## 1896 TO 1899. Deficit.

1896-7 .\$519,981 44 1897-8 .....\$1,722,712 33 1898-9 ..... 4,837,749 00 \$6,560,461 33 519,981 44

Total surplus for three years .....\$6,040,479 89 Average annual surplus ..... 2,013,493 29 Deficit, three years,

1893 to 1896 .....\$5,694,759 34 Surplus, three years, 896 to 1899 ..... 6,040,479 89

r m ent, last rears .....\$11,735,239 23

# e Present Budget.

nent, be it remembered, takes the surplus for the present Some times hon, gen-0.000, ite are a little anxious as to of our Dominion in regard to It will be interesting have not given attention to the of course I know that several en opposite are quite as faaps more familiar than I am igs, but to those who have not n to the subject it may no ould remind them that the Canada which will begin to ortly in the Mother Country rate of interest.

#### ations to Redeem.

ill come within a few years have to redeem our obligamount of \$167,000,000, But, we have \$67,000,000 of sinkat we shall have to borrow val between now and the for the renewals of old We may, in the mean ake some additions to our he carrying on of the public untry although we are delous capacity for carrying s without adding anything lebt. We cannot always exas prosperous times as we it may be necessary, to meet penditures of a practica something to the public

at we will have to add on the average and also debt to the amount of we we will be able at or, I think, in 1913, at improvement in the in improvement which d for one moment is due Government, because la occupied a good position ad we hope we have iming to the steady improve years in the credit of be able to float our new lower rate of interest than (Applause.) fiThe difthe rate that the old loans ate at which we shall be ooking as far to the future ie money that we require, at I believe that ten or nce we shall find ourselves ition that shall actually be ey for interest than we do

#### ANT EXPENDITURES

rge expenditures of the enerally to the question enditures. I think that of that question can take on, gentlemen opposite to take up the expenditure and show wherein there which has been wasteful

I think that every fair-Canada who is interested will feel that he is bound haracter before he forms enst the expenses of this ow that many men take these marters, but even w it will be found that has not been anything gant government which opposite would picture it

rgeable to consolidated population, for the I find that according to eing statistics of popula by the statistician of the Agriculture, our expenses ere \$7.88 per head, not the ture in the history of Can-

eral years in which the exess than \$7.88 per head, and 1896, which was somewhat was \$8.50 per head : in 1888 was \$7.84 per head, while

## Nominal Increase.

ly pointed out that while ent increase of the expennominal increase, mas not carry with it any bur-I have given the tration of the case of the ery dollar of increased exave received a dollar back. so say that for every dol pended on the working ex-C.R. I think we will receive ack so that these increased are more nominal than real.

## Approximate Estimate.

view that so many people take, I would point out that iture of \$7.88 last year per population is based upon the e Department of Agriculture. d that the gentleman who has hat branch of the public busihis estimates from year to year upon a well-established scale of percenta sed upon the past increase of the popula tion. Of course it is only an approximate not prosperous, when the country is not growing, this approximate statement will probably be above the true statement, while In times of great activity, these statements will be below the true statements, and have no hesitation in saying, from such means as I have of enquiry and observa-tion, that the figures in all these statements, based upon the method of calcula tion pursued in the past, do not represent correctly the population of Canada. population in 1899 is put down at 5,312,500. but I think my hom. friends opposite will agree with me in what I said a moment ago, that this approximate statement is likely to be an excessive statement in hard times, and underestimated in good times, and, that being the case, we may reasonably believe that in these great and growing times in Canada the population is greater than is given in this statement. this be so, then our expenses per capita are actually below what it was in some of the years of the late Government. (Hear,

Mr. Foster-Is the hon, gentleman going to take up the expenses per head on both

The Minister of Finance-I do not take up the capital expense, but I shall be glad at a later stage to look into that ; I have not the figures with me. I have already shown that the capital expense on canals larger than when hon, gentlemen opposite were in power, but the per capita expense will have to be treated as a question whether we are prepared to finish the canals in a hurry or carry them on quietly.

## TOTAL TRADE OF CANADA.

I want to submit a statement of the total trade of Canada for different periods. There are various way of measuring the prosperity of the country: the population is one, the value of land is another, and the total trade is another. I think we can appeal to every one of those to prove that Canada is prospering to an unprecedented degree to-day. I speak particularly

low tariff period. There was a Conservative Government in power for part of the time and a Liberal Government for part of the time, when we find a much lower tariff.

Sales of Land.

A very interesting statement, which I will only present in brief, though honor-

able gentlemen in the West would, per-

Government and the C.P.R.

haps, find it of special interest; it is one showing the sales of land made by the

Company in the Northwest. In 1895, 1896 and 1897 the C.P.R.

urns show that they had actually sold

land in those years, or to put it in other words, the sales of land had not been as

great as the cancellations of previous sales. In 1898 the company sold 192,918 acres,

ceipts being in cash and scrip, were as

1895-6 .....\$ 93,303.63

growth and progress of our great western

Immigrants.

I have a statement of the immigrants ar-

riving in Canada for a series of years as

1897 ..... 19,304

In addition in the last three years about

Prior to 1897 there do not ap-

30,000 have come in from the United

pear to be statistics as to the immigra-

rou got the information as to the na-

tionality of the immigrants arriving

The Minister of Finance-I am

aware whether the Department of the In-terior has them. My honorable friend,

the acting minister, can perhaps look into

A further illustration may be given by

the importations of settlers' effects, which

1897 ..... 2,233,730

1899 ..... 2,805,950

erable increase in the last two years.

