

the inborn, inbred perils of the constitution has chased away all fears, justified all hopes and with universal joy we greet this day. We have not proved unworthy of a great ancestry; we have had the virtue to uphold what they so wisely, so firmly established. With these proud possessions of the past, with powers matured, with principles settled, with habits formed, the nation passes as it were from preparatory growth to responsible development of character and the steady performance of duty. What labors await it, what trials shall attend it, what triumphs for human nature, what glory for itself, are prepared for this people in the coming century, we may not presume to foretell. "One generation passeth away and another generation cometh, but the earth abideth forever," and we reverently hope that these, our constituted liberties, shall be maintained to the unending line of our posterity and so long as the earth itself shall endure.

SIR LEONARD TILLEY



SIR SAMUEL LEONARD TILLEY, K.C.M.G., Canadian statesman and financier, was born at Gagetown, New Brunswick, May 8, 1818, and died at St. John, New Brunswick, June 25, 1896. He attended the grammar school in his native town for some years, but at the age of twelve was apprenticed to an apothecary, and subsequently set up in business as a druggist. Before setting out in public life, he joined a debating society and was a warm advocate of temperance, remaining a total abstainer all his life. In 1850, he entered the New Brunswick legislature as member for St. John, and for the remainder of his career was rarely out of public life. From 1857 to 1865 he was premier of the province of New Brunswick, and after the union of the British provinces in the Dominion of Canada he was appointed the first minister of customs in the Dominion cabinet. He subsequently held the posts of minister of public works and minister of finance, and was lieutenant-governor of New Brunswick, 1873-78. During the administration of Sir John A. Macdonald, he was again minister of finance, 1878-85, and in 1879 received the honor of knighthood. On account of ill health he retired from the cabinet in the summer of 1885, but in the following November was persuaded to accept the post of lieutenant-governor of New Brunswick for a second period, holding office until 1893. Sir Leonard Tilley during his long public career instituted many public measures of importance, the chief of which was the act relating to the readjustment and reorganization of the customs tariff, besides taking an active and prominent part in bringing about Canadian Federation.

ON NATIONAL POLICY

DELIVERED MARCH 14, 1879

MR. CHAIRMAN,—It is only recently that I have quite realized the great changes that have taken place throughout the Dominion of Canada since I last had the honor of a seat in Parliament. To-day I fully realize them, and the increased difficulties devolving upon me as finance minister, compared with the position of affairs when I submitted my financial statement in 1873. Then my work was a very easy one indeed. Honorable ministers on the opposite benches were pleased on that occasion to compliment

me on that statement, but I felt that I had earned no compliment, that if that speech was acceptable to the House it was because of the satisfactory statements I was able to make with reference to the condition of the Dominion and also of the finances of the Dominion.

Then, sir, I was able to point to steady and increasing surpluses and revenue, and that too in the face of a steady reduction of taxation. Then I was able to point with some degree of confidence to the prospective expenditures of the Dominion, extending over ten years. To-day I cannot speak of it with the same confidence. Then the construction of the Pacific railway was under regulations that confined and limited the liabilities of the Dominion to \$30,000,000. To-day I am not in a position to say what expenditure or responsibilities we may incur with reference to that great undertaking. There has been a change in the policy.

But it will become the duty of the government and of Parliament to consider, while we have not the limit to our liabilities that we had, whether we cannot by some means construct that great work largely out of the 200,000,000 acres of land lying within the wheat area of that magnificent country.

Then, sir, I could point with pride and with satisfaction to the increased capital of our banks and the large dividend they paid. To-day I regret to say that we must point to depreciated values and to small dividends. Then I could point to the general prosperity of the country. To-day we must all admit that it is greatly depressed. Then I could point with satisfaction to the various manufacturing industries that were in operation throughout the length and breadth of the Dominion remunerative to the men who had invested their capital in them and giving employment to tens of thousands.

To-day many of the furnaces are cold, the machinery in many cases is idle, and those establishments that are in operation are only employed half time and are scarcely paying the interest on the money invested.

Then, sir, we could point to the agricultural interest as most prosperous, with a satisfactory home market and satisfactory prices abroad. To-day they have a limited market with low prices and anything but a satisfactory market abroad. Then, sir, we could point to a very valuable and extensive West India trade; to-day it does not exist. Then, sir, we could point to a profitable and direct tea trade that has been demoralized and destroyed. Then everything appeared to be prosperous; to-day, though it looks gloomy, I hope there is a silver lining to the cloud, that we may yet see illuminating the whole of the Dominion and changing our present position to one of happiness and prosperity.

