

House of Commons Debates

FOURTH SESSION—SIXTH PARLIAMENT.

HOUSE OF COMMONS.

THURSDAY, 27th March, 1890.

The SPEAKER took the Chair at Three o'clock.

PRAYERS.

PRIVATE BILLS.

Sir HECTOR LANGEVIN moved :

That as the time for the reception of the reports of the Committee on Private Bills expires to-day, the same be extended until Thursday, 17th April next.

Motion agreed to.

MESSAGE FROM HIS EXCELLENCY.

Mr. FOSTER presented a Message from His Excellency the Governor General.

Mr. SPEAKER read the Message as follows :—

S ANLEY OF PRESTON.

The Governor General transmits to the House of Commons Supplementary Estimates of sums required for the Service of the Dominion, for the year ending 30th June, 1890; and in accordance with the provisions of "The British North America Act, 1867," he recommends these Estimates to the House of Commons.

GOVERNMENT HOUSE,

OTTAWA, 26th March, 1890.

WAYS AND MEANS—THE BUDGET.

Mr. FOSTER. Mr. Speaker, in rising to-day to present my second annual statement to the House respecting the financial operations of the completed year 1888-89, of the current year and my estimates for the year succeeding, I think I may congratulate the House and the country upon the satisfactory nature of one and all of these three. I think I may also congratulate the House and the country upon the results of the past twelve months. They have not disappointed the hopes which were expressed concerning them when I made my annual statement a little more than a year ago. The general state of the business of the country has been reasonably good, and although a deficiency of harvest in

some portions, and the unseasonable state of the weather, and the somewhat low prices which ranged for some of the staple articles, have had their depressing effects, on the whole the year has been, as I have stated, a fairly average one. The general trade of the country has kept up, and in fact somewhat exceeded that of the preceding year, and, as a consequence, the returns which were anticipated have been fully, or very nearly fully realised. The railway building during the past year has been vigorous, as will be shown later when I come to speak of the sums which have been taken from the public treasury in the way of payment on construction of railways which have been subsidised, and the volume of traffic which has been moved in our country has been larger than in any preceding year of its history. Ocean freights have continued high, and the vessel owners of the maritime portions of the Dominion have reaped a rich and well-merited reward from the vessels which they have owned, while upon the great lakes and rivers of Canada the tonnage has been well employed and the season has been fairly remunerative. I find that the immigration of this year has been superior in numbers and superior in class to that of many preceding years, and there are indications that that is now taking place, which is to be, I believe, the strongest factor in drawing people into this country; namely, the formation of a nucleus of people in our country, especially in the North-West, who having passed the earliest and severest stages of settlement, and having come into prosperous and settled conditions, are writing home to their friends and spreading information, which is the strongest and best means of drawing immigrants from those far-off countries to our own shores. Not only have those interests of which I have spoken been prosperous, but, I think I may say, from a general review, that the lumber interests have had, on the whole, a satisfactory year. The farmers and the fishermen have probably had not more, if not something less, than an average year; but, taken on the whole, their condition is one of reasonable prosperity, and without the want

and hardship which are found in many countries outside of Canada. While the internal trade and the condition of the country has been thus fairly satisfactory, there has been something done as well towards the realisation of the hopes which have been entertained for a number of years, and which were placed in a permanent way of being fulfilled last year, by means of the generosity of this House, which granted a sum of money towards the establishment of swift communications between Canada and other important sections of the world. Since last year a contract for building the Canadian Pacific vessels which are to ply between Vancouver and Victoria and China and Japan has been let, and within a year we shall see some of the best equipped and swiftest vessels making their regular voyages between our country and those far regions of the East, between which there will spring up, I believe, a very large and a very profitable trade. The Atlantic fast service has not materialised, but the failure has not been due to any fault of the Government. A contract was entered into which it was supposed would have had the result of placing a satisfactory line of steamships on the ocean between our ports and those of Great Britain and France, but various causes which are well known to hon. members—the great rise in prices of ship-building, stimulated as they were by the rise in freights and by the operations of the British Government as well—rendered the fulfilment of that contract impossible, and also made it impracticable, for a little time at least, to go into the market and supplement the effort which had failed to bring about the result we supposed it would. The West India trade, for which a sum of money was granted last year, has been inaugurated, and we have now three direct lines, with monthly sailings, between the ports of the Maritime Provinces and different ports of the West Indies and South America. The two which ply between Halifax, Jamaica and Cuba, respectively, are routes which have been heretofore tried; the one which plies between the ports of St. John and Demerara, in connection with the West India Islands, is a new venture, and I am happy to be able to state to the House that, notwithstanding the newness of the enterprise, the numerous ports which have to be called at, and the expensive nature of these as ports of call, the pioneer sailings have been eminently successful, and the interest which has been awakened in the West India Islands, and more especially in our own country, leads us to believe that these lines will develop a large and growing trade between our country and that section of the southern country to which we must look largely as an outlet for our products in the future. Taken all in all, we have passed a

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year in Canada in which want has been practically unknown, in which labor has been well employed, and has found good remuneration, in which peace and order have abounded in all our borders, and out of which the 5,000,000 people, who have enjoyed the blessings of prosperity and peace in their homes look for the advent of other years, the successors of the past, equally prosperous and equally happy. Coming now more particularly to the first part of my duty, which is to lay before the House a statement of the proceedings of the year 1888-89, I may say that the estimates of revenue compare with the receipts as follows:—

REVENUE, 1888-89.

	Estimate.	Actual Receipts.	Difference.
Customs	\$23,533,971	=\$23,726,783	+ \$ 192,812
Excise	7,068,143	= 6,886,738	- 181,405
Miscellaneous	7,999,180	= 8,169,349	+ 170,169
Totals	\$38,601,294	=\$38,782,870	+ \$181,576

This is satisfactory, not only as regards the closeness of the estimate to the amount which was realised, but also as regards the sum total which was realised as the revenue of the past year. Comparing 1888-89 with 1887-88, the results are most satisfactory. The Customs show an increase over the preceding year of \$1,620,857, or $7\frac{1}{3}$ per cent.; Excise, an increase of \$815,252, or $13\frac{2}{3}$ per cent.; and Miscellaneous shows an increase of \$438,299, or $5\frac{2}{3}$ per cent.—and the total increase was \$2,874,408, or an increase of 8 per cent. over the revenue realised in 1887-88. If we take the revenues derived in 1880-81 and compare them with those of last year, we will find that the increase in Customs and Excise has been 28 per cent., and the increase in Miscellaneous $43\frac{1}{2}$ per cent., and when we consider that this last is made up of investments and earnings, it is satisfactory to find that the larger increase is in that particular line of our revenues. The figures are as follows:—

	Customs and Excise.	Miscellaneous.	Total.
1880-81	\$23,942,138	\$5,693,158	\$29,635,297
1888-89	30,613,522	8,169,347	38,782,870
Increase	\$6,671,384	\$2,476,189	\$9,147,573
	28 p.c.	43½ p.c.	or 31 p.c.

