
1894	38,717,267
1895	31,131,737
1896	32,979,742
1897	29,412,188
1898	32,500,917

So, it will be seen that British imports into Canada had been declining from year to year. But the effect of our preferential tariff has been to arrest this decline, and to show an increase in one year of \$3,000,000. I venture to say that, when we reach the end of the year, there is a strong probability that the imports of the present year from Great Britain will show a still further increase of \$2,000,000. I have shown that the preference that has been given by Canada to Great Britain is a substantial preference, that Great Britain has availed herself of it to a very considerable extent, that we have been gaining because of this preferential tariff in our trade with Great Britain, and, I have no doubt that we will continue to gain as the matter is better understood by the English merchant.

There is another side to the question. Hon. gentlemen opposite have been constantly complaining that, while we give to Great Britain a preference, Great Britain herself gives us nothing in return. The hon. member for East Grey (Mr. Sproule) is strong on that point, and he has emphasized it by offering hears, hears, again and again. I must remind hon. gentlemen opposite that they sang the song of preferential trade for a long time, but they never accomplished anything, that they talked preferential trade, that they moved resolutions on preferential trade, but they never accomplished anything in respect to preferential trade, so long as they coupled with the proposition a demand for taxation on British food. I do not say that it would not be largely to the advantage of Canada to have a preference on Canadian grain. If the British people are prepared to tax the grain of foreign nations and admit Canadian grain free, no doubt it would be a very material advantage to Canada. I am not one of those who say that it will never be done. I know that some gentlemen think that it is so unreasonable that it will never be done. I am willing to believe that it is possible, not through the policy which has been pursued by hon. gentlemen opposite, but by the spirit that is fostered and encouraged by the action of this country in respect to the preferential tariff, and by similar offers that probably will be made by other colonies, there may be brought about such a state of public opinion in Great Britain that a change will be made in our favour. I am not going to set my face

against that, of course. But what I want to point out is that, so long as we demanded a preference, we never succeeded in accomplishing anything. When the question was approached in the right way, when we ceased to demand unreasonable things, when we said that we were prepared, in recognition of the generous treatment which we have always received from England, to give a preference to her in our markets, the heart of the Englishman was touched, and what he was not willing to do at the dictation of any colonial government he is willing to do voluntarily of his own account. So, it comes about that though there is no preference for Canadian goods on the British statute-book, there is a preference for Canadian goods in the hearts of the British people, and we are sending over every year increased quantities of the exports of Canada. This argument, which has been used before, I have heard it said, is not well founded. It has been said that the increase of our exports to Great Britain is only a part of the general increase of trade, and that the United States has had a similar increase. But the facts do not sustain that view. On the contrary, they show very clearly that the increase of Canadian exports to England have been, proportionately, much larger than the increase of American exports. The total exports from the United States to Great Britain for 1898 show an increase of something over 11 per cent, but, at the same time, the exports from Canada to Great Britain increased more than 35 per cent. The following are the figures showing the exports from both countries, coin and bullion not included :

Total exports from United States to Great Britain for 1897.....	\$483,270,398
Total exports from United States to Great Britain for 1898	540,458,367
Percentage of increase—11·833 per cent.	
Total exports from Canada to Great Britain for 1897.....	\$ 77,227,502
Total exports from Canada to Great Britain for 1898	104,998,779
Percentage of increase—35·960 per cent.	

Some of our opponents are not willing to recognize the preference which really exists in England for Canadian goods, but the information before us is most conclusive on this point. My hon. friend who represents the county of Kent (Mr. Campbell) gave us the other night an illustration of the preference which England gives to Canadian goods to-day. He told us that a few years ago, to his own knowledge, it was the practice of British importers to have Canadian goods marked as "American," for the reason that Canadian goods were not popular in the British market, but within the last year or two, so great is the interest in everything Canadian, he has received advice that he had better mark his goods under the name "Canadian," and now his goods are being sold under that name.