Mr. Chairman, there has been, and very naturally so, a good deal of interest and anxiety manifested on the part of the friends of the National Policy, as it is called, in regard to its early introduction. I can quite understand that, because, believing as they do, and as a majority of this House do, that that policy is calculated to bring prosperity to the country, it was but natural that they should be anxious for its introduction and that not a day should be lost.

And it is satisfactory to know that, great and difficult as is the responsibility which rests upon me here, I may trust that the proposition I am about to submit will be sustained, not only by a majority of this House but by an overwhelming majority in the country.

It was natural therefore, Mr. Chairman, that the friends of this policy should be anxious for its introduction, and it was pleasing and satisfactory to see that even the opposition

vied with the friends of the government in that anxiety. It is most encouraging to me, because of course all oppositions are patriotic, and certainly a patriotic opposition anxious for the introduction of this measure could not have desired that a bad measure and one not calculated to benefit the country should be forced hastily upon it. Therefore, I take it for granted that in addition to the support from the gentlemen behind me we shall have the support of the gentlemen opposite to our policy and the propositions we are about to submit.

But perhaps it will not be out of place for me to offer a few remarks in justification of the apparent delay that has taken place. It will be remembered that the government was only formed on October 19th. Some delay took place in awaiting the arrival in Canada of an honorable member who, I am satisfied, is one whom, whatever the political opinions of gentlemen of this House may be, all would have been anxious to see consulted before the government was formed—I mean the minister of militia. The government therefore was not completed till October 19th. The members of the government had to return for re-election, and those elections, though they were hastened with all possible rapidity, because we felt there was a great deal of work to be done, were not over until the early part of November when we returned to the city of Ottawa.

And what did we find? As minister of finance, I cannot say I found the finances in the most satisfactory condition. I found, sir, that we had maturing in London between the early part of November and January 1st, an indebtedness of \$15,500,000, with nothing to meet it but the prospective payment of the fishery award. On this side of the Atlantic we had in the various banks of the Dominion something like

\$5,000,000, and between that date and January 1st, with the subsidy of the provinces, and payments to contractors who were constructing public works, something like \$3,000,000 had to be paid; and then, considering the position the banks were in all over the Dominion, the uncertainty as to what might transpire, it was just possible that a reduction in the reserves might take place, and that meant a demand on the Dominion treasury. Every dollar we found it necessary to take from the banks at the time was embarrassing and was reluctantly withdrawn. But it was inevitable that the finance minister should proceed to London with the least possible delay that arrangements might be made to sustain the credit and the honor of the Dominion. Well, sir, in order to avoid that, feeling the importance of every member of the government being at his post in order to prepare measures for the meeting of Parliament, a cable message was sent to our agents on the other side to ask if the journey of the finance minister to London could not be avoided. The answer was "No; his presence here is absolutely necessary." Under these circumstances I proceeded to London, and I placed a loan of £3,000,000 sterling upon the market there.

Then, sir, after my return to Canada it became necessary that we should consider the whole question of the tariff. It is not a question that can be settled in a day. It is not a question that can be settled intelligently in weeks, indeed it would have been well if we could have had more time to consider it than we have had, considering the magnitude and importance of the work. I can appeal to other finance ministers, and especially to my immediate predecessor, who in 1874 made several changes in the tariff of that day, to speak of the difficulties there are in making even as few changes as were then made.

But if we undertake, as the present government have undertaken, to readjust and reorganize, and, I may say, make an entirely new tariff having for its object not only the realization of \$2,000,000 more revenue than will be collected this year, but in addition to providing for that deficiency, to adjust the tariff with a view of giving effect to what has been and is to-day declared to be the policy of the majority of this House—I mean the protection of the industries of the country—the magnitude of the undertaking will be the better appreciated.

Sir, we have invited gentlemen from all parts of the Dominion and representing all interests in the Dominion to assist us in the re-adjustment of the tariff, because we did not feel—though perhaps we possess an average intelligence in ordinary government matters—we did not feel that we knew everything. We did not feel that we were prepared, without advice and assistance from men of experience with reference to these matters, to readjust and make a judicious tariff.

We therefore invited those who were interested in the general interests of the country or interested in any special interests. Gentlemen who took an opposite view met us and discussed these questions, and I may say that down to as late a period as yesterday, though the propositions are submitted to-day, we were favored with the co-operation and opinion of gentlemen who represent their particular or general views with reference to the great questions we have under consideration.

