

farmers moved still farther westward. With regard to the New England trade, therefore considering that the limit of production was growing smaller every year, nature had given to Canada an advantage which nothing could take from her. In 1860 more than four times the entire yield of wheat in the New England States was sold in the Boston market for domestic consumption, and since then the population had increased, while the wheat area had diminished, and towns occupied the place of the farms of 1850 and 1860. With diminished production, the population of New England had increased by one million. Statements had been made in the papers that our exports to the United States had largely decreased since the repeal of the Reciprocity Treaty. But official returns showed the exports during the last year of the treaty to be \$36,000,000, while last year they were \$28,000,000. The question of value must, however, be taken into account. Gold was then at 50 prem., while it was now at 33 prem. The actual result on a gold basis was, during the last year of the treaty, \$30,000,000 of exports, and during last year \$24,000,000, or a reduction of \$6,000,000, but there had been an increase in the export of wheat in 1868 as compared with 1866, of \$3,700,000 against \$2,780,000. The decrease had been on fish, wool, oats, and animals. In the last year of reciprocity, there was an enormous export by reason of the expected expiration of the treaty. The decrease in the export of animals had been very great, especially in counties bordering on the United States, and they felt the loss of the treaty most. In wheat and coarse grains, notwithstanding the duties the exportation had augmented, without diminution of price; the American consumer being obliged to pay the duty. They must still consume the great bulk of our grain, for of the whole harvest of the United States less than 5 per cent went abroad for consumption, and 95 per cent was consumed by the people themselves. He did not attach small importance to the renewal of free commercial intercourse with the United States; but just because he did attach importance to it, not only on account of its commercial, but of its national advantages, in promoting the intercourse of two peoples who have so many interest, and feelings in common he desired that the effect of the abrogation of the treaty should not be exaggerated,—that we should not be represented as suffering more than we actually did. These exaggerations would interfere he thought with the satisfactory conducting of the negotiations for the renewal of the treaty. The table to which he had already referred embraced the trade of the Provinces of B. N. America, and it appeared that the export to the United States from all parts of the Dominion was during the last year of the treaty of the value of \$21,340,000, and in 1868 they amounted to \$20,061,000, or a little over 5 per cent. In the article of lumber there was an increase of 44 per cent., and in one or two other articles some increase. In animals and their products, there was a decrease of 46 per cent., comparing the last year of Reciprocity with 1868. Taking the products of agriculture as a whole, including grain and flour, there had been a falling off, especially in flour. In other articles there had been a decrease of \$300,000 or 12 per cent. This statement showed us how much we ought to value our products, and especially our lumber. The reports of Messrs. Derby, Wells, and Walker, and of the Internal Revenue Commissioners, all showed that all parts of the United States, South of Maryland, must depend for future supplies of lumber on the forests of Canada. These reports also showed that the lumber of the Western States was being sent in large quantities to those regions which were being opened by the Pacific Railway, so that the Eastern States are,

and will continue to be, more and more dependent for their supplies of lumber upon Canadian forests. Notwithstanding the enormous duties put upon lumber since the repeal of the Reciprocity Treaty, our export had increased 44 per cent.; and not only was this the case, but it was found that Americans were coming into this country to buy and ship our lumber to Monte Video, Barbadoes, Australia and other foreign countries, direct from Canada instead of through their own country as formerly. Looking at lumber we had very little to fear from any policy that might be pursued in the United States. Turning to the trade between the Provinces he reminded the House that the trade and navigation returns just put into the hands of members did not supply all the information which it was desirable to possess. They showed the imports and exports of the Dominion as a whole, and did not deal with the trade between the several Provinces. Hence he was compelled to resort to other channels for this kind of information. From various Railways; Boards of Trade; Collectors of customs and other channels of information within his reach. In the year 1866-67 there was sent from Canada to New Brunswick and Nova Scotia by the Grand Trunk Railway, 288,000 barrels of flour; by the river St. Lawrence, 99,000; by the Suspension Bridge, 210,000; making an aggregate for the year 1866 of 497,000 barrels of flour. In the year 1867-68 there were sent by the Grand Trunk to the Lower Provinces 328,000 barrels of flour; by the St. Lawrence, 107,000; by the Suspension Bridge, 14,000; an aggregate of 449,000 barrels of flour.

Mr. MACKENZIE—Does that embrace the export to Newfoundland?