The following are the principal items from which increased Customs duties were received last year, as compared with the year 1887-88:—

Animals	\$ 10,044
Arrowroot, biscuits, &c.	15,218
Grain of all kinds	50,510
Flour and meal	106,015
Carriages	56,706
Carpets, N. E. S.	8,426
Coal and coke	14,912
Cotton manufactures	6,906

Fancy goods.....	\$ 24,332
Flax, hemp, &c.....	30,220
Fruits and nuts, dried.....	5,213
Gutta percha.....	21,331
Iron and steel.....	318,739
Leather, manufactures of.....	14,256
Marble, and manufactures of.....	3,741
Musical instruments.....	8,554
Provisions.....	156,328
Silk.....	60,369
Soap.....	6,527
Spirits and wines.....	191,003
Stone.....	4,764
Sugar of all kinds.....	242,390
Molasses.....	16,831
Sugar candy.....	7,584
Tobacco.....	48,853
Wood.....	46,218
Wool, and manufactures of.....	162,110

In the following articles there has been a falling off in the duties paid :—

Bricks and tiles.....	\$ 5,030
Coffee.....	3,665
Drugs.....	10,233
Embroideries.....	6,942
Fish.....	3,778
Fruits.....	27,765
Furs.....	5,991
Gloves.....	13,319
Hats.....	5,289
Metal.....	5,280
Oils.....	16,073
Paints.....	5,261
Seeds and roots.....	35,607

When we come to Excise, we find there has been an increase all round, as will be seen by the following table :—

Excise.	1887-88.	1888-89.	Duty.	Increase duty over 1887-88.
Spirits...	2,405,716 gals.	2,972,931	\$3,873,607	\$774,591
Malt...	48,640,467 lbs.	51,111,429		
	or		530,949	30,922
Cigars	15,944,002 gals.	16,363,349	563,172	9,105
Tobacco	90,783,558	92,599,320		
Cigars & Snuff	9,248,033 lbs.	9,749,213	1,840,522	99,980
			\$6,808,250	\$914,598

It is satisfactory to know that this increase of spirits is not supposed to represent a corresponding increase in their use as a beverage. It is explained by the Inland Revenue Department as being largely due to the duty paid alcohol taking the place of methylated spirits in the preparation of tinctures and liniments and the like. For the information of hon. gentlemen, so that they may not have to refer to the report, I have a statement showing the use per head of spirits, wine, beer and tobacco, comparing 1867 with 1888-89 :

	Spirits.	Beer.	Wine.	Tobacco.
	galls.	galls.	galls.	lbs.
Average since 1867..	1'176	2'633	'143	2'116
do do 1889..	'776	3'263	'097	2'153

Sir RICHARD CARTWRIGHT. On what population is the percentage based ?

Mr. FOSTER. On the percentage used by the Customs Department in the calculations of its averages. Turning now to the question of expenditure, it was intimated last year that it would reach \$36,600,000 ; the actual expenditure has been \$36,917,834, an increase of \$317,834. To show how this increase came about, I may state that the amount expended for interest on the public debt shows an increase over 1888 of \$325,618 ; superannuation, an increase of over \$6,000 ; militia, an increase of over \$50,000 ; mail subsidies and steamship subventions, a slight increase ; ocean and river service, an increase of \$106,636 ; lighthouse and coast service, an increase of \$22,521 ; expenditure upon Indians, an increase of \$112,000 ; miscellaneous, an increase of \$128,000. There were also considerable items of decrease, but taking the two together, they show a difference of expenditure over that of the estimate, of \$317,834. The amount that was estimated for revenue, as I said before, was \$38,601,294 ; the amount which was actually received was \$38,782,870. I estimated last year that we would have a probable surplus of \$1,900,000, the actual surplus is \$1,865,035, a surplus which was very close indeed to that which was estimated, and which was very satisfactory, as showing an increase over the preceding year. Taking the surplus of the past year and adding to it the sinking fund, which is so much offset against the public debt, the two sums amount to \$3,601,679. Taking the minus surplus of 1887-88 and the sinking fund of that year, they amount to \$1,129,046 ; so that the operation of the past year as compared with that of the preceding year, counting surplus and sinking fund together, shows a favorable difference of \$2,472,633. The following table shows the capital expenditure, estimated and actual :—

Capital Expenditure.	Estimated.	Actual.	Over Expend't
Railways and Canals.....	\$2,772,867	\$3,682,774	\$909,907
Public Works.....	385,700	575,408	189,708
Dominion Lands.....	100,000	130,684	30,684
North-West Rebellion....	1,205	31,448	30,243
Redemption of Debt.....	3,094,386	3,516,091	421,705
Railway Subsidies.....	1,183,428	846,721	336,707
	\$7,537,586	\$8,783,126	\$1,245,540

In railways and canals, the excess is owing to the fact that these works were under contract and they were pushed with great vigor, and consequently earlier and larger payments had to be made

than were anticipated. In public works the increase was caused by an expenditure of \$243,334 in improvement of the St. Lawrence. In the redemption of debt the increase in the expenditure over the estimate is owing to the fact that we have redeemed \$300,000 of 6 per cent. currency of Canada, British Columbia Bonds, \$33,000, and some A and B stock, making a larger expenditure for redemption of debt than was anticipated, but which is, of course, so much of our debt moved out of the way. In regard to railway subsidies, it is a difficult matter to estimate with any degree of certainty what will be the expenditure, as it is not known with what vigor the work will be pushed, or how many of these companies may make contracts and go on with their work. Deducting redemption of debt, there was a capital expenditure last year of \$5,267,035, against a capital expenditure, exclusive of redemption of debt, of the preceding year, of \$5,464,521. The net debt on the 1st July, 1888, was \$234,531,358, showing an addition in that year of \$7,216,583. The net debt on the 1st July, 1889, was \$237,530,041, showing a net addition of \$2,998,683. Taking the operations of 1888-89 over 1887-88, and comparing them with the operations of 1887-88 over 1886-87, I find that there was a gain in revenue of \$2,874,408, or 8 per cent. in 1888-89, as compared with a gain of \$153,970, or less than one-half per cent. in 1887-88. There was an increased expenditure of \$199,339 on consolidated revenue, or one-half per cent. in the former, as compared with an increase of \$1,060,815, or 3 per cent. in the latter year. The surplus of 1888-89 shows an amount of \$1,865,035 as compared with a deficit of \$810,031 in 1887-88. The capital expenditure is a little less, while the debt increase was less than \$3,000,000 as against the previous year's increase of \$7,217,000. The following statement will show this :—

1888-89 over 1887-88.	1887-88 over 1886-87.
Gain in Revenue, \$2,874,408, or 8 p.c.	
as compared with \$153,970, or nearly $\frac{1}{2}$ p.c.	
Increased Expenditure, \$199,339.	
or $\frac{1}{2}$ p. c. as compared with \$1,060,815, or 3 p.c.	
Surplus of \$1,865,035 as compared with (deficit) \$810,031.	
Surplus and Sinking Fund, \$3,601,679	
	as compared with \$1,129,046
Capital Expenditure \$5,267,035 as compared with \$5,464,521	
Debt Increase, \$2,998,683 as compared with \$7,216,583	