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But that is not the only evidence. I shall give to my hon. friends opposite another piece of evidence to show that although there is not any preference on the statute-books of Great Britain, there is, as I have said, a preference in the hearts of the British people. I have in my hands the report of the Federated Association of the Boot and Shoe manufacturers, at the annual meeting held at Leeds, on the 23rd November, 1898, and a further report of December, 1898. I quote from the report :

PREFERENTIAL TARIFFS FOR BRITISH GOODS.

The question as to the tariffs that are imposed upon boots and shoes by foreign and colonial countries, and the changes that have recently taken place in some of them, was brought before the meeting, particular attention being called to the fact that Canada had in August last established a preferential tariff in favour of British goods to the extent of remitting 25 per cent of the ordinary duty, and that this preferential treatment had already caused a very considerable increase in the general trade between Great Britain and Canada. It was pointed out that although the reduced duty on boots and shoes into Canada may not lead to a demand for English boots and shoes, yet the extra British trade in other goods must indirectly benefit the home boot trade, and that as Canada, Australia and other colonies are large producers of hides and leather, it would be wise to favour the importation of such colonial productions for manufacturing purposes.

It was resolved, on the motion of the president (Mr. S. Leonard), seconded by Mr. W. Hickson (Northampton) :

"That this meeting of the Federated Associations of Boot and Shoe Manufacturers of Great Britain records its appreciation of the change in the Canadian Government's commercial policy, which has, by the establishment of a preferential tariff for British goods, largely increased the trade between Great Britain and Canada, and trusts that further reductions in the tariff may be made. This meeting recommends boot manufacturers to give a preferential consideration to the leather imported from Canada, Australia and other colonies which admit British goods free or under a preferential tariff, and that a copy of this resolution, together with a complete list of the duties now imposed upon boots and shoes by foreign countries, be printed and forwarded to the members of the Federated Associations."

You will observe, Mr. Speaker, that there was nothing selfish in this resolution. Is it not another strong proof of the increased appreciation of Canadian goods in England? This resolution shows that the boot and shoe trade in England realize that they could not send any great quantity of boots and shoes to Canada, for no doubt they are aware of the fact that that is a line of manufacture in which we can compete with the world. But notwithstanding this, so keen was their appreciation of the new trade policy of Canada, that they passed a resolution advising their members to purchase Canadian leather. I have no doubt that the increased exports of the Canadian product in that line are due, in some considerable degree, to the fact that these boot and shoe manufacturers have in

this way shown their appreciation of the preferential tariff adopted by Canada.

I have another bit of testimony of the same character which I will give to my hon. friends opposite. They seem to be unwilling to believe that there is anything in this preference, but I want to give them evidence to show that the Englishman does give a preference to Canada, and that he gives it voluntarily and cheerfully, although he was not willing to be dragooned into it by hon. gentlemen opposite. In the Montreal "Herald," of the 22nd of April, there was a very interesting article on the growth of the canning industry in Canada. Mr. Innes, a gentleman largely engaged in the canning trade, tells the "Herald" of the extension of his business in various directions, and mention is made of the gratifying increase in sales to Great Britain. I quote from the interview :

"Are the goods giving good satisfaction?" was asked.

"Yes," said Mr. Innes, "they are giving excellent satisfaction, and British customers especially are inclined to favour us all in their power. They give the preference to Canadian goods, and are learning to trust us as to quality."

"Do you think, Mr. Innes, the strong Imperial sentiment that the present Government has fostered has helped your sales at all in Great Britain?"

"I do," most certainly," was the reply, "and I may say that we have sold thousands of dollars' worth of canned apples this past season through a happy idea in having the labels engraved so as to convey this sentiment."

And then, Mr. Innes exhibited to the reporter some handsome labels which he was placing on his cans, including quotations from Rudyard Kipling's "Lady of the Snows," a poem which is itself one of the most notable products of the preferential tariff.