It will be seen that there is a consid-

am glad, however, to be able to quote an-

other authority as to the increase of im

migration from the United States. My honorable friend the leader of the Opposi-

opportunity of addressing 57 public meet-

ings in Canada in every province, and at

had taken up their residence in Canada.

Mr. Prior-Would the honorable gentle

man say whether the leader of the Oppo-

sition stated when these immigrants came

The Minister of Finance-In the report

of the honorable gentleman's very excel-

lent and patriotic speech I see no reference

Mr. Foster-You do not know whether

they are actual settlers on lands or whe-

ther they are simply counted by our im-

drew any such distinction.

information; I cannot give it,

IRON AND STEEL.

Government.

22,893,259

21,607,553

24,751,932

24,315,988

27,076,309

scale than before.

in the world.

of Newfoundland.

province will be worked on a much larger

But the new enterprise which have pro

ably attracted the most notice is that which is now being established in the old town

of Sydney, in the Island of Cape Breton.

There a company of capitalists, largely

Canadians, but led by a very able gentle-man from the United States, is engaged

one of the largest iron and steel plants

Advantages of Sydney.

The elements which go to the success

ful production of iron and steel are believed to exist in the vicinity of Sydney in an ideal condition. You need coal, iron

and limestone, and all these may be found

in abundance in Cape Breton. In addition

to that they have the great advantage there

of having their coal at tide water, and they

can have what is practically a ferry com-

municating with magnificent iron deposits

The company has acquired one of the most valuable iron deposits in the world

in Newfoundland, and contemplates using

the ores of that colony as well as the ores

of the island of Cape Breton. There are at this moment, I am advised, 2,000 men

at work, even at this inclement season

getting the works in shape, and within

the next two months, as soon as spring

opens and the opportunity comes of work-

ing on a larger scale, I am informed that

the number of men employed will be dou-

is likely to engage in operations on a very

The old town of Sydney, while always a

beautiful place and full of historic inter-

est, was not very progressive; but it is to-

Sydney is likely to become the Pitts

in Sydney as there is in some of the older

towns with ten times its population. Every

indication points to a great and successful enterprise, one which is likely to be productive of great advantage to Canada and no doubt also to the enterprising capi-

The company has ample capital, and

in establishing what I believe will

\$22,212,884

migration officers when they come in.

there made a very patriotic

September he had the

Total.

\$56,729,535

57,564,287

57,562,703

66,332,860

66,859,434

76,664,545

1898 .....

such an immigration in those years.

.. .... .... .....

and in 1899 they sold 266,874 acres.
The sales of Dominion lands, the re-

follows:-

follows:-

1899

years?

that.

my notes.

shut out?

nationalities.

ago, and

to Canada?

GOVERNMENT.

the 27th of last

were as follows:-

Then we had the period from 1878 to 1896, which, I suppose, my hon, friends opposit do not object to my calling a high tariff Then, we have the period from 1896 to the present time, which, if not a very low tariff, is certainly a period of a moderate

revenue tariff. Percentage of Increase.

I find that the total trade in 1868 was \$131,027,532, in round numbers; in 1878 \$172,405,454, an increase, in ten kears, in the low tariff period, of \$41,377,922, the percentage of increase in the ten years sing 31.58 per cent., and the average annual increase \$3,761,627. Now we come to the period from 1878 to

1896. The total trade in 1878 was \$172,405,457, and in 1896 it was \$239,025,360. The ncrease in 18 years was \$66,619,906, the percentage of increase in 18 years was 8.64 and the average annual increase was Now we come to the period of moderate tariff. The total trade for 1896 was \$239,-025,360 and the total trade for 1899 was

\$321,661,213, an increase in three years of \$82,635,853, against an increase of \$66,000,-000 in the whole 18 years of the National The average annual increase in this pres-

ent period has been \$27,545,284, against an average annual increase of \$3,701,000 in the period of the National Policy. The percentage of increase in our three years is 34.57, as against 38,64 in the 18 years of the National Policy. The Current Year.

We have a statement of our trade for the ight months of the current year, and shall present an approximate estimate for the remaining four months. If our trade for the coming four monents should keep pace with the progress of the last eight months we would then have the increase for the four years over 1896 at \$135,227,247. The average annual increase for the four years would be \$33,806,811, against an average annual increase of \$3,701,000 in the days of the National Policy. The percentage of increase in the four years would be 6.57, as against a percentage of 38.64 in he 18 years of the National Policy. Now, converting this into a statement of the annual increase, we find that in the ld tariff period from 1868 to 1878, the otal trade increased 3.15 per cent., and

from 1878 to 1896 it increased 2.14 per cent. There was a lower rate of increase of trade under the National Policy than there was under the Macdonald-Mackenzie tarriff. From 1896 to 1899 the annual increase 11.52 per cent., as against 2.14 per cent. in the days of the National Policy. If we take the eight months' actual figures of the present year and the four months' estimate, we will find that the annual increase in the current year is 14.14 per cent., against 2 per cent. in the days of the National Policy. (Cheers).

Mr. Wallace—At what do you estimate the total trade for the current year? The Minister of Finance-I have given the increase but have not at hand the fig-ures on which it is based. The increase the four years over 1896 is estimated

Increase of Trade.