Passing to the year 1889-90, it will be found that about a year ago I estimated that the Customs would yield \$23,900,000, the Excise \$7,125,000, and the Miscellaneous \$8,150,000, or a total of \$39,175,000. The receipts up to the 20th March of this year have been : from Customs, \$17,-

259,352 ; from Excise, \$5,179,220, and from miscellaneous, \$5,440,932, or a total of \$27,879,504. If we were to proceed upon the supposition that we would get from the 20th March to the 30th June of this year the same revenue in proportion that we received during the same period last year, it would add to these amounts : from Customs, \$6,913,819 ; from Excise, \$1,914,737, and from miscellaneous, \$3,080,238, or a total of \$11,908,794, which would give a total revenue of \$39,788,298. But I cannot proceed altogether upon that assumption. I find that the revenue has somewhat diminished since the 1st January, in comparison with the same months of the preceding year, and a proportionate allowance for the continuance of this diminution during the remainder of the year will amount to \$113,000. In the latter part of 1888-89 there was credited to the Consolidated Revenue Fund an amount of accrued interest of about \$100,000, as was also an amount of \$375,000 from Open Railway Accounts. These sums will not to that extent come into the revenue for the latter part of the current year, and making these deductions, I estimate for the current year : from Customs, \$24,000,000 ; from Excise, \$7,000,000, and from Miscellaneous, \$8,200,000, making the total revenue which I think we will get \$39,200,000, against my estimate about a year ago of \$39,175,000. The expenditure to 20th March of this year has been \$22,353,399. The expenditure last year from the 20th March to the 30th June, if applied to the remainder of the current year, would lead us to expect added expenditure of \$13,771,778, if we proceed upon the same scale of expenditure for the remainder of the current year, showing, on that basis, a total expenditure of \$36,125,177. I have, however, just placed on the table the Supplementary Estimates for the year 1889-90. They are a little larger than I had expected, and, therefore, in order to be on the safe side, I think the expenditure for the present year should not be estimated at less than \$36,500,000, which was the sum at which I estimated it a year ago. Suppose this holds good, the expenditure will be \$36,500,000, and the revenue on Consolidated Fund Account \$39,200,000, giving us a surplus for the current year of \$2,700,000 as against the surplus actually received last year of \$1,865,035. I am sure this statement is one which will be particularly pleasing to the House and the country, as showing the buoyancy of our resources, and the fact that we have a surplus of this magnitude without imposing any increased rate of duty, and in fulfilment of my forecast of about a year ago. In regard to the capital expenditure, including subsidies to railways, the position is as follows :—

CAPITAL EXPENDITURE, INCLUDING SUBSIDIES TO RAILWAYS.

	Expended		Estimate	Total.
	Estimated	to 20th	for re-	
	last year.	March.	mainder	
			of year.	
Rys and Canals	\$3,836,521	\$2,299,443	}	\$1,000,000
Pub. Works.....	407,000	336,447		
Dom. Lands.....	100,000	80,027		
Redemption of				
Debt.....	2,417,267	1,806,502	610,765	2,417,267
Ry. Subsidies....	1,095,202	1,510,228	400,000	1,910,228
	<u>\$7,855,990</u>	<u>\$6,032,647</u>	<u>\$2,010,765</u>	<u>\$8,043,412</u>

The total is somewhat in excess of the amount which was estimated last year, but the excess is largely due to the greater expenditure on subsidised railways. Taking off the redemption of debt from the capital expenditure for the current year there will remain \$5,626,145, and deducting from that the surplus of \$2,700,000 and the sinking fund which is offset against the debt of \$1,790,000, a total of \$4,490,000 to be taken from the sum before mentioned, we shall have at the end of the year an addition to our debt of \$1,136,145, which is about one-third of the addition made to the net debt in the preceding year. Taken in all, the operations of the year 1889-90 as compared with those of 1888-89 show as follow :—

	1889-90.	1888 89	Difference.
Revenue.....	\$39,200,000 =	\$38,782,870 +	\$417,130
Con. Fund Exp.	36,500,000 =	36,917,834 —	417,834
Surplus.....	2,700,000 =	1,865,035 +	834,965
Capital Exp....	5,626,145 =	5,267,035 +	359,110
Increase of debt	1,136,145 =	2,998,683 —	1,862,538
Net Debt.....	238,666,186	237,530,041	

When we come to the year 1890-91, of course all certainty fails, and I can simply make, as I had to make last year, a probable estimate of what we may receive. Looking over the state of the revenue for the past year, the condition of the trade of the country, its resources, and the condition of the country itself, I think I may be warranted in saying that for the year 1890-91 we shall receive :

Customs Revenue.....	\$23,500,000
Excise.....	7,000,000
Miscellaneous Works—Revenue...	8,700,000
Total.....	\$39,200,000

or about the same as for the current year. The Estimates already brought down to the House amount to \$36,035,445, and if we consider the probable increase at \$664,555, we shall have a probable expenditure of \$36,700,000; deducting this from the estimated revenue, we shall have for 1890-91, if this forecast is realised, a surplus of about \$2,500,000 as far as consolidated revenue is concerned. So far, Mr. Speaker, the review and retrospect of these years have been, I

think, gratifying and satisfactory to the House. After twenty-one years of our existence as a Dominion, to find the three years, 1889, 1890 and 1891, showing the financial results which they have shown, and which I have had the honor of detailing to the House, is, I think, a cause for congratulation. After this period of struggle to come into existence as a Dominion, after all the difficulties and all the disadvantages incident to the early period of growth, I say it is a matter for congratulation that the three years supervening upon these show such excellent and gratifying results, so far as the finances of the country are concerned. This leads us irresistibly to look back in swift review over the history of the Dominion from its inception. Evoked as it was by the summons of the master statesmen of that period, from what I might call almost a chaos of scattered Provinces, and from large, unexplored, and unorganised territories, the Dominion has swiftly advanced upon the view of the world. It has steadily assumed the proportions of continually enlarging and substantial greatness, and to-day it stands self-contained and confident, wielding a practically absolute sway over the northern and greater half of the English-speaking portion of this continent. It has overcome the difficulties which were incident to its first organisation, and we all know how great those difficulties were. It has surmounted the disadvantages of wide separation, and we know that these were formidable. It has conquered the almost illimitable distances which the people who lived a score of years ago, and scanned the future of this country, thought almost insurmountable. It has conquered these difficulties; it has solved this problem of immeasurable distance, and has succeeded in moulding the ambitions of its widely different creeds, and races, and interests, into a growing and dominant sentiment of national unity, and a confidence in national progress and national development. It has built magnificent channels of inter-communication; it has dotted its broad waters with busy ships, and its broader lands with wide and varying industries, and has laid broad and deep the foundations of a development, the wonderful progress of whose past is only to be excelled by the still more wonderful promise of its future. It has done this by pouring out its treasure—treasure which was hard earned by land and by sea—and pouring it out like water. It has done this by an expenditure out of Consolidated Revenue, beginning with \$13,500,000 in 1867, and reaching in this year nearly \$37,000,000, and, in the total of these years, the munificent sum of \$558,000,000, or an average of twenty-five and one-third millions a year; and it has besides pledged