We have labored zealously and arduously, and I trust it will be found successfully; and we are now about to submit our views for the consideration of this House. I think we may appeal with some degree of confidence to gentlemen in

opposition, in approval of the early period at which this tariff is being introduced, when I call to the mind of these honorable gentlemen that their government was formed on November 7, 1873; ours on October 19th; that my predecessor did not submit his tariff and budget speech until April 14th, this being March 14th.

When we submit to this House the result of our deliberations you will all understand the nature and extent of the consideration that must necessarily have been given to them. I trust that this House and the country will feel that we have presented our views at as early a period as possible, taking all these facts into consideration.

Let me refer to some circumstances that led to the present depression in the revenue. During and after the war in the United States it is well understood that that country lost a large portion of its export trade, and its manufacturing industries were to a certain extent paralyzed; and it was only about 1872 or 1873 that they really commenced to restore their manufacturing industries and endeavored to find an extended market elsewhere for the manufactures of their country.

Lying as we do alongside that great country we were looked upon as a desirable market for their surplus products, and our American neighbors, always competent to judge of their own interests and act wisely in regard to them, put forth every effort to obtain access to our market. It is well known by the term slaughter-market what they have been doing for the last four or five years in Canada; that in order to find an outlet for their surplus manufactures they have been willing to send them into this country at any price that would be a little below that of the Canadian manufacturer.

It is well known also that they had their agents in every part of the Dominion seeking purchasers for their surplus, and that those agents have been enabled under our existing laws to enter those goods at a price much lower than they ought to have paid, which was their value in the place of purchase. It is well known moreover that the United States government, in order to encourage special interests in that country, granted a bounty upon certain manufactures and so gave to them the exclusive market of the Dominion, and under those circumstances we have lost a very important trade, possessed previous to 1873. In addition to the loss of the West India trade by the repeal of the ten per cent on tea we lost the direct tea trade and all the advantages resulting from it, by its transfer from the Dominion to New York and Boston.

Under all those circumstances and with the high duty imposed by the United States on the agricultural products of the Dominion, by which we are to a great extent excluded from them while the manufactures of that country are forced into our market, we could not expect prosperity or success in the Dominion so long as that state of things continued. These are some of the difficulties which have led to our present state of affairs.

Now, after having made these few remarks on that head, I desire to call the attention of the House to the remedy. I know this is a difficult question—that it is the opinion of some honorable members that no matter what proposition you may make or what legislation you introduce it cannot improve or increase the prosperity of the country. The government entertain a different opinion. I may say at the outset it would have been much more agreeable if we could have met the House without the necessity of increased taxa-

tion. But in the imposition of the duties we are now about to ask the House to impose, it may be said we shall receive from the imports from foreign countries a larger portion of the \$2,000,000 we require than we shall receive from the mother country.

I believe such will be the effect, but I think that in making such a statement to this House, belonging as we do to and forming a part of that great country—a country that receives our natural products without any taxation, everything we have to send to her—apart from our national feelings, I think this House will not object if, in the propositions before me, they touch more heavily the imports from foreign countries than from our fatherland.

I have this to say to our American friends: In 1865 they abrogated the reciprocity treaty, and from that day to the present a large portion of the imports from that country into the Dominion have been admitted free. We have hoped and hoped in vain that by the adoption of that policy we would lead our American friends to treat us in a more liberal spirit with regard to the same articles. Well, after having waited twelve years for the consideration of this subject, the government, requiring more revenue, have determined to ask this House to impose upon the products of the United States that have been free such a duty as may seem consistent with our position.

But the government couple with the proposal, in order to show that we approach this question with no unfriendly spirit, a resolution that will be laid on the table containing a proposition to this effect: That as to articles named, which are the natural products of the country, including lumber, if the United States take off the duties in part or in whole, we are prepared to meet them with equal concessions. The

government believe in a reciprocity tariff, yet may discuss free trade or protection, but the question of to-day is: Shall we have a reciprocity tariff or a one-sided tariff?

We found, as I stated before, that it was important to encourage the exportation of our manufactures to foreign countries, and we are prepared now to say that the policy of the government is to give every manufacturer in the Dominion of Canada a drawback on the duties they may pay upon goods used in the manufactures of the Dominion exported. We found also, sir, as I have already pointed out, that under the bounty system of some foreign countries our sugar-refining trade and other interests were materially affected.