I have here a statement showing the increase of trade during the last eight

The imports, exclusive of coin and bulion, in the eight months of last year, were \$96,342,000. This year they were \$115,228,000-(Cheers)-an increase of \$18,

Now the exports, leaving out coin and bullion, last year, for eight months were \$96,810,000; this year \$110,058,000, an increase in the exports of the produce of Canada of \$13,248,000. the aggregate trade for the eight

months of last year it was \$193,152,000. and for the eight months of this year \$225,286,000—(cheers)—an increase in last eight months of \$32,000,000 over the phenomenal trade of last year. (Renewed comparative state-I have here some

ments which are usually presented in a vince of Ontario several new establish-budget speech respecting the circulation of ments have been started within the last the chartered banks of the Do- year or two, and there is I believe every minion Government. That statement is probability that the iron deposits of that

# CIRCULATION OF NOTES OF CHARTERED BANKS AND DOMINION

1	Date.		Banks.
31st	October,	1894\$	34,516,651
166	66	1895	35,955,150
66	66	1897	41,580,928
46	"	1898	42,543,446
66	"	1899	49,588,236
Tho	ro is no h	etter criterion	of the gen-

eral business activity of the country than the circulation of the small notes-the \$1 and \$2 notes, such as a wayfaring man, even though he may be a member of Parliament, may expect to get hold of. The larger notes get into the hands of the more favored people, but the average of mankind is fortunate to possess these \$1 and \$2 bills; it is one of the best tests of the activity of the trade of the coun-Taking the figures at the highest point in each year, which is the time the being moved at the end of Ocfind the circulation of Dominion notes of \$1 and \$2 was as follows:-

## DOMINION NOTES.

Dominion notes of denomination of \$1 nd \$2 in circulation:-

Date.	Amount.
31st October,	1894\$7.031.368
66	1895
66	1896 1,085,112
- 18	1897 7,940,020
44	1898 8,012,002
44	1899 9,421,886

## BANK CLEARINGS.

The bank clearings which business men recognize as one indication of some value as to business activity were as follows for Montreal, Toronto, Winnipeg, Hamilton,

Halifax and St. John: The bank clearings in six cities of Canada were:-Year ended 31st December, 

1899 ...... 1,549,966,696 The six cities are Montreal, Toronto, Winnipeg, Hamilton, Halifax and St. John. The clearing house at St. John was only established in 1896. This shows an enormous increase in the

The discounts of the chartered banks of Camada from the year 1894 to the 31st January, 1900, were as follows: bank clearing.

## DISCOUNT.

CHARTERED BANKS OF CANADA.  Date.  30th June, 1894\$224,371,222	and no doubt also to the enterprising capitalists who have put their money into
1895 224,627,632	***
** 1896.	
" 1899 283,713,938 31st January, 1900 301,694,768	There is a feature that I may be pardoned for making a passing allusion to,
The deposits in the chartered banks and in the Post-office and Government savings	though possibly it may be a little bit of vanity on my part. I feel a certain in-

tioned:-

banks are as follows for the periods men terest in the matter, not because I hap-DEPOSITS BY THE PEOPLE.

Deposits by the people in the Chartered Banks of Canada and in the Postoffice and Government Savings Banks:

the sea.

burg of Canada.

		Postoffice and Government			
	Date.	Chartered Banks.	Savings Banks.	Total.	
h	June	1894\$174,930,936	\$43,036,012	\$217,966,948	
	66	1895 180,664,121	44,450,498	225,114,619	
	46	1896 183,769,992	46,799,318	230,569,310	
	46	1897 201,141,688	48,934,975	250,076,663	
	46	1898 227,063,343	50,111,118	277,174,461	
	"	1899 258,402,340	50,241,715	308,644,058	
t	January,	1900 269,841,396	51,562,908	321,404,304	

I have here a brief statement which will occupy only a few minutes' summarizing.
The railway traffic for the past two years is as follows:-

RAILWAYS IN CANADA.

			Miles in
			operation.
	1898		16.718
	1999		17 950
	1899	RAILWAY TRAFFIC.	. 11,200
		RAILWAY TRAFFIC.	
		No.	of passen-
		ge	rs carried.
		8,1	0 444 040
	1898		8,444,049
	1899		9,133,365
		No	o. of tons
ı		freigh	it carried.
ŀ		2	8 785 003
ľ	1898		0,100,000
ı	1899	3	1,211,753
ı			Gross
ı			Earnings.
ŀ			\$50 715 10°
ŀ	1898		00 049 704
ľ	1899		02,240,10
ı			Working
ŀ			Expenses

1898 .....\$39,137,549

1899 ..... 40,423,281 Net Earnings.

pen to be the medium through which the Government before Parliament made its legislation on that subject, not because last year I introduced on behalf of the Government our legislation with reference to bounties by which we continued the system that had been in existence dufing the four years previous, another period

of years, but for another reason.

I should not have great hope of the mining industry in Sydney if I thought it would have to rely for its success upon the continuance of the bounty system, and I am glad to recognize that these gentlemen who have put their capital into it look to the day when that industry will flourish without the aid of Government bounties, because they have put their money into this enterprise on the faith of the act passed by this Parliament by which the bounty is to be diminished from year to vear until before many years it will cease

#### altogether. (Hear, hear.) Another Great Undertaking.

rect outcome of another's great undertak ing, led by the same enterprising Ameri can citizens which I had the honor of submitting to the Legislature of the Province of Nova Scotia for its encourage. when I occupied the position of Prime Minister there. When I remem-ber the struggle I had to make for my political existence to get that measure through, and the struggle I made in this Parliament when some honorable gentlemen came up to Ottawa and carried their opposition to the door of the Governor-General's office, I can look back with pride and satisfaction to the movement of day, and feel that time has vindicated that policy of the Nova Scotian Government, and that the enterprise then started has been fruitful of advantage to the pro-vince and the direct cause of the creation 1896-7 66,264.91 1897-8 109,096.78 of this new enterprise which bids fair to make the town of Sydney the Pitts. burg of Canada. (Cheers.)