its resources to the extent of \$237,000,000, all to equip itself for a noble race and leave to its children a goodly heritage. I am here to-day to maintain that every dollar of this expenditure, and that all of these obligations which the Dominion has taken upon itself, have been wisely assumed, and in pursuance of a policy which has been for the best interests of the country, as far as its present and future is concerned. To-day, Sir, after twenty-one years of existence, we are face to face with an abundant and buoyant revenue, which ranges from thirty-five and three-quarter millions in 1887, to \$39,200,000 as estimated for 1890-91. We are here with an average expenditure out of the Consolidated Fund, for the ordinary services of the country, of about \$36,500,000 for these five years which I have named, and we are here with a capital expenditure averaging somewhere about \$5,500,000. But, Sir, as I said last year, so I will take occasion to utter this year, a word of caution, and if it be allowable in one so young, a word of counsel as well. I stated last year that looking at the condition of the country, and looking at the munificent contributions which had been given by this country for her public works, and at the splendid equipment which Canada had by means of these contributions gained for herself, it seemed to me that we ought not, after the close of the year 1889, to increase the public debt, that we ought not to increase the public expenditure for ordinary purposes, and, that it was possible by a prudent course, without stinting the public service in any way, to carry on this service in a generous manner, to meet the capital obligations which we had already assumed, and to go to the year 1892 without adding to our net debt. After that it seemed to me that we might well take into consideration whether or not we could not gradually decrease the amount of the debt which we had assumed and placed upon ourselves. Now, Sir, I am here to-day, one year after the time of making that statement, to affirm that I believe the same may be said to-day with equal emphasis and with equal truth : \$36,500,000 of ordinary expenditure, from our Consolidated Revenue Fund gives us, what? In the first place, it is sufficient to carry our national debt, that is to pay the interest on the debt ; it provides for our legislation and civil government ; it administers our justice ; it polices the North-West ; it provides a million and a third for the militia system of the country ; it gives over \$300,000 for steamship subsidies and subventions ; it sustains an expenditure of \$900,000 on lighthouse, ocean, river and coast service ; it gives \$4,000,000 for distribution among the different Provinces of this Dominion ; it looks after the collection of our revenue ; it

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inspects our gas, our staple foods, our weights and measures ; it provides motive power to the extent of \$3,000,000 for our post office and \$4,000,000 for our railways and canals ; and over and above these and other ordinary services, it gives into the hands of the Minister of Public Works more than \$2,000,000 with which each year to build new and necessary public works in this country. Such a contribution as that seems to me to be a generous and princely contribution for a people of 5,000,000 to carry on the ordinary services of the country. The capital obligations, for the building of railways and canals and other public works of necessity and utility, may be met by the surplus which I have outlined, and which we may look for in these three years, to the amount of about \$2,500,000 per year, which, with the sinking fund, would give us about \$4,500,000 per year to meet the capital obligations we have assumed, and the expenditures we may think it necessary to make on capital account. We must recollect what we have done in this country in the way of building public works and opening channels of communication. I find that we have spent out of capital : for the Intercolonial system, \$35,776,129 ; for the Pacific Railway system, \$61,899,600 ; for the Short Line Railway, \$209,356, besides the subsidy which is to run now for some nineteen years, which, at present value, is \$2,679,529 ; for Intercolonial extensions and other Government railway extensions, \$4,389,760 ; for the improvement of the St. Lawrence channel, \$2,968,838 ; for the Canal system, so far, \$32,841,932 ; for Canal works now under contract, \$5,158,749 ; and for the two large and commodious docks which face our eastern and our western waters, \$1,857,499 ; making the total equipment of this country out of capital expenditure for these great means of intercommunication and commerce, \$147,781,392. This is the amount we have paid out of capital for the equipment of the country in its race for commerce, foreign and domestic—for channels of communication which were absolutely necessary to open up this vast extent of country, and which the country has willingly and cheerfully paid for, for the sake of present advantage and future advantage in the great race this country has to run in its competition for commerce and trade with the other countries of the world. For what Canada has assumed in this respect, I believe she has had full warrant ; her circumstances, her hopes and her future demanded it. To carry her present burdens I believe she is amply sufficient ; but for any further increase I believe good reasons are demanded, and good reasons must be given. We have a princely equipment, a royal endowment in these great works I have mentioned ; and if private

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enterprise continues to take hold and work in unison with them, as it is doing every day more and more, the future of this country, on account of that equipment and the facilities given thereby, is assured; and for the sake of that future, the country will cheerfully bear the burdens imposed upon it by the building of these great lines of communication. Now, Sir, I come to the second part of my duty this afternoon, and I must beg the indulgence of this rather worn and tired House. After the long fight of the night, I will try not to trespass on its patience any longer than is really necessary to set forth, in a very brief way, what I propose to lay before the House in the shape of changes and emendations in the tariff. I suppose it will be taken for granted that in bringing down certain resolutions to-day I am not going to propose anything that will interfere very materially with the system of reasonable protection which was assured to this country in 1878 and 1879, and which has been retained since. Hon. gentlemen who passed through the long and able discussions of 1878 and the succeeding years will know that if ever a matter was well argued and thoroughly discussed, the changes involved in the tariff of 1879 and the principles which underlay it were well discussed, were ably argued, and were settled as thoroughly as any question could be settled, by intelligent discussion and consideration of everything involved. Sir, it was stated in 1878, and in 1879—and I think my hon. friend from North Norfolk (Mr. Charlton) was one who indulged in some, as they have proved, fanciful imaginings at that time—that the system of protection which was then devised would be short lived, and would die chiefly because the system of protection in the great country bordering on ours to the south was doomed, where free trade principles were even then coming quickly into the ascendant, and that in a little time the protective system of that country would be a thing of the past, and with it would pass away any system of protection which we were building up in Canada. That prediction has not been ruined, and every succeeding year in the legislative history of the United States goes to prove that the principle of protection has received no set-back in that country; but to-day, after an election run, not between free trade and protection but upon the question of a higher or lower degree of protection, the Republican party, which went to the country on the ground of an increased protection, came back from the polls strengthened, and to-day holds its majority in both Houses of Congress; and if what we see reported in the papers is a foreshadowing of what may be expected to happen, we may find that legislation which is imminent there will not disturb the protection