An hon. MEMBER. Mr. Innes is a great Tory.

The MINISTER OF FINANCE. My hon. friend behind me says Mr. Innes is a great Tory. Well, this interview does great credit to Mr. Innes, and I have no doubt that there are thousands of men who used to be great Tories in the Dominion of Canada who are going to follow the Liberal Government hereafter, and will not any longer follow the hon. gentlemen opposite.

In another matter also, Canada is receiving a preference, as will be found from this despatch, which appeared in our newspapers, and which is dated London, April 28th :

London, April 28.—British Board of Trade emigration returns for the first three months of the current year are very flattering to Canada. The number of people leaving the United Kingdom ports for Canada show an increase of 24 per cent over corresponding period of 1898, while emigration to the United States shows a decrease of 15 per cent, and that of other British colonies, including South Africa, has practically remained stationary or shown a slight falling off.

So you see, Mr. Speaker, they are giving preferences to us in the matter of our goods, and they are giving that most valuable preference to us in the matter of immigrants who hereafter are going to come to Canada in larger number than ever before.

There is one item in our tariff to which I wish to make special reference, because it has been a subject of two discussions in this House during the present session. I refer to the duty on coal oil, and also to the regulations relating to the trade in that article. It must be admitted, I am sure, that the duty imposed on coal oil, although lower than it was under the old tariff, is still so high as to arouse much opposition, and it is quite evident that the Finance Minister will have little peace until he makes some further reduction.

The cost of coal oil has been made high in Canada, not only by the duty, but also by restrictions that have hitherto been placed on the trade. We removed some of these restrictions at the time we reduced the duty, and I have reason to believe that, so far as such removal of restrictions went, it had a good effect; but the complaint is made that we did not go far enough. Several hon. gentlemen making quotations of the prices of coal oil in the United States and in Canada have made the difference twice as large as the total amount of duty; so it is quite evident there is something at work besides the duty to increase the cost of coal oil in Canada. Now, the regulations which have been imposed in times past—partially for good reasons, and possibly in part taking the form of protection—have materially increased the cost of coal oil. Besides reducing the duty by one cent per gallon we increased the number of points at which oil might be delivered in tank cars; a change which, I think, was of some relief, especially in the North-west Territories. We also granted further liberty to the oil trade by permitting oil to be carried in tank vessels, subject of course to proper restrictions for safety. By some strange process of reasoning, or, rather by assertions without any reasoning, opponents of the Government have solemnly argued that by reducing the duty we made the oil more expensive, and that by permitting the carrying of oil in tank vessels we were doing some great injury to the public. Well, the one argument is about as reasonable as another. The folly of such representations will be apparent to all who give the matter a moment's consideration. The demand for freedom to handle oil in the most economical way, through the medium of tank vessels came from the maritime provinces. To refuse them that privilege would be very unreasonable. The system of tank cars is excellent for the inland districts, but water transportation is generally cheaper than rail transportation, and consequently wherever there is the open ocean or navigable water of any kind the people who live beside it carry their freight chiefly in ships. To grant

liberty to use tank cars, and refuse liberty to use tank vessels, was simply to deny to the people of the sea coast the advantages of cheap transportation which nature had provided for them. Throughout Canada to-day the problem of transportation is one of the most important that occupies public attention. Everywhere the desire is to economize in the cost of handling and transporting merchandise. For this we deepen our canals and increase the size of our steamers and barges to insure the cheapest water carriage. For this we increase the size of our locomotives and railway cars, improve grades and straighten curves, so that goods may be hauled over the land at the cheapest possible rate. Would it not be very absurd were we to do all these things in the interest of cheap transportation and then say that we would make the carriage of oil as expensive as possible?

