

though their sympathies were not with the doctrine of protection, national conditions compelled them to follow in the footsteps of their predecessors and to maintain those principles of national policy upon which the national life of Canada rests.

The United States during its whole history has based its fiscal policy upon protection. The Republican party in that country has been its avowed advocate, whilst the Democratic party has professed opposition to high tariff principles; yet during the whole history of the Democratic party in office they maintained tariff barriers higher than ever have been maintained in Canada.

With this short historical review in mind it may therefore be said that the policy of Canada since Confederation, and likewise that of the United States, have been committed to the fundamental principles of protection as opposed to free trade.

In anticipation of every general election in Canada we are faced with the old declarations of hostility against a protective tariff, and to-day we find ourselves facing this same issue as on the many previous occasions when an appeal to the electorate was shortly to be made. We find the Liberal party adopting the same attitude as they did previous to 1896—that of all things to all men: free traders in rural districts, protectionists in the cities; boxing the compass at all points; not hesitating to sail to every wind that blows. Then, on the other hand, we find the United Farmers' organizations, avowedly free traders, committed to a condemnation of all tariffs, and advocating unique systems of taxation about which they know nothing and which are as visionary as the views they entertain upon all general questions of government.

Without entering into any lengthy disquisition upon the relative merits of the doctrine of protection or that of free trade, I take the position that the fiscal policy of any country should be based entirely upon the conditions which confront it. A country is not made for trade policies, but trade policies for the country, and in framing them every consideration should be given to the conditions which we are called upon to face. In Canada we occupy one-half of the North American continent: we have here all the resources calculated to build up a great nation—a nation which ultimately should be as virile and as great as the nation to the south of us. On our side of the line we have approximately nine millions of people; on the other side of the

line they have 120 millions. Within a little more than a century they have built up one of the most powerful nations of the world; a nation which to-day largely dominates the nations of Europe. Its products and manufactures go into every part of the world and largely dictate the international relations that must be adopted by other nations in every hemisphere. While an imaginary line separates the two countries, a line made up of sea-coast and internal boundaries, without apparently any obstruction appearing to the eye between the two countries, yet they have built tariff barriers between this country and theirs that tower higher and are more formidable than if national fortifications were erected along every mile of their boundaries. To get Canada's products into the United States this country has generally been called upon to pay from twenty-five to fifty per cent on those which were exported to them. National life can only be built up upon an exchange of commodities, and if that exchange is carried on under unfair conditions, or on terms which handicap the one nation as against the other, it is manifest that it must operate to the detriment of the nation against whom it is directed. If Canada is compelled to pay 25 per cent of the value of all its products to the United States to permit of its exports crossing that boundary line to which I have referred, then it seems to me to be nothing short of national madness to contend that this should be passively allowed and that such a course of exchange is of advantage to the building up of Canada. It is incomprehensible that human reasoning could advance so preposterous a doctrine. It scarcely requires any words to point out that, if we give 120 millions of people free access to cross our boundary line with the products and manufactures of their country, two things must follow—one of which is that the revenue derivable to-day from a protective tariff must necessarily fall to the ground, and that products and manufactures of the United States must necessarily overwhelm and paralyze the efforts of nine millions against 120 millions.

If we view the situation from this standpoint, as we necessarily must, what would we have in Canada as against this condition? Canada is peculiarly an agricultural country, yet can it seriously be contended that agriculture in Canada could flourish and prosper while the products of 120 millions are being shipped to Canada under conditions which would preclude the products of our nine millions from getting into

Hon. Sir JAMES LOUGHEED.