which has been given to the great manufacturing industries of that country, but may proceed a little further in some directions than even the legislation which has been in existence there for the last ten years. As nothing has taken place in the history and condition of the United States to make us believe their protective policy will be abandoned, so nothing has occurred in the wider history of European countries to show that the principles of protection have taken light root and are not held as strongly as they were, even more strongly than they have been for a number of years past. Nor have any circumstances arisen in the Dominion of Canada which make it necessary, or reasonable, or prudent, that, once having set our hand to the plough, and determined under existing circumstances to fairly and reasonably protect our growing industries, we should now look back and disturb, in any material way, the reasonable system of protection which this country has declared for, under which it has prospered and under which it is expected to prosper for many a year to come. I know I will be said to be tinkering with the tariff, and thereby offending against some special eternal principles which underlie tariffs when I introduce my resolutions for some changes in this tariff. But it seems to me that tariffs are, in the main, a device for the raising of revenue and the protecting of the interests of the country, and that they are not like confessions of faith, which, when once settled, must endure for centuries; but, being such a device, they will change according to the circumstances of the country and according to the needs of the peculiar time in which they are operative. And just as conditions change, the conditions in the country and out of the country, so it becomes necessary that alterations from time to time shall be made in the tariff to keep up its original idea of reasonably fair protection to industries which it is proper and right to protect in the country. If values change, then the relative protection that was given by specific or by *ad valorem* duties certainly change with them. If new products come into existence they must have a category in which to be placed, and in order to prevent constant disputes in practically carrying out the Customs laws, provision has to be made for them in sections of the tariff laws. The same is true when new industries open up—and new industries are continually opening up; and it is the pride and the gratification of the party on this side of the House that within the last ten years and under the influences of the tariff which has been the law in this country new industries have sprung up as by magic in this Dominion; and if we look to-day at the quality, at the variety, at the quantity of manufactured articles, as compared with ten years ago, it is astonishing to see the progress which has been made in the various industries throughout this country. So that not only is it not my intention to interfere, in these resolutions, with the principle and the policy which has been adopted by this Government and by this party, but it is not my intention to be frightened by the cry that we are continually tinkering with the tariff and so be prevented from introducing changes which are necessary. At the same time, I hold it to be true, that it is neither wise nor prudent to be making too frequent changes in the tariff, because the gen-

eral trade industries of the country demand that no changes be made without sufficient reasons being adduced to prove a revision of the tariff to be necessary. Last year repeated applications were made, and many pressing demands were brought forward, demands which, in some cases, seemed to the Minister of Customs and myself just in the premises, but we felt that the tariff, having been re-arranged in 1887, should be left to its own working for another year. This year we propose various changes; not all the changes which have been pressed upon us, for there have been many requests made which, I must say, after very careful consideration, the Minister of Customs and myself have not deemed it wise to recommend to the Government, and which the Government have not deemed it wise to adopt as alterations in the tariff law. But this I can say for my colleague and myself, that every proposition which has been put before us has been carefully scrutinised, has been closely considered, and that we have come to a decision on those questions with a desire to do justice in the premises, to the interests themselves as well as to the interests which would be affected by them, and which are so intimately connected with them in the country. What I propose, then, broadly in my resolutions, is this: to introduce an interpretation clause, by means of which certain often used terms will be defined, and which will, therefore, make it unnecessary to have continual repetitions through the different clauses of the tariff; to strike out all the headings which are found now, and which are so misleading, in the Customs law and in the tariff as it is arranged and distributed. For instance, we have a heading "tubing," and following a little down below "tubing" we come to "jellies and jams," and it is difficult to know what in the world jellies and jams have to do with the heading "tubing" which stands but a little way before it. The heading "pianofortes" later on is followed by "pickles," but what these have to do with one another it is impossible for the average untrained mind to tell. The skilled and ingenious mind of my hon. colleague the Minister of Customs may at the present time know. It is proposed, also, to cancel all Orders in Council which have been passed under the authority of the Customs Act, and the substance of which is to be embodied in the tariff changes; and then to repeal all the items in the tariff in which any change is made, so that the item will be enacted anew; and, lastly, to enact the new items in the Act. The purpose of the resolutions broadly is this: to render more plain to the business public some of the items at present existing in the tariff which, though carrying their meaning clearly to the Department and its officers, are yet somewhat indefinite to the outside and business public, and to enlarge and remodel these, and to add cognate articles which the Customs have placed under these different headings, but about which disputes might constantly arise between the trade and Customs Department as to whether they should be included in that class or not; in the second place, to reduce in some instances existing duties which changed conditions have rendered in our opinion higher than they should be, or upon articles which, failing to be manufactured in this country, should bear a revenue tariff, and a revenue tariff only; in the third place, to put on the free list articles which either

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serve as raw materials for manufacturers, or which would, by their admission, help to develop the resources of the country; and, in the fourth place, to re-adjust certain duties, which for various reasons are not now considered as effective as they should be. I do not propose to weary the House by reading all the different items which are embodied in the resolutions. I propose to name a few of the more important, and then submit the resolutions for the action of the House. One item which in changed is that of acetic acid and vinegar. Vinegar bears a duty at present of 15 cents per gallon, and acetic acid a duty of 25 cents per gallon and 20 per cent. The difficulty that has arisen is that acetic acid has been imported far above the degree of proof, coming in at 90, and as high as 95 degrees, and it was possible to evade the plain intent of the item, which was to exact a duty upon the acetic acid as commonly known to commerce. This interfered with the manufacture of vinegar, and led to frauds upon the revenue, and it was in every way unequal in its working. It is proposed to put upon acetic acid and vinegar a duty of 15 cents per gallon on a strength of 6 degrees, and on every degree of strength above that to add 1 cent additional duty. That will keep vinegar at practically the same duty which is upon it to-day, and will correct the abuses I have explained. However, as acetic acid is largely used in various manufactures, and in the making of acetates and various other substances, it is proposed to continue the privilege enjoyed by these manufacturers of getting their acetic acid at the same rate of duty as before, and without any limitations upon its degree of strength. The article of fancy boxes and cases and all the cognate fancy manufactures have been raised from 30 to 35 per cent. This is an industry which is growing in this country, and which has proved to be excellent and varied in its kind. Large duties are paid upon the different articles that enter into the manufacture of these boxes, and altogether it is felt that an increase of 5 per cent. is due to that industry, in view of the strong competition it has to meet from German manufacturers, labor being so cheap in Germany, and these articles being put together there at such low rates. A change is made in paints. One finds the item of paints scattered here and there all through the tariff, and, it seems, without much system. It is proposed to classify all paints under five different classes. On some of these the duty is increased, and the increase takes place upon those made from materials and substances which are found in large quantities in our own country. The next item is that of glass, and a redistribution has been made of the duties. At present in the tariff, common and colorless window glass, plain, colored, stained or tinted glass, ornamental, figured, enamelled, colored glass, painted and vitrified glass, and stained glass windows, all stand at one rate, 30 per cent. This has the effect of placing the highly finished and perfect article at exactly the same rate of duty as the parts of which it is made; and with reference to common and colorless window glass, the duty of 30 per cent. is as high as the duty upon the stained window glass or the other higher grades of glass. Now, common and colorless window glass has not been made in this country, and under present conditions we do not think it can be successfully made here. It is used throughout the country in every