#### SHOW RELATIVE TRADE.

I presented last year, simply as an in teresting item of comparison, because it not properly a matter pertaining to the budget, some figures showing the relative trade of the United States and Canada, and I think they were found quite interesting and by many surprising. It is well that we should recognize that the United States is a more self-contained country than Canada. They have a greater variety of soil and climate than we, and are able to obtain in the way of dotion from the United States if there was mestic trade many products which we have to obtain from foreign countries.

Mr. E. F. Clarke (West Toronto)-Have In that respect perhaps our American neighbors have the advantage of us, but we enjoy this compensation that in this more ocean ports during the last two or three northern clime we have a bracing atmosphere which probably more than any where The Minister of Finance-I have not it in else in the world is conducive to the bring Is there any particular nationing up of a race of strong men and ality the honorable gentleman wants to The domestic exports of the U.S. in 1898 were \$16.05 per head and those of Canada Mr. Clarke-I would like to get all the n thesame year amounted to \$27.54 per head The total foreign trade of the U.S. in 1898 was \$24.60 per head, and that of Canada \$56.29 per head. (Cheers.)

I have also the figures for 1899. The domestic exports of the U.S. in that year were \$15.84 per head and of Canada \$25,-85 per head. The total foreign tra U. S .in 1889 amounted to \$25.31 per head; that of Canada to \$58,90 per head, (Renewed cheers.)

#### TARIFF REFORM.

Let me say something on the question of the extent to which this Government has carried out the policy of tariff re-My hon, friend the leader of the Opposition has once or twice spoken of the tion visited the city of Boston a few days extent of our tariff reform at 71-100 of 1 per cent. while his hon, friend who speech which does him infinite credit. In sits mear him and who is perhaps more the course of that speech he said: "Since accustomed to deal with figures, has placed in a resolution on the journals of the House at 1.71 per cent., which is a great these meetings he had met hundreds of former citizens of the United States who deal more than the statement of the hon. leader of the Opposition. However, neither statement is exactly

correct. I have here a statement prepared in the Customs' Department showing the imports for consumption during the fiscal year of 1898-99 to be \$154,051,593 on which the duty collected amounted to \$25,734,228...

This, however, includes the sum of \$38,-384.68, which was collected in the Yukon in 1897-8, but was not credited to the Receiverof that kind, and I do not imagine that General until 1898-9. The value of the importations upon which this sum was paid by way of duty is not included in the total value of imports for onsumption for 1898-9, nor was it included

The Minister of Finance-At a later in the previous year. It should, therefore, stage, perhaps, the acting Minister of the be deducted in striking the average ad Interior can look into that and give the valorem rate of duty on last year's im-The sum of \$54,109.84 was refunded under last year, and it should, therefore, ducted in striking the average ad valorem A gratifying evidence of the increasing The goods covered by such amount activity of recent years, and especially last rate. year, has been the growth of enterprises refunded were originally entered under the general tariff owing to absence of necesof considerable importance for the manusary certificates of origin. On production facture of iron and steel. In the Proof such certificates refund was allowed. Therefore, the net revenue on importations

> Importations for consumption for the fis eal year 1898-9, less coin and bullion, were \$149,346,459, and net duty paid thereon \$25. 641,734.22. The average ad valorem rate on importations, less coin and bullion, was The importations for consumption for fiscal year 1895-6, less coin and bullion, were \$105,361,161, and the duty paid thereon

of the fiscal year 1898-9 was \$25,641,734.

was \$20,219,037. The average ad valorem of importations, less coin and bullion, Thus we find that while the rate in 1896 was 19.19, the rate in 1899 was 17.17, or lifference of 2.02. This is equivalent to 10 1-2 per cent. of the duties. (Cheers.) If the rate of 1896—19.19—be applied to the importations for consumption for 1898-9, less coin and bullion, it will be found that \$3,017,851 more duty would have been col-

Now, 2.02 may strike some persons as a very small reduction, but it is a very sub stantial reduction if you look at it in the right way. It is equivalent to a reduction of 10 per cent. of the total duties, and if you convert it into dollars you will see that if the old tariff had been in operation and imposed upon the importations which have been referred to the duty which the people have been obliged to pay would have been \$3,017,000 more than they actually paid.

## Not a Fair Measure.

I wish to point out, however, that the average ad valorem is not a fair measure of the tariff reform. You could have a much larger measure of tariff reform without reducing the ad valorem duty a single point. If you should increase your duties on luxuries and diminish them on things which may be regarded as the necessaries of life you could, by such a process, have a very great tariff reform and yet your of averages is somewhat misleading.

## Proof of Tariff Reform.

When hon, gentlemen desire to know what the tariff reform has been they must take up the individual items of the tariff. Last year, under our tariff, we added materially to the free list. There were, be sides, 14s items on which the duties had been reduced in the general tariff, and on every one of these items which was imported from Great Britain that duty was further reduced to the extent of the preferential tariff. (Hear, hear.)

I think that will be an indication that day experiencing a boom such as is often heard of in the western country, but selthere has been a very considerable measure dom happens in our quiet towns down by of tariff reform. Then there is another point to be remembered. Even taking your average you have There is to-day I beas great a demand for town lots

saved not only 2.02 per cent. on your imports but you have saved also 2.02 on your purchase of goods from the home manu-We all know that to every rule there are exceptional cases. Of course the price of the home product is governed by the duty on the foreign article, so when our tariff was readjusted and this reduction was

#### made the reduction not only affected all the articles imported, but it obliged the home manufacturer to reduce his price to correspond with the price of the imported article under the reduced duty. And he was able to do that by the increased volume of business he was doing. Therefore, people received the advantage of that reduction and the manufacturer did more business than ever before. So it will be seen, I think, that there is a very rarge

reduction in the tariff.

