

We all know it takes years to change the channel of trade, and, as Mr. Chamberlain himself observed, the trade between Great Britain and Canada had for a long time been falling. I will quote from his remarks. In discussing the trade which was falling off year by year between Canada and the mother country, he says:—

Well now what is the cause of this? Up to 1885 British exports steadily increased to the Dominion of Canada. Then the government of the day adopted a severe protective tariff which, by the nature of things perhaps, specially affected British goods. We are not the exporters as a rule of raw material or of food. We therefore do not export the articles which Canada imports. We export manufactured goods, and it was against manufactured goods that the tariff was evidently, I suppose directed. The result of that was that there immediately set in a continuous and a rapid decline in the importation of British goods into Canada.

Then he goes on to say that the preference which was given in 1897 has checked the decline. He, however, considers that the increase is not such as the sentiment of the people of this country foreshadowed would be the result. As I said before, when currents of trade are once established it is very difficult to divert them. There were many reasons why the trade of the United States would continue to grow. First the proximity of the two countries, the very large number of articles in the United States that we found it convenient to get at short notice; but as Mr. Chamberlain says, we checked the decline of importation of British goods. We did more than that. From 1897, if any one chooses to follow the figures in the trade and navigation returns, it will be found that there is a very marked and perceptible increase each year. Up to 1892 it had reached from some thirty odd million up to \$49,000,000. This year I think it will go considerably over \$50,000,000. I observe from the official return published by order of the British parliament the increase of British articles that have been purchased by Canada in the last year. It shows a remarkable increase in the exportation from Great Britain to Canada. So that I think after a year or two longer it will be found that our trade with Great Britain has been manifestly and perceptibly increased by the benefits flowing from the imperial preference. He goes on to enlarge upon the advantage from his point of view of drawing the various parts

of the empire closer together, and the only solution he sees is in free trade within the empire. That in my judgment, particularly after the Australian Commonwealth have adopted practically a high tariff, is not really within sight. So that that may be brushed aside as not likely to be obtained in the near future. The other more important point that was discussed in the conference was imperial defence. Hon. gentlemen are quite aware that the Australian colonies and some other outlying parts of the empire do contribute a sum of money towards the imperial defence. Australia has a considerable navy. Being an island it is quite within their policy to have a navy of their own. They are lying in the southern ocean liable to an attack from outside countries, and it was quite within the natural policy to be adopted in Australia that the navy should be sustained and maintained. The sum that Canada would contribute towards the maintenance of the army and navy would be in the aggregate a comparatively small sum, while it would create a considerable amount of friction in this country.

We enjoy a special position, unexcelled, I may say, by that of any other country on the face of the globe. On the north of us we have no neighbours, between us and the north pole and on the east and west we have no neighbours. No army outside of the United States can ever think of assailing Canada. There is but one country that we would have to fear: that is the country lying to the south, a country of eighty million people, and considering the close alliance that is being drawn between Great Britain and the United States, one might brush that aside as being too distant for contemplation. We therefore enjoy an exceptionally advantageous position. Mr. Chamberlain thought that Canada ought to give a substantial contribution to the maintenance of the British army and navy, Sir Wilfrid Laurier did not concur in that view, nor do I think a vast majority of the people would share in that opinion. As I said before, if we were paying a few millions a year to the British treasury, it would be a mere mite compared with the large sum that it is necessary to raise, and it would give rise to a good deal of friction. I question whether it would be a wise or prudent measure for us to adopt. He