home, and I find, in looking at last year's returns, that there were 14 million odd square feet of that kind of glass imported into this country and it paid a duty of \$87,893. It is proposed to reduce the duty on common or colorless window glass from 30 to 20 per cent., which will involve a loss to the revenue of about \$30,000 on the basis of last year's figures; and, so far as that is concerned, I suppose that hon. gentlemen opposite and myself will look through the same glass and see the same conclusion. The ornamental, figured and colored window glass, the painted and vitrified glass, which now bears 30 per cent., is made to bear 25 per cent.; and the stained glass windows, the finished product, bears its present duty of 30 per cent. Silver plate glass remains at 30 per cent., as at present; bevelled glass bears 35 per cent. The others remain as they are in the present tariff, except that when they are bevelled they pay an additional duty of one cent per square foot. Gloves and mitts, which now bear a duty of 30 per cent., are raised to 35 per cent. We imported last year \$346,059 of gloves and mitts. We have raised the duty on one or two of the constituent articles on account of industries having developed in this country which make them here; and altogether it was thought better to raise these 5 per cent., and to give to that industry, which is largely prosecuted here, the Canadian market, so far as reasonable protection could do it. Wall paper and hangings of various kinds have been reduced. The present duty was placed upon them on the basis of from 30 to 35 per cent. protection, but the prices from that time to this have fallen very considerably, and what was a protection at that rate in 1887, comes to be a largely increased protection under the present prices. Representations have been made, and very forcibly made, by the dealers throughout the country, and counter representations have been made by the manufacturers, and the cut in the duty is not so great as it would have been if it were not for the peculiar state of that industry now in the United States, and the peculiar difficulties which, owing to the total disorganisation of that business in the United States, and the consequent slaughtering of prices, our manufacturers would have to contend with while that state of things exists. However, it is determined to reduce the rate of duties somewhat as follows: Brown blank and white papers had respectively a duty of 2 and 3 cents under the old tariff. The two have been grouped together, as the prices are now very nearly the same, and a duty of 2 cents has been placed upon them. Print bronzes and colored bronzes had a duty upon them of 7 and 9 cents per roll respectively. The prices of these two differ very little, they have been put together, and the duty of 6 cents imposed instead of 7 and 9 cents. Embossed bronzes bear a duty of 11 cents; that has been reduced to 8 cents. Colored borders, narrow and wide, had a duty of 8 and 10 cents respectively; these are grouped together on account of the little difference in price, and a uniform duty of 6 cents is placed upon them. Bronze borders, narrow and wide, had a duty of 15 and 18 cents respectively; they are grouped together for the same reason as the others were grouped, and a uniform duty of 14 cents per roll is imposed. Embossed borders, which now bear 20 cents a roll, have been placed at 15 cents. All other wall paper hangings are 35 per cent. *ad valorem*. Dry plates have borne a duty

of 15 cents heretofore, and have been a subject of much contention between the dry plate manufacturers and the photographers, and representations and counter representations have been made for many years with reference to this duty. After a careful consideration of the whole matter, I have decided to reduce the duty from 15 cents to 9 cents, which will give a good round protection, but at the same time will diminish the inordinate rate of duty which they at present bear. It is believed that the dry plate makers will not find it difficult to hold the market with the rate of duty which it is proposed to give them.

Sir RICHARD CARTWRIGHT. What do these specific duties represent on an *ad valorem* standard?

Mr. FOSTER. I think it will give between 35 and 40 per cent. at present prices. A change has been made in stereotypes and stereotyped plates. The old duty was framed on the weight, it was so much per pound, but a radical change has taken place in the method of manufacturing them. They are now put up very lightly, and the weight has been reduced until a duty founded upon the weight becomes no longer anything like an equivalent of the duty which was placed upon them at the time when they possessed this heavy weight. It has been thought best to change the duty from a weight to a square inch basis. It is pretty difficult to say what is the equivalent, the difference in weights is so great. However, the duty has not been placed very high, but the change has been thought to be a wise one, for two reasons: First, in order to give the adequate protection which it was proposed to give when the tariff was arranged; and, secondly, to encourage the labor of setting type and making these plates in our own country, and so adding to the employment in that line. On umbrellas the duty is changed from 30 per cent. to 35. There are indications that the manufacture of umbrellas will be undertaken in this country and pushed far more vigorously than it has been. Last year we imported \$303,777 worth of umbrellas. The silk of which they are made bears a duty of 30 per cent., and the other cloths in proportion. The margin of protection which the manufacturer had was so small that it was insufficient to give this industry a start and maintain it properly, and, therefore, it is proposed to increase the duty to 35 per cent. In regard to wire of copper and brass, which has heretofore been free, manufacturers are now making, and are prepared to make to a sufficient extent to fill the Canadian demand, and it was thought wise to put, not a heavy, but a moderate protection upon that article of 15 per cent. Covered wire is to be 35 per cent. instead of 25 per cent. as at present. All other kind of wire is at 25 per cent. The woollen industry of the country has, for the past few years, not been particularly prosperous. Several reasons have been assigned for this, which can better be gone into when the item is before the Committee. Under all the circumstances, considering the decrease in weight and the strong competition manufacturers have to meet, and the large expense they are at for machinery, it has been decided to give woollens an increased duty, raising the present duty of 7½ cents a pound and 20 cents *ad valorem* to 10 cents a pound and 20 per cent. *ad valorem*. A re-arrangement has been made

of the duties on spirits and alcohol, and the principle which has been adopted is that the duty shall be arranged upon the proof strength, and that spirituous liquors which are imported with additions of strength above proof shall pay in proportion to the strength they have. The duties at the proof rate remain at about the same rates as at present. The only change of any moment is in the principle which has been adopted, that the duty shall be paid on the proof strength, and that strongly fortified spirits which are brought into the country shall not have the advantage of the payment of a less rate of duty over the spirits which are at or about proof. The explanations with reference to this I shall not trouble the House with now, but I shall be prepared to make them when we are in committee.

Sir RICHARD CARTWRIGHT. Has the hon. gentleman adopted the English system?

Mr. FOSTER. I think the system we have adopted is more nearly like the American than the English system. We have had deputations and representations from both sides of those engaged in the hat business. Strong pressure has been brought to bear in order to have the duty on the different kinds of hats and caps raised, both on the wool, the fur, the felt and the straw hats, and counter representations have been made from almost all the importers and dealers in foreign goods. After looking over the whole matter carefully, we have decided to recommend a change. There were a number of articles which went into the manufacture of hats, such as sweats and linings, and that kind of thing, which were allowed in free, and which it was found had taken a larger range than was intended, and were used for the manufacture of other articles, thus escaping the duty. For instance, silks supposed to be for the purpose of linings alone, were used to make neckties, and so these articles went into a larger consumption than it was intended to allow. It has been decided to recommend that these articles shall be taken from the free list, that these sweats and linings shall pay their legitimate duty, and especially because they are now, in great part, being made in this country. It is proposed as a compensation for that to increase the duty on straw hats and woollen hats by 5 per cent. Ladies' hats remain at the same rate of duty as at present, and fur-felt hats have \$1.50 per dozen additional, with a reduction of the *ad valorem* duty from 25 to 20 per cent. As hon. gentlemen are aware, for a year or two there has been considerable discussion with reference to the flour duties. The millers are in this position: that they have a protection of 50 cents per barrel on their flour, while wheat comes into this country at 15 cents per bushel. At the rate of $4\frac{1}{2}$ bushels of wheat to a barrel of flour, the duty paid on sufficient wheat to make a barrel of flour would be in the neighborhood of 71 or 72 cents. It has been felt that this disparity of duty between flour and wheat should be remedied, and it has been decided to give an advance of 25 cents per barrel upon flour, and thus equalise it with the wheat duty. For a country which produces a surplus of wheat, and has capacity to mill all the flour which is necessary for the consumption of this country, and to supply outside markets as well, it is not reasonable to believe that this will do more than keep the