## Opposition Views.

Hon. gentlemen opposite delight to say to this again because the view is too often the preferential tariff. when we brought it down. It was never spoken of by those hon, gentlemen as the National Policy then. May I be permitted to read again the words of the leader of the Opposition on the tariff of 1897?:

"The result is that this tariff goes into operation and the hon, gentleman knows that the industries of this country are already paralyzed in consequence while hon. members gloat over the destruction of Canadian industries.

## A Sorrowful Wail.

"I was reading the wail, the sorrowful wail of those industries in the Montreal Gazette, where one manufacturer after auother declared that those industries were ruined, that their mills must close and that they saw staring them in the face a return to the deplorable state of things that existed when the hon. gentleman who last addressed the House was in charge of the fiscal policy of this country.

"I say that a deeper wrong was never inflicted upon Canada, I feel that so far from rejoicing at it from a party standpoint I deplore from the bottom of my heart the ruin that is going to be inflicted upon the best interests of Canada and up-on its great industries. Still, I unhesitat-

try that no reliance can be placed upon the most solemn declarations that they the most solemn declarations that make either in the House or out of it. they are showing the people of this country that having obtained power which was all they wished for they are now prepared to abuse that power at a cost of a sacrifice of the industries of Canada."
Sir Charles Tupper—May I ask my hon.
friend if he thinks it is fair, I do not say to the House, because he does not expect, I am sure, to impress the House with a statement of that kind, for everybody here understands the question; but does he think it is fair to the country to read a speech made by me upon an entirely different condition of things from that which exists to-day and to present that as a criticism of the tariff? Minister of Finance-My hon, friend may ask a question, but this is not the time for him to make a speech.

Sir Charles Tupper—The hon, gentleman knows that he substantially changed that

Minister of Finance-My hon, friend will have an ample opportunity of presenting his views and I am sure he will not expect to make a speech now. I was just coming to the point to which he refers. He has had many a bad quarter of an hour trying to explain that speech. that it applied to an entirely different state of affairs. When his attention was drawn first to this matter last year he said that that speech applied to the tariff as the Fin-Minister first brought it down, but that the Finance Minister had made changes a little later. That is the view he is suggesting now. If his criticism did not apply to the tariff so amended, the tariff might be all right. But we do not find that at the time the bon, gentleman said the changes made in the tariff were all right. He said we were blundering along and bringing affairs into hopeless confusion.

#### To Improve the Tariff.

Now, when we brought down that tariff we did not imagine that wisdom would die with us. We knew that there were thousands of men in Canada able to give good opinions upon the tariff, opinions from which we might learn something. And when we did learn something, we had the courage to come down and say so and to

make the change. And so, with a change in one Mem and a change in another,, here a little and there a little, we made it a good tariff, but has the hon, gentleman said that it was a good tariff? No, he and his newspaper organs throughout the country, and par-ticularly the Toronto Mail and Empire, declared that we had ruined the National that we had cut the duties unsparingly all up and down the line. Now, he would have us understand that these changes made the tariff all right, so that this criticism which I have read would not apply. But that was not his position three days ago in this house; what did he say

#### Had a Different Story.

When this quotation was read by my hon, friend from East Huron, the hor leader of the Opposition rose, but had far different story to tell us then. He said that that criticism applied to the tariff of 1897 but that that whole tariff was changed in 1898.

So it was the tariff of 1898 to which he said his criticism must not be held to ap-I tell the hon, gentleman that we ide those changes which were necessary and proper from the first draft or the tariff and he and his organs throughout the country condemned that tariff as being as bad as before.

And the other night he said that because we made the changes in 1898 we should not hold him responsible for this criticism, which applied to the tarm of 1897. what followed? He had the opportunity three days ago to vote for the essential principle of the tariff of 1898 and he hastened to put himself and his party in opposition to that principle, and though he was not here at the time the vote was taken his vote is recorded against it. And so, Mr. Speaker, we have the tariff as brought down in the first draft, then the final draft of 1897, and then the tariff of 1898; and from beginning to end the whole was condemned by the hon, gentleman who declared that it was going to prove disastrous to the interests of the country.

Sir Charles Tupper No.
The Minister of Finance—No? Then if
the tariff of 1898 was a good tariff why did the hon, gentleman vote against the preference feature of it? It is too late for him to come and pretend-Sir Charles Tupper—, aid not vote against the tariff of 1898. I voted against the statements made in the motion of the hon. member for Hallfax, that I considered were untrue. But I will ask the hon, gentleman this question: Was not the tariff of 1897 the Cobden medal tariff? And is the tariff

of 1898 a Cobden medal tariff. The Minister of Finance-My hon. friend would have been glad not many years ago to have had the Cobden medal. He poses as a great disciple of the National Policy, but my memory carries me back to a time when men who were more loyal to the National Policy than he was brought into this House a resolution to sustain certain features of the original National Policy, and when the hon, gentleman found he was in a difficulty over it he voted against the National Policy rather than resign his office. I do not know that the tariff of 1897 or

the tariff of 1898 has any relation to the Cobden medal, but I know that they were good tariffs for the Dominion of Canada and that under them Canada has prospered as never before in her history. (Cheers.)