Well, sir, the government have decided to ask this House to impose countervailing duties under such circumstances. I trust that this proposition will receive the support of both sides of the House, because some six months since when the deputation of sugar refiners in London waited upon Mr. Gladstone and Sir Stafford Northcote, both of them being gentlemen representing free-trade views, they declared in the most emphatic terms that when a government came in and thus interfered with the legitimate trade of the country they were prepared to impose countervailing duties.

To make this matter plain, and place it beyond dispute, the government propose to ask the House for authority to collect on all such articles an ad valorem duty on their value, irrespective of drawbacks. My colleagues say explain it. For instance, a cent and a quarter drawback per pound is granted on cut nails exported to the Dominion of Canada; the duty will be calculated on the value of the nails irrespective of that drawback. Now, a bounty is given on sugar in excess of the duty which is paid by the sugar refiners;

the government will exact an ad valorem duty on the value of that sugar irrespective of the drawback.

I may also state, Mr. Chairman, that another reason why I think our American neighbors should not object to the imposition of the duties we propose is this: It is a fact, though not generally known, that the average percentage of revenue that is imposed on all imports into the Dominion of Canada at the present time, taking the returns for last year as our criterion, is 13 3-4 per cent. The amount of duty collected on the imports from Great Britain is a fraction under 17 1-2 per cent; while the amount of duty collected on the imports from the United States is a fraction under 10 per cent.

[After dealing minutely with the changes which would be effected by the new tariff, Mr. Tilley concluded as follows:]

It appears to me, Mr. Chairman, and I think the House will agree with me, that the government have endeavored, whether successfully or not, to carry out the policy that we were pledged to inaugurate. We have endeavored to meet every possible interest—the mining, the manufacturing, and the agricultural interests. We have endeavored to assist our shipping and ship-building interest, which is in a very depressed condition.

We have endeavored not to injure the lumber interest, because they now have a very important article used by their people at about the same rate of duty they had it before—I refer to pork. They have tea at a cheaper price than before; they have molasses cheaper. These articles enter largely into consumption with them. They have, as have every other class of exporters in the Dominion, many advantages under the propositions that we are about to submit that they did not have before. In the interest of lumbermen and of commerce generally, the present government, as well as our

predecessors, have expended large sums of money for the improvement of the navigation of our rivers and of our coast by the erection of lighthouses and in their maintenance. This of course is an advantage to the shipping interests as well.

A proposition is also to be submitted to the House which you will find in the estimates, to extend a telegraph down the St. Lawrence. This proposition was submitted to the people of the Dominion by an able and experienced gentleman, a member of the House. I need not name him because the interest he has taken is well known. This proposition is in the interest of commerce, and of our shipping, and of humanity. It is the interest of every industry that exports any article from this country to the Old World, because an expenditure of this kind will reduce the rate of charges in the shape of insurance and other charges on the shipping, and that is more absolutely in the interest of the exporter than in the interest of the owner of the ship.

In our policy, as just propounded, we have dealt with the agricultural interest, the mining interest, the shipping interest, indirectly with the lumbering interest, and with very many other interests, and it does appear to me that we have now arrived at a time when it becomes necessary for this country, for this Parliament, to decide whether we are to remain in the position we now occupy, with a certainty that within two years, with the existing laws upon our statute-book, almost every manufacturing industry in the country will be closed up and the money invested in it lost. The time has arrived, I think, when it becomes our duty to decide whether the thousands of men throughout the length and breadth of this country who are unemployed shall seek employment in another country or shall find it in this Dominion;

the time has arrived when we are to decide whether we will be simply hewers of wood and drawers of water; whether we will be simply agriculturists raising wheat, and lumbermen producing more lumber than we can use or Great Britain and the United States will take from us at remunerative prices; whether we will confine our attention to the fisheries and certain other small industries, and cease to be what we have been, and not rise to be what I believe we are destined to be under wise and judicious legislation,—or whether we will inaugurate a policy that will by its provisions say to the industries of the country, we will give you sufficient protection; we will give you a market for what you can produce; we will say that while our neighbors build up a Chinese wall we will impose a reasonable duty on their products coming into this country; at all events we will maintain for agricultural and other productions largely the market of our own Dominion.

The time has certainly arrived when we must consider whether we will allow matters to remain as they are, with the result of being an unimportant and uninteresting portion of her Majesty's dominions, or will rise to the position which I believe Providence has destined us to occupy, by means which, I believe, though I may be over-sanguine; which my colleagues believe, though they may be over-sanguine; which the country believes, are calculated to bring prosperity and happiness to the people, to give employment to the thousands who are unemployed, and to make this a great and prosperous country, as we all desire and hope it will be.