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market for Canadians. It is not reasonable to suppose that it will materially raise the price of flour. The milling capacity is so large, and the competition is so keen, that the flour will go into the hands of the consumers at about the same price as it does now under like conditions. It is proposed to introduce added protection to another series of the great farming products of the country. It is felt that in a country like ours, with its large grazing areas, equal to any in the world, with its rapidly increasing dairy and cheese industries, with its unrivalled facilities for the production of meats of various kinds, the time has come when these great industries should be protected by an adequate duty from the competition which they are at present receiving largely from the country to the south of us. For instance, in the article of beef, we find that last year there was introduced from the United States 3,795,105 pounds of beef, at a value of \$160,624. We find that bacon and hams were introduced to the value of \$335,159, the large amount of 3,653,758 pounds; 174,944 pounds of mutton were imported, at a cost of \$13,555; 15,205,972 pounds of pork were imported at a value of \$992,423; prepared meats to the amount of 983,834 pounds, value \$90,305; and of tried lard there were imported 8,290,000 pounds, value \$636,078. To-day, beef is sent to the markets of Halifax and St. John, and all large and small towns west of that, and is sold to the dealers in meat, at just sufficient cut to enable them to dictate lower prices to the raisers and producers of cattle in our own country. It does not follow at all that the consumer gets his meat one single tenth part of a cent less, but the introduction of this imported meat makes it possible for the jobber and dealer to bring down the price to the native producers; and so the producer is met in this country with a competition which makes it difficult for him to pursue his industry with profit to himself. Now, there is no reason in the wide world, to my mind, why Canada should not only raise all the meat necessary for the consumption of her own people, but should become one of the largest exporters of these different kinds of meat to foreign countries. It is with a view of fostering these meat-producing industries with a fairly protective duty, that the Government have come to the conclusion to protect the farmers by raising the rates on these meats in this way: Mess pork, or heavy pork, which now bears a duty of one cent per pound, shall bear a duty in the future of one and a-half cents; all salted and fresh meats, which now bear a duty of 1 and 2 cents per pound, shall bear a duty of 3 cents per pound. Prepared meats which now bear a duty of 2 cents, shall be raised to 3 cents. Tried lard, which now bears a duty of 2 cents, shall be raised to 3 cents; and untried lard, which now bears a duty of $1\frac{1}{2}$ cents, shall be raised to 2 cents. Live cattle, hogs and sheep shall have the duty raised upon them proportionately from 20 to 30 per cent. This, in brief, is the schedule which is proposed in the resolutions which will be submitted to the House. Now, it is proposed as well to make some changes with regard to the corn duties. The people of the Maritime Provinces especially, use a large quantity of corn meal. It is used by the fisher folk, and by people of the rural parts of the Provinces, and is more largely consumed by the people of Nova Scotia,

and less largely by the people of New Brunswick and the other Provinces. It is proposed to couple with the duties which have been already mentioned, this provision: that in the case of corn kiln-dried, or to be kiln-dried, and ground into meal for human food, a rebate be given to those who mill it, of 90 per cent. on the original duty paid, and that Customs regulations shall be prepared and put into force for the carrying out of this resolution. It is also proposed that molasses, which to-day bears a duty of 15 per cent. when imported direct from the place of production, and which is practically confined to the tests between 40 and 55—it is proposed that the duty on molasses shall be lowered about one-half, and that a duty of 1½ cents per gallon, when imported direct from the place of production, shall be charged upon it. It is also proposed that the test for molasses shall be lowered, and that it shall run between 30 and 35. The duty collected upon molasses last year, was in the neighborhood of \$123,000, and by lowering the duty by about one-half, it will be seen that we propose to meet a loss of revenue in this, of some \$60,000. Molasses is an article which is used very widely in the Maritime Provinces. In the Province of New Brunswick from which I come, molasses of a good grade, not the vile stuff called "black-strap," is used in all our rural districts, and the same is the case with reference to Nova Scotia and Prince Edward Island. It is, therefore, proposed to couple the rebate on corn, when milled for human food, and the reduction of one-half of the duty of molasses, with an increased duty of 25 cents upon flour. I now come to another item about which there has been considerable discussion in the House and out of it. It is that which relates to plants, fruits, shrubs and the like, and with which this House dealt in 1888. By an Order in Council of 14th April, 1888, certain fruits and plants and shrubs were placed upon the free list. This arose from the fact that in the Tariff Act of 1879, there was a clause which left it permissive with the Government, on a certain list of articles, to either reduce the duty upon them or to remove the duty altogether when such articles were either free, or of less duty in the United States than was charged here. The matter was brought to the attention of the Government in 1888 under the peculiar circumstances which at that time prevailed. It was contended by gentlemen of the Opposition that it was not treating the United States fairly, when they had any one of these articles at a lower duty, if we did not place that article on the same tariff footing as it was in the United States. It was contended on this side of the House that this clause of the Act was simply permissive and not mandatory on the Government, and that it rested with the Government of Canada to say whether this should be done in individual instances or not, and that what was contemplated in that article in the tariff law was that when those products as a whole, or as many of them as Canada should consider it to be in her interest to reciprocate in, were placed on the free list or had a lower rate of duty imposed upon them, the Government would reduce its duties upon them to the same level. However, under the circumstances that prevailed at that time, it was decided to put these articles on the free list, and a very considerable amount of duty was lost in consequence, and