Mr. ROSE—No, merely to Nova Scotia and New Brunswick, showing an excess of about 33 per cent. He regretted he could not give similar accurate information respecting the increase in articles from the Lower Provinces to Ontario and Quebec, but he could state that the increase in coal last year was about 17 per cent over the previous year's import. This year, from all he could learn, that per centage would likely be more than trebled, because we were now getting our supplies of coal principally from Pictou and other parts of Nova Scotia. Before leaving the subject of our trade relations with the United States and with ourselves, he might be permitted to say a word more with reference to reciprocal trade with the United States. We might fairly say to them, "We don't complain of the abrogation of the treaty; we have no fault to find with you for your action at the time; we know the peculiar difficulties in which you were then involved; we know the state of public opinion which unfortunately prevailed respecting us during the war, and for which our people and government were not to blame; and we believe that since that time you have formed juster impressions of our conduct towards you during the war, and that all excited feelings have passed away. We have not since that time sought to retaliate; we have given you freely all the advantages you possessed during the continuance of the Reciprocity Treaty; we make every allowance for the exceptional circumstances under which you abrogated the Treaty; we have waited patiently up to this time, giving you every advantage you had before, and not seeking in any way to enter upon a retaliatory course towards you. We have allowed you free navigation of our canals and rivers; the use of our fisheries by paying a merely nominal license as an assertion of our rights to them; we have not sought to interfere with the transmission of goods in bond across the Western peninsula by imposing conditions such as you have imposed upon us; we have allowed your flour, grain, salt, hops, coal, and other productions to come in free for the last three or

four years; but you must understand we cannot go on this way forever. (Hear, hear.) The time may come when we may require to have a national policy of our own, (Hear, hear.) and that that national policy will be shaped solely by those considerations which affect our own resources." (Hear, hear.) In entering upon negotiations for a renewal of this treaty we ought to let it be unmistakably understood that much as we desire on national and commercial grounds, to have unrestricted intercourse with the United States, we are not prepared to give up our national existence for it. (Hear, hear.) We must meet them as equals, considering simply what is to the mutual advantage of both countries and for the promotion of full and kindly intercourse. There should be a distinct enunciation of opinion in this country that no matter how much they may prevent intercourse with them, we are not disposed to pay a price for that intercourse by giving up our associations or our national existence. [Hear, hear.] We had great faith in our ability to get other markets which would relieve us from any temporary depression which may now exist.

At one time it was supposed England would be utterly ruined by the loss of the cotton trade with America, but we knew that other markets were soon opened, so that now less than forty per cent of her cotton comes from America. He did not desire to say more on this subject, but he thought we ought not to exaggerate the injury to the trade of this country, which he believed was only temporary, by the restrictions in trade with the United States. The time may come when this question may have to be considered in a more serious light, but this was not the time to do it, when we find the people of the United States becoming disposed to open up negotiations. The committee of ways and means at Washington had almost unanimously reported in favour of opening up negotiations and that report had been unanimously adopted by the House of Representatives, and he believed but for the extreme urgency of national affairs this report would have been carried into effect.

He would now call attention to our prospects for the year 1869-70. The estimates submitted had been prepared with every desire to enforce as far as practicable economy in every branch of the public service. They did not desire to resort to new taxation till they had reduced the expenditure to very near the lowest limit compatible with the highest efficiency. Every item had been carefully scrutinized and reduced as low as possible, and he had to-night to appeal to the forbearance and magnanimity and patriotism of their promoters not to ask them this year for any expenditure on particular works or services which however advantageous and useful in themselves, yet cannot be undertaken this year unless they resorted to new taxation or borrowing, and he was averse to both. In regard to the building of Post Offices, Custom Houses, Wharves, Lighthouses and like local works, they ought properly to be constructed out of the ordinary revenue. As regards other works, such as would be necessary in order to get access to the North West territory, these were works that might fairly be a charge to posterity. (Hear, hear.) We must not do such work by dribbles. It must be done on a large and comprehensive system, but ordinary works ought to be paid for out of ordinary revenue. If a man proposes to enlarge or improve his house, he does not, if a wise and prudent man, borrow money for it. He pays for it out of his ordinary income, and on the same principle he would appeal to the patriotism of hon. members not to ask for appropriations for local works except such as were absolutely necessary for the public service, and he believed the