## Should Cease Explaining.

Now, I think my hon, friend had better cease trying to explain away this criticism of the tariff. He had better be frank enough to say, for I know he feels it, that he made a mistake. We all do make mistakes, you know. He ought to say, I was wrong in 1897 and 1898; I did not understand the matter, and I am frank enough to say that you have brought down a good tariff, under which Canada has prospered, and I congratulate you upon it. That is the course he should take, though average duty might be just the same as he may not want to take it. If, in the face before, or higher, consequently the system of all I have shown him; if, in the face of the goods transferred to the free list ; if, in the face of duties reduced from over 50 per cent. down to 25 and 26 per cent.; if, in the face of 148 items in the general tar-iff reduced; if, in the face of the 25 per cent. reduction under the preferential tariff ; if, in the face of all light and all reasoning, he insists upon saying that this is the old National Policy, then I can only borrow a remark of the Minister of Cus toms and say that if this is the National Policy then the people of Canada will say. Better leave it in the hands of men like the present Government, who can get some good out of it than to put it into the hands of men who, though they claim to have invented the machine, evidently never knew how to manage it." (Applause and laughter.)

## WEST INDIAN TRADE.

I desire to make some reference now to question which has frequently engaged the attention of the House. I refer to the West

Indian trade. Many years, ago the eastern provinces of Canada had a very large and prosperous trade with the West Indies. Unfortunately in later years that trade did not flourish. From time to time various efforts have been made by several Governments to improve these trade relations. after delegate has gone to the West Indies, but somehow or other, although every ef fort was made, I have no doubt, that was possible, very little good was accomplish ed. Two years ago, in 1898, in the hope that we might be able to improve matters somewhat, with the twofold purpose of trying to improve our trade and at the same time, perhaps, lending in a small degree a friendly hand to the efforts which were being made by Her Majesty's Governmow that there has been no reduction at all. They say that our tariff is only the lindies, I submitted to the House a proposal old National Policy. I am obliged to refer to extend to the West Indies the benefits of I am frank to say now the increase

trade under that preferential tariff with the West Indies has not been so great as we had hoped for. I realize, however, that the difficulties are great bon. friend from East Huron (Mr. McDon-ald) read a quotation the other evening to show what was thought of this policy we had hoped for. I realize, however, that

ence to the cane sugar of the West Indies in another form. Though they have no special legislation which says that cane sugar from the West Indies should be adin another form. Though they have no special legislation which says that cane sugar from the West Indies should be admitted on favorable terms, they have a sys-tem of countervailing duties whereby the beet sugar of the continent is subject to extra duties, and the effect of that is cane sugar becomes very attractive in the United States market.

The difference in value between cane and beet sugar, owing to the difference in duty, is very considerable, and naturally the West India planter finds that market so Boston or New York, and when he is there selling his sugar it naturally follows that he has a strong disposition to buy his needed articles which he carries back with him. We recognize the difficulties of the case.

Figures on the Trade. I have here the figures of the trade, im-

ports and exports, with the West Indies for a few years past. In 1894 our imports from the West Indies amounted to \$1, 769,000 and our exports to \$2,400,000; in 1898 imports were \$753,000, and exports \$1, 785,000; in 1899 we imported to the value of the other hand. It is but fair to say that from the standard from the other farmers, equally intelligent, think that in some of the more farmers, equally intelligent, the food of the people. England was asked again and again to accept this condition, and just so long as that demand was made the great journals and the great leaders of the improvements that have been made in machinery, the best root sugar industry thought in England scoffed at preferential trade of that kind, and when the change of

of \$955,471, and exported thither to the value of \$1,990,000. While I do not for a moment pretend that these are satisfactory figures, I nize that we ought to have if poss ter trade relations with the United States, and this Government is certainly desirous of doing everything that is reasonably possible to that end. Several of the West India Islands have entered into agreements with the United States whereby, in addition to the advantage which is already given to cane sugar under the system of countervailing duties, a further advantage may be granted to the United States. At this moment there are as respects three of the islands conventions pending before the United States Senate and before the colonial legislatures with a view to establish

trade relations on that basis. If the seven colonies in the West Indies uld establish these arrangements with the United States we would certainly be precluded from getting any special arrange-ments with them. What may be the result of these conventions one cannot at this moment say.

#### The Island of Trinidad.

There is one island in particular, how ever, with which we have recently had some negotiations. The Island of Trinidad is one of the most prosperous islands of the West Indies. It has a population of about 300,000, one-third of whom are coo-lies, people from the East Indies; less than one-third are whites and the remainder are negroes.

Among all the islands of the West In dies, there is not one with which we ought to be more desirous of cultivating trade lations. In addition to the market of Trin idad, the island stands in a particularly favorable situation for doing business with the neighboring republic of Venezuela is connected, we may say, with Trinidad by little more than a ferry. It is only a few miles from Port of Spain to ports of the Venezuelan Republic.

Negotiations Opened. For all these reasons we have been very anxious to deal with the colony of Trini dad if we could be met on fair terms. My hon. friend the Minister of Trade and Commerce, feeling the importance of this enterprise, sent out his deputy (Mr. Parma-lee), one of the oldest and most experienced of our public officials, to make enquiry into the conditions of the West Indian trade. After going over these islands, understanding the conditions of their negotiations with the United States, he came to the conclusion that the island with which we ought to attempt to negotiate was the is-

land of Trinidad. About the same time the Colonial Government of Trinidad was moved to approach Canada. Although the preferential tariff with the West Indies has not accomplished very much, it had titls good effect, that it made the people of Canada deal in a friendly and brotherly way with them, and there have been frequent manifestations of good will on the part of the Island of Trinidad towards Canada since the adoption of that preferential tariff.