a very considerable damage was done to a large and important interest in this country. For it must be borne in mind, that the removal of the duty from those articles did not place our people in a position of fair and equal competition with the people to the south of us, and there are various considerations which will easily suggest themselves to the minds of hon. gentlemen conversant with this subject when I make that statement. For instance, there was State legislation in most of the bordering States, making it practically impossible for men who raised nursery stock on this side of the line, to undertake any profitable conduct of their business on that side, owing to the way they would be hampered as aliens engaging in trade in that country. With reference to fruits, the United States has a wide range of climate. Its fruits commence to ripen from late in the winter or early in the spring, and it has a gradation of climate enabling it to produce a certain class of fruits through a range of three or four or even five months. The season with us is short, and the competition for this reason was felt to be unfair to the large fruit-growing and nursery industries in this country. It is, therefore, proposed to put these articles back in the same place they occupied in the tariff previous to 1888, with the exception that on blackberries, gooseberries, raspberries and strawberries, the rate of duty shall be 3 cents instead of 4 cents. Then we have placed on the free list: bananas, plantains, pineapples, pomegranates, guavas, mangoes, shaddockes, wild blueberries and wild strawberries, which were formerly on the dutiable list. Beet, carrot, turnip and mangold seeds, for the use of farmers of this country, are also placed on the free list. The House will recollect the discussion which took place here a short time ago on mining machinery, when I urged that the House should defer the discussion until the Government had brought down its tariff measure. All over our country the indications of interest in the development of our mining resources are plain and unmistakable; our resources are being, every year, more and more explored; we are coming ourselves to have a better and more adequate knowledge of the immense wealth we have in this line; and this information is filtering out into other countries, and is producing an interest in the minds of capitalists in other countries, which is continually growing, and which we believe will be productive of large investments in this country. On the whole, it appears to me that we are on the eve of large developments of the mining industries of this country, and in the future we may look for large accretions of interest and increasing employment of labor in the development of the vast mineral and metallic stocks which we have scattered throughout this country from Cape Breton to British Columbia. There has thus arisen a demand for free mining machinery. It is stated that the best and most improved machinery must be used by experimenters who put their money into enterprises the outcome of which they cannot certainly see. It is felt by them that the very best possible machinery should be got. It is felt by some that for a period at least there should be no restriction whatever on the buying of it, and by others, that there should be no other restriction than that imposed by the consideration whether or not the machinery is made in this country. Looking over the whole question,

the Government have come to the conclusion that it will not be wise or prudent to resist this demand at the present time, in the interest of the development of that large part of the country's resources, and it is proposed to allow mining machinery of a class and kind which is not made in Canada at the time of the importation, to be imported into this country free for the period of three years and no longer. That will have a double effect. It will give to those persons who are investing their money in the development of our mining interests the freest market for the purchase of the best possible machinery they can get—a market, the freedom of which is only limited by the fact that the machinery they may require is made in Canada; and no person, I apprehend, is so unpatriotic as to wish a provision to be inserted which would allow him to buy machinery outside of Canada when it could be made in Canada by industries which have been fostered and brought into their present state, by the operation of the tariff which we have enacted and maintained. It will have this other effect. By the free introduction of mining machinery such as is not made in Canada, and by the impetus which will be given to mining after the period of experimenting is over, and after the richness and paying qualities of these resources are demonstrated, there will be a continued and progressive development of that industry; and after the period of three years that development will naturally add to the demand for the production of this machinery in Canada, which will, consequently, promote and encourage its manufacture after that period. There has been another subject brought to the attention of the Government, that is, the building of iron ships in this country. It may be an open question whether or not the wooden ship has seen its flay. I do not believe myself that the wooden ship, so far as the smaller kinds of coasting vessels are concerned, has at all seen its best days. I do not think any person who sits at these boards will see the time when the good, trim, staunch coasting vessels of our Maritime Provinces will be superseded by iron or steel or any other material. But the whole trend of development to-day goes upon the line of building steel and iron vessels for quick transit and for large carrying capacity between foreign and distant countries. We have this anomaly in this country, that an iron or steel vessel can be built in Great Britain on the Clyde, and can be brought into this country and put on our lake, river or sea routes free of duty entirely, if she is registered in England, while people interested in the building of similar vessels in Canada who import the steel and iron machinery and parts which are necessary for building them here, and which cannot be made in this country, are met by heavy duties; and so the industry is handicapped. It has, therefore, been determined, for the encouragement of this industry which has already planted itself in our country and which is promising to develop with very great vigor, to assist it in the following way: by allowing all steel and iron parts, which are used in the manufacture of iron or steel vessels, to come in free, so long as they are not made in Canada; and that designation at the present time will take in a very large proportion of the heavy iron and steel work which enters into the construction of these vessels. The Minister of Customs has asked me not to

Mr. FOSTER.

forget another point, and for the benefit of hon. gentlemen who have been urging the matter for some time, I will mention it. It is this: that among the other numerous articles which have been placed on the free list in these resolutions is that of corn of the kinds used for seed to be grown for ensilage purposes, and thereby we remove one of the great standing grievances, from the standpoint of hon. gentlemen opposite of which the farmers have to complain. With this brief and incomplete introduction I beg leave now to move that this House resolves itself into a Committee of Ways and Means on the following resolutions:—

1. Resolved, That it is expedient to amend the Act 49 Victoria, chapter 33—Revised Statutes—intituled: "An Act respecting the Duties of Customs," as follows:—

1. By repealing section one of said Act, and substituting the following in lieu thereof:—

In this Act, or in any other Act relating to the Customs, unless the context otherwise requires:

(a) The expression or contraction "*ad val.*" represents and has the meaning of the words "*ad valorem.*"

(b) The initials N.E.S. represent and have the meaning of the words "not elsewhere specified."

(c) The initials N.O.P. represent and have the meaning of the words "not otherwise provided for."

(d) The initials F.O.B. represent and have the meaning of the words "free on board."

(e) The expression "gallon" means an Imperial gallon.

(f) The expression "ton" means two thousand pounds avoirdupois.

(g) The expressions "proof" or "proof spirits," when applied to wines or spirits of any kind, mean spirits of the strength of proof as ascertained by Sykes' Hydrometer.

(h) The expression "gauge," when applied to metal sheets or plates or to wire, means the thickness as determined by Stubbs' Standard Gauge.

(i) The expression "in diameter," when applied to tubing, means the actual inside diameter measurement.

(j) The expressions "sheet" or "sheets" when applied to metals mean sheets or plates of not exceeding three-sixteenths of an inch in thickness.

(k) The expressions "plate" or "plates" when applied to metals mean plates or sheets more than three-sixteenths of an inch in thickness.

2. By enacting that the interpretation clauses comprised in section 2 of the "Customs Act," 49 Victoria, chapter 32—(Revised Statutes)—as amended, shall, until the context otherwise requires, apply to, and form a part of this Act; and that any power conferred upon the Governor in Council by the said "Customs Act" to transfer dutiable goods to the list of goods which may be imported free of duty shall not be by this Act abrogated or impaired.

3. By repealing sub-section 1 of section 5 of said Act, and substituting the following in lieu thereof:

The importation of any goods enumerated in Schedule "D" is hereby prohibited, and any such goods, if imported, shall thereby become forfeited to the Crown, and shall be forthwith destroyed,—and any person importing any such goods shall in each case incur a penalty of two hundred dollars.

4. By enacting that all medicinal or toilet preparations imported for completing the manufacture thereof, or for the manufacture of any other article by the addition of any ingredient or ingredients, or by mixing such preparations, or by putting up or labelling the same alone, or with other articles or compounds, under any proprietary or trade name, shall be, irrespective of cost, valued for duty and duty paid thereon at the ordinary market value, in the country from whence imported, of the completed preparation, when put up and labelled under such proprietary or trade name, less the actual cost of labor and material used or expended in Canada in completing the manufacture thereof, or of putting up or of labelling the same.

5. By enacting that regulations respecting the manner in which molasses and syrups shall be sampled and tested for the purpose of determining the clauses to which they shall belong with reference to the duty chargeable thereon shall be made by the Minister of Customs, and the instruments and appliances necessary for such determination shall be designated by him and supplied to such officers as shall be by him charged with the duty of sampling and