Since the carriage of oil in tank-ships is a recognized means of transportation, what possible reason could be given for shutting out the people of Canada from that method? To say that the people on our sea coasts should be compelled to receive their oil in barrels, would be about as reasonable as to say that the people of Ontario might import coal from the United States, but should be compelled to bring it in wheelbarrows. Whether one company or half a dozen companies avail themselves of the privilege which we grant, is no concern of ours. Our duty was to remove the restrictions and give to the people who live beside the sea, an opportunity to enjoy the same privileges of cheap transportation as are possessed by the people of other civilized communities. I believe that the privilege of tank vessels has only been used to a moderate extent, but there is no doubt that it will grow and cheapen the cost of the article, just as cheap transportation in any other line of goods reduces the cost to the consumer. While the Government have unquestionably taken a step in the right direction by reducing the duty on oil and removing some of the restrictions which have added to its cost to consumers, there is still room for improvement; and, though we put aside until another time the question of further reduction of the duty, we propose to make further concessions to the people with respect to the restrictions imposed on the oil trade. At present, all petroleum, whether Canadian or imported, must be barrelled before being inspected. The package must bear the inspection marks, and inspection fees must be paid, varying from $\frac{1}{2}$ cent to $\frac{1}{2}$ cent per gallon according to the size of the package. We propose to sweep away all these restrictions. Canadian oil will be inspected at the refineries, and imported oil at the port of entry; and, having been so inspected, it may be removed or sold without restrictions as to packages. The inspection fees will be entirely abolished. The present law contains provisions for guaranteeing the safety of the

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oil. These must be adhered to and rigidly enforced. But, apart from what may be necessary in the interests of safety, our aim will be to allow the utmost freedom in the handling of the oil. My hon. friend the Minister of Inland Revenue will introduce immediately a Bill to abolish all the restrictions to which I have referred. There is no doubt that a large part of the oil business will still be handled in barrels. The tank cars and ships will come to large centres, where the oil will be stored in tanks, and from thence distributed in barrels to different parts of the country. Wherever the conditions of the trade require that, well and good; but, where they do not, we do not propose, hereafter, to compel the people to buy oil in barrels. Such regulations as may be necessary to insure safety to the people by the confiscation of any oil found in Canada which does not come up to the proper standard, must be maintained, and possibly made even more rigid; but beyond that we shall abolish all these troublesome regulations, and in that way give to the people a large measure of relief, although not at present reducing the duty on oil.

We do not propose, Mr. Speaker, to make any changes in the tariff this session. In making this statement, I do not, for one moment, assume that the tariff is perfect.

An hon. MEMBER. No.

The MINISTER OF FINANCE. My hon. friend says, No; but, if it is the same old National Policy that he, last week, said it was, it ought to be perfect, in his estimation. I may find some little fault in it, but my hon. friend ought not to do so.

Mr. N. CLARKE WALLACE. I did not make any remark whatever.

The MINISTER OF FINANCE. Then, I beg the hon. gentleman's pardon. I understood my hon. friend to say, "No," when I said that the tariff was not perfect. Some other hon. gentleman said so. I wish, however, to point out several reasons why it is not expedient to change the tariff at present. In the first place, a certain reasonable degree of tariff stability is always important, if we are to have that confidence in business without which we cannot hope to have prosperous times. Therefore, even though in all respects the tariff may not be as we would like it, it is better to bear some imperfections than to enter upon revisions which might create disturbance in the business of the country.

But there are further reasons against present change. It is to be remembered that our Tariff Act of 1897 legislated not only for the present, but for the early future. It was a graduated measure, the latest stage of which only came into effect a few months ago. It was not until the 1st of August last that our preferential tariff came fully into force. Our tariff policy, therefore, has been in operation in its present shape for only

nine months. Hence, while recognizing the fact that there are imperfections in the tariff. I feel that it will be better, for the present, to bear with those apparent imperfections than to enter upon a revision of a tariff which, in its present condition, is only nine months old, and under which Canada is prospering; as never before.

