

intermediate rates are the same will be extended by these 13 items. As I have already said, I think the House will agree with me that while these duties have served a purpose in obtaining the favourable action of the United States they are not items which come into serious conflict with any of our own industries, and so far as they go, they will be deemed reductions of duty to the consumer. Extremists on both sides will have extreme views as to this arrangement. I have no doubt that some will say that the United States have the best of the bargain and that others will say that Canada has the best of the bargain. In both cases, I believe, they will be wrong. The best kind of bargain is one where both sides meet each other in a good spirit and are satisfied that the spirit of compromise has prevailed. I believe it is a good thing for Canada and I believe it is a good thing for the United States. It is a good thing because it will prevent the bringing on of the maximum tariff, if it had to come; and even if it were not to come I say again that I believe that it was better that we should bring about this result by some concession, of no great importance to us but of some value to the United States, than that we should quarrel with them, because, though we might feel that we were right, victory might be dearly bought, if it should prevent the good relations which ought to prevail between the people of these two great countries lying side by side.

I wish to say a word or two before concluding about the British ambassador. It is only right that I should do Mr. Bryce the justice of saying that in all this transaction he gave us his hearty sympathy, co-operation and support. I sometimes read in the public press references to alleged friction between the embassy at Washington and the Canadian government, but I may say that there is not the shadow of a foundation for anything of the kind. No ambassador at Washington has ever taken more trouble than did Mr. Bryce—I think I might say no ambassador has ever taken so much trouble—to put himself in close touch with the Canadian government. He has come to Ottawa repeatedly to meet our ministers, and public men, and in this, and every other negotiation Mr. Bryce and his tariff at Washington have given us their hearty sympathy, co-operation and support. When Mr. Bryce was approached as to the manner in which this negotiation should be conducted, he suggested that the most effective means would be to put the United States government in close and direct touch with the government of Canada. He advised them accordingly, and the result is to be found in the arrangement that has been made.

I have stated that there is not a great deal of correspondence upon this subject, but there is some, and I should like, before concluding, to place the House in possession of it. Down to a very recent date negotiations were conducted almost entirely through interviews and conversations between representatives of the two governments. On the 26th March last, which was Saturday, after the full discussion of the whole matter with the President and Secretary of State, Mr. Knox, I addressed the following letter to Mr. Knox:

Washington, March 26, 1910.

My dear Mr. Secretary,—In the conference which, upon his invitation, I had the honour to hold with the President of the United States at Albany a few days ago, it was represented to me that the settlement of our present tariff differences and the opening of the way for negotiations, having in view a broader scheme of reciprocal trade, would be facilitated by Canada making some reductions in its present scale of duties as applied to products of the United States. While unable to waive any of the contentions which Canada has held throughout our discussion of the subject, I have appreciated the exceptional circumstances and reasons advanced by the President in support of his request. A tariff conflict between the two countries would undoubtedly be a matter of the gravest concern for both, involving widespread disturbance of trade, heavy loss to citizens of both countries and the creation of much friction at a time when the cultivation of happier relations is most desirable. Both parties to the difference should, I realize, be willing to go as far as possible to avert such a conflict.

I have observed with satisfaction that your government are not disposed to press some of their earlier contentions respecting our commercial treaties which, from our point of view, we could not admit. This being the case, I feel that our government should go as far as possible to meet the views of the President and to respond to the good spirit in which he has approached the subject. On behalf of the Canadian government I agree that we shall forthwith recommend to the parliament of Canada such amendment of the Canadian customs tariff as will reduce the duties on the list of articles agreed upon between us, such articles and the reduced rates of duty being as follows:—

I shall not read the list as I read it a moment ago. There is a note as to the meaning of the abbreviations, &c., and the concluding paragraph is as follows:

It is understood that these reductions are not to apply exclusively to the products of the United States, but that the Canadian government are free to apply them to the products of any other country.

Yours faithfully,

(Sgd.) W. S. FIELDING.

The Honourable P. C. Knox,
Secretary of State,
Washington.

I shall now read a letter from Mr. Knox.