Sent a Delegation. The Colonial Government sent to Ottawa short time ago two gentlemen representig the island, the Hon. R. H. McArthur, of the customs department of Trinidad. the Hon. G. T. Fenwick, member of the executive council. These gentlemen were not commissioned to make any formal arrangement with Canada nor to make any formal offer, but they did assure us that there was a strong desire on the part of the Government and people of Trinidad to establish closer trade relations with the Dominion of Canada. They did not submit any formal offer, as I say, but they led us believe that a proposal approximating to free trade between Canada and Trinidad would be the means of leading the people of that island to turn their eyes towards Canada rather than to follow the example of their sister colonies, in making special treaties with the United States.

#### The Proposal Submitted.

Having fully considered the master; having regarded the position of the other islands in their relations with the United States and the great importance of our obtaining relations with Trinidad if it could be done, we came to the conclusion to make a proposal to the Colonial Govern-ment. That proposal I now wish to submit to the House, and it will be this day made public in the Island of Trinidad and come before the Colonial Legislative Council at a session which I believe is to be held on Monday next. On the 27th of Febreary a proposal was made to the Colonial Government in the following terms: In view of your recent representations, if details can be satisfactorily arranged, Dominion Government agree, subject to the approval of the Dominion Parliament, to a free interchange of the products of Trini dad and the Dominion of Canada, except spirituous liquors and tobacco, goods to be carried direct per ships between the Brit-ish West Indies and the Dominion of Canada. Detailed lists of special articles comprising the principal products of both Trinidad and the Dominion of Canada to be made on which the duties against other countries remain the same as the present rates in Trinidad and the Dominion of Canada, or not to be made under minimum rates to be fixed in accordance with the agreement. Both Governments to be free to make such commercial arrangements as may be desirable with any part of the British Dominions. Agreement to be for five years and afterwards to continue till terminated after one year's notice has been

given by either of parties. We have not yet been placed in the position to know the views of the Colonial Government in regard to the proposal, but this being the earliest moment at which we had an opportunity of submitting it to the House, we desire now to make its contents known. The substance of the proposal is that there should be, with a few exceptions, free trade between Trinidad and Canada, but it will be upon conditions that our Trinidad friends are willing to accept and which they desire to accept, that shall be a preference as between Canada and foreign countries in favor of Trinidad and that, in Trinidad, there shall be a preference in favor of Canada on the products

which Canada may send to the Island of Trinidad. (Applause.) The scheme is one, which, I think, will commend itself to the House. I do not, at this moment, know what will be its fate. We know that our brothren to the south of us are very active in cultivating trade reiations with the island there. that they have already secured treaties with some of the islands, and we know that they have already made proposals to Trinidad. I take it that our Trinidad friends, while well disposed towards us, will look upon this to some extent as a business proposal. They will compare the advantages of our schome with the advantages which may be offered by the United States. due time we shall receive further information on the subject, and at the present I do not think it is desirable to say more in

regard to the proposition.
Mr. Foster-Would the hon. gentleman know the products that Trinidad would probably export to this country? The Hon. Minister of Finance-The chief products of Trinidad are sugar, cocoa and

Mr. Foster-And coffee Minister of Finance-They raise cocoa, out I do not think there would be a very creat export of coffee. Their great progreat export of coffee. just is sugar. I have a full statement and would be very glad to give all the facts policy. For years that policy was promut-gated on the floor of this House and later on. The fact is that there is so much material, and the tendency of the budget speech is to grow to such an extent that ourposely left the figures out, but I shall be glad to submit figures of the trade and commerce of Trinidad.

Mr. Sproule-One step towards the Coblen medail Minister of Finance-My hon, friend will never see a Cobden medal. The only hope that I offer him is that when the time comes that he shall pass in his checks. world may remember him as it remembers the name of Richard Cobden. (Hear, hear.)

## Beet-Root Sugar Machinery.

The only change in the general tariff trade, and it adds another item to the free While we gave a preference on national grounds to the products of the West Indies of a resolution providing that machinery, not a resolution providing that machinery, not of a class made in Canada, but imported of a class made in Canada, but imported

> of free trade that the hon, member for East Grey does not object to. We have had before us several large deputations from farmers and their representatives in the Province of Ontario, interested in the beet root industry. It may be remember by many hon, members who are familiar with the facts, more familiar than I am, that a few years ago the beet root sugar industry was established in the Eastern Townships and that the late Government thought fit to give that industry considerable material encouragement. For a few years the business was carried on, but it finally proved a failure and was abandoned. There is an opinion among many of the most important and intelligent farmers of Canada that the beet root sugar industry is not one adapted to our soil and climate. On the other hand, it is but fair to say

able basis, and that is the opinion of number of gentlemen who did me the hon of waiting upon me the other day. favored a bounty and the other deputation, while having an eye to windward for a bounty that everybody looks for, seem to take the view that if a bounty was necessary it would be provided by the government of Ontario which was particularly interested. That deputation only asked the government to aid the enterprise by granting an exemption of the duty on the ma-

chinery. I understand that for the establishement of a plant of sufficient capacity to engage in this business on a large scale it would require the investment of \$500,000, \$300,000 of which would have to be paid for machin-ery to be imported from foreign countries. There is a certain class of machinery, boil ers and engine, which may be made in Canada, but the greater portion would have to be imported from the United States, France or Germany, and it is upon the machinery which will be so imported from foreign countries that we propose to grant that exemption. If the proportion is as large as it has been represented to be, the exemption of such machinery from duty will be a very important concession to them. However that may be, we have felt it in-expedient, at this time, to deal with the question of bounty, but we willingly grant the concession which is asked in relation to the duty on machinery.