There is another reason which is entitled to consideration, although I will frankly say, that it may not weigh as much in the mind of the House now as it did some time ago. I refer to the negotiations between the United States and Canada respecting commercial relations and other matters, which are soon to be resumed by the Joint High Commission, at Quebec. My right hon. friend the Prime Minister, in a recent speech, said it appeared as if Canada no longer wanted reciprocity. Perhaps that statement was a little stronger than some of us would care to make it. This I will say: There never was a time when reciprocity was not desirable, and I do not suppose there will ever be a time in the history of Canada when it will not be desirable that liberal trade relations should exist between the people of Canada and the people of the great republic to the south of us. The people who live along the boundary line, whether in the United States or in Canada, must always find it a source of inconvenience and embarrassment to be denied a profitable and reasonable commercial intercourse. The people who live near the sea shore, in the New England States on the one side, and in the Maritime Provinces on the other, must always feel keenly the denial of that trade intercourse which nature seems to have intended them to have. All this I fully recognize, as respects the Canadian side of the subject. Nevertheless, it is true that the demand for reciprocal trade relations with our neighbours to the south is by no means so strong as it was a few years ago. Whatever our American friends may have intended by their trade policy, there is one thing that they certainly have done: they have made Canadians more independent and self-reliant, and have caused them to look more steadily than before to their home market and their markets over sea, where there is an open door. Especially have our producers given attention to the British market during the past two years, when our trade relations with the mother country have been so developed and increased by the preferential tariff. Therefore, the market of our friends to the south is much less important to us than it was a few years ago, and we are better able to do without reciprocity than we have been at any previous time in the history of Canada. Nevertheless, I say again, there never has been, and I trust there never will be a time when reciprocity between the United States and Canada will not be desirable. Our commissioners will resume their important duties at Quebec in August, with the same

earnest desire that they have manifested in the past to bring about a satisfactory trade arrangement with our American brethren. If it shall appear that no such arrangement can be made, while we shall all regret it, we shall be prepared to go on our own way cheerfully, with full confidence in the resources of our country and in the ability of our people to develop them successfully, for there is but one feeling among the Canadian people from ocean to ocean—that Canada shall have a fair treaty or no treaty at all.

I have presented, Mr. Speaker, some evidences of the remarkable growth and prosperity of Canada, which I am sure, even though presented in the dull form of statistics, must make a deep impression upon the minds of all who give attention to them; and this growth will be the more striking when viewed with the assistance of the diagrams which will be distributed in a few moments.

And now, Sir, in conclusion, let me say that Canada has much reason to be proud of the position she occupies to-day. It is a splendid exhibit of her financial and industrial condition which we are permitted to present to the world. But, Sir, in the midst of all this prosperity I would venture to utter a word of caution. It is said that one of my distinguished predecessors in office, at a time when trade was fairly prosperous, advised business men to "clap on all sail." Far be it from me to utter that sentiment to-day. I can assure you, Sir, that I have no disposition to offer such advice as that. I would much rather, if I thought that words of mine would have any weight, utter a word of caution in the spirit of Kipling's "Lest we forget; lest we forget." In the midst of this great prosperity, I would remind my hearers that the conditions which have brought it about cannot be expected to prevail always. It will not constantly fall to the lot of a Finance Minister to make such an agreeable statement as I have the pleasure of submitting to-day before the House of Commons of Canada. We cannot always have good crops and good prices. Conditions at home and conditions abroad may be such as to bring about a check to all this prosperity. From the experience of the past we know that the pendulum which has now for two or three years been swinging strongly in Canada's favour may soon fall back. There may soon come a time when things will not be so prosperous, and so I would to-day rather, as respects our national housekeeping and in the business world, utter a word of warning and advise our people to make a wise use of our present opportunities so that when less prosperous times come to us, as come they will, we shall be able to bear them easily.