#### NO OTHER TARIFF CHANGES.

I have said that this is the only item we propose to deal with in detail. I do not propose to contend, for a moment, that the other items of the tariff are perfect. are, no doubt, some blemishes in it. We think we have a pretty good tariff. (Applause.) No doubt there will be difference of opinion on this question, and there always will be in this country or in the United States, or in any other country excep England, which has a tariff that is beyond attack. There will always be room for de-While I do bate on the tariff question. claim that the tariff is perfect in all its items. I say there are strong reasons against disturbing it in its details. (Hear, hear.) There are some duties that are higher than I would like to them, and there are some duties which, probably, are lower than they should be, and an increase of a few of these duties might make the tariff symmetrical and equit-

But there is a view that I would like to those who advocate present that of changes would like to remind them there are very few items in the tariff which stand alone. As I said in 1897, in intro-ducing the tariff changes, the tariff had been and must continue to be, to a certain extent, a matter of compromise. are different sections in our vast territories which have different interests which It must be the often come in conflict. part of wisdom and of statesmanship to try and reconcile these different views by a policy of moderation and reasonable compromise.

It was upon that principle that the tarif was formed, it is on that principle that I defend it to-day, it is on that principle that I that any honorable gentleman who may have to deal with the tariff question in our lifetime will have to defend this tariff, whatever it may be. I have said that there are few items standing alone; almost every item bears a relation to another item, and if you propose to alter one item you will, of necessity, be obliged to change some other item. I desire to emphasize the fact that those hon gentlemen who may be advocating changes in particular items that, in opening up any one item, you may have to disturb another item. There are items which concern one section of the Dominion, and there are items which con cern another section, and if you attempt to deal with the details of the tariff you may find that your changes are wider and more far-reaching than you had expected.

#### Relations With the States.

It may be that there are some items which are high, higher than I would like to see them, on goods imported from the United States, but we have a good answer changes. If, to make to those who ask for in the United States, there had been manifested any great desire to have better trade relations with us, I am sure there would be a very strong demand from many people in Canada for reductions in the But our tariff on American products. American neighbors feel it to be their duty and, they feel it to be consistent with their best interests not to encourage closer trade relations with Canada. And while they take that position we do not think the moment is favorable for making reductions upon articles which are produced in the

United States. The Joint High Commission, though it has not accomplished much, has not yet come to the end of its term. It is theoretically, at all events, still an open question, and though there may be no immediate prospects of its reassembling, it has not yet been dismissed by the only authorities who can terminate its existence. If we shall have an opportunity of opening up trade relations with the United States, I am sure this Government will not fail take advantage of it. If that opportunity does not come, then I do not think there will be as much desire as there would otherwise be for a reduction of duties on American products. In any case, sir, whether we have closer relations with the United States or not, whether we have negotiations with them or not, I am sure that what has already happened between this Government and the Government of the United States in relation to that question affords abundant guarantees to the people of Canada that Canadian interests will be safeguarded at every point. (Hear, hear.)

## PREFERENTIAL TRADE.

May I now say something in reference to the question of preferential trade, which was discussed a few days ago, but which is a matter too important to be overlooked in a budget speech? I am glad that the issue between the two parties on that question has now been defined, but I regret, and I say it with all sincerity, that honorable gentlemen opposite have not been able to take our view of the method of dealing with the Mother Country. It would have been a very gratifying fact if upon that question, as upon the other question of sending our brave sons to Africa, the two parties in Canada could have stood side by side and worked hand in hand. (Hear,

However, honorable gentlemen opposite have their own view of preferential trade, and though we may not agree with it, we must at least have a clear understanding of what it is and why it is that we are unable to agree with them. These gentlemen opposite have made one thing very clear, and that is that they have faller back to the old ground which they occupied years ago, that ground which declared that no concession of any kind should be made to our Mother Country unless the Mother Country would give us dollar for dollar and cent for cent. Whatever difference there may be between us, there is no difference on that point that that is the policy of the Conservative party as led by my honorable

#### No New Desire. Well, Canada has had experience of that

throughout the country. The desire for preferential trade was not born yesterday, nor even in 1897. There was something in the thought which appealed to the heart of every Britisher, and honorable gentlemen opposite, realizing that fact, repeatedly brought the question up for discussion. Why did they never make any progress: Why did their every step meet with failure? It was simply and solely because they asked that which was impossible? They found the Belgian and German treaties an insuperable difficulty. The Belgian and German treaties were peculiar in their character. They were different from what were called the Favored Nation Trea-ties. The Favored Nations Treaty dealt ties. only with the relation of Great Britain to foreign countries, but the Belgian and German treaties related to the family affairs of the British Empire. They provided that no other or higher duty should be levied on the products of Belgium or of Germany in the colonies than were levied on the products of Great Britain, and at every step the Conservative Government took in the direction of preferential trade these treaties rose up as an insurmountable obstacle.

## Obstacles Never Removed.

Day after day and year after year speeches were made and conferences were held and resolutions were passed asking that these obstacles be removed, but they were never removed ,and why? It was because honorable gentlemen opposite and all who agreed with them on that subject insisted upon asking things that were at the time and even now are impossible. England was asked to give up the most cherished principles of her modern fiscal system. England, which, after a great struggle under Bright and Cobden, had made the people's food free, was asked to turn back the hands of the clock and tax