Let our aim be, not to have what is commonly called a "boom" in trade, but to lay strongly the foundations of our business, so that Canada may move steadily forward in

all things necessary for the welfare of her people and the advancement of her position as the greatest colony of the British Empire.

Mr. FOSTER. I do not want to ask any favours, but we have been here since three o'clock, and I have been trying to listen and take notes of the immense mass of details which has just been presented to us, and though I would much prefer myself to go on and get through with my reply to-night, I think my request would not be unworthy of consideration—more especially as I have been suffering with a severe cold for the last two days—if I were to ask that we should now adjourn the debate.

The MINISTER OF TRADE AND COMMERCE (Sir Richard Cartwright). I fully admit that my hon. friend, if he wishes it, is perfectly justified in asking that the debate be adjourned. We have had a most interesting and able discourse and we would be paying a very poor compliment to my hon. friend if we were not to give hon. gentlemen opposite a day to digest and answer it.

Mr. FOSTER moved the adjournment of the debate.

Motion agreed to.

The MINISTER OF TRADE AND COMMERCE (Sir Richard Cartwright). The House has listened for a long period with great patience, and unless my hon. friend desires it, I do not propose to ask him to stay any longer. Of course if he wants, we can go on with supply.

Mr. FOSTER. I am not on the list of wants.

The MINISTER OF TRADE AND COMMERCE moved the adjournment of the House.

Motion agreed to, and the House adjourned at 9.25 p.m.

HOUSE OF COMMONS.

WEDNESDAY, 3rd May, 1899.

The SPEAKER took the Chair at Three o'clock.

PRAYERS.

ELECTION FRAUDS IN MANITOBA.

Sir CHARLES HIBBERT TUPPER (Pictou). I have a motion to make in relation to a matter which I have already men-

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tioned on two occasions. On both occasions the Prime Minister (Sir Wilfrid Laurier) asked me to let it stand, and finally asked me to bring it up to-day. It relates to the Ninth Report of the Select Standing Committee on Public Accounts presented last session, reading as follows:—

The committee have had under consideration an item of \$10,964.41 to Archibald & Howell, J. D. Cameron and W. E. Perdue, for legal services and expenses in connection with prosecutions for election frauds in Manitoba (including \$4,000 transferred from Unforeseen Expenses), as set forth under the heading Miscellaneous Justice—North-west Territories, on page 1—7 of the Auditor General for the year ended 30th June, 1897; and in connection therewith have examined witnesses under oath, and for the information of the House report herewith the evidence given by such witnesses, and the exhibits filed during the said examination, so that the inquiry may be dealt with and continued at the first available opportunity at the next session of Parliament, and your committee recommends that the said evidence and exhibits be printed.

Hon. members on the Treasury benches who were members of the Public Accounts Committee, will recollect that they attributed some importance to the fact that this inquiry was to be continued at this session of the House. There were suggestions that there should be a report, and a motion that the committee should report at that stage was withdrawn on the undertaking I then made that I would be prepared to continue the inquiry, as in the language of this report, "at the first available opportunity at the next session of Parliament." Accordingly some days ago I proposed to move the motion that I have now in my hands, but at the request of the Prime Minister I postponed that until the next meeting of the House, and again at his request I postponed that motion until now. I therefore move:

That the evidence and proceedings before the Select Standing Committee on Public Accounts during the last session of this House respecting certain prosecutions in the province of Manitoba, be referred to the said committee appointed for the present session for further consideration.

Motion agreed to.

BRIDGES OVER THE PIGEON RIVER.

Mr. HUGHES asked:

Is it the intention of the Government, this year, to construct swing bridges over the Pigeon River, in Emily Township, in order to allow vessels to reach the village of Omemeé?

The MINISTER OF RAILWAYS AND CANALS (Mr. Blair). There has been some correspondence on this subject, and it is now in the department, with reference to building swing bridges over the Pigeon River, but it is not the intention of the department to construct such bridges. We do not consider that the river is under the