

for consumption exceeded our sales to the United States, were the following articles: Corn, oats, wheat, wheat flour, corn meal, oatmeal, seeds, small fruits, tobacco leaf, broom corn, hemp, flax seed, horses, hogs, poultry, eggs, butter, cheese, lard, bacon, hams, salt beef, salt pork, hides, skins, wool, and so forth. All that list of articles we imported from the United States for consumption in excess of our exports to the United States for consumption in that country. Well, that is rather a suggestive list. Very few people would imagine that this country, which was believed to be dependent on the United States for a market, which was supposed to be a suppliant for access to that market, would show such a condition of trade in farm products. But such is the ease; so that if we were to adjust the commercial relationship of the two countries upon the basis of free trade in natural products, the advantages would be by no means all on one side. Upon the basis of free trade in natural products the balance advantages would perhaps not be on our side. We have west of the Rocky Mountains, the great province of British Columbia, a productive mining region, which has its most economical source of supply of farm products in Washington and Oregon. We have in the maritime provinces a million people who would derive their food supplies from American territories if they could sell their lumber, potatoes and other articles free of duty there. We have a great market for farm products in the mining and lumber regions of Ontario and Quebec. If natural products were on the free list, and there was free interchange between the two countries of all the products of the farm, the balance of trade would be very slightly, if at all, in favour of the one country or the other.

Mr. CLANCY. Does the hon. gentleman's proposition involve that Dakota and Washington Territory should supply British Columbia rather than our own western provinces?

Mr. CHARLTON. I spoke about Washington and Oregon, and not about Dakota.

Mr. GOURLEY. With reference to Nova Scotia, we would not have the agricultural trash they raise in the United States if it were given to us free.

Mr. CHARLTON. Patriotism would have a good deal to do, of course, with arriving at that decision. Now, after this period of more than thirty years of trade relation such as I have described, we had a culmination of affairs in 1902 in our trade with Great Britain and with the United States, which I will briefly allude to. Last year our total imports from the United States were \$129,000,000. In 1866 they were \$28,794,000. Last year our total exports to the United States were \$71,177,000, and the apparent balance of trade last year in favour of the United States was \$58,592,000. Last year our total imports from Great Britain were \$49,435,000, and

our total exports to that country were \$117,320,000, and the balance of trade in favour of Canada was \$67,894,000.

But a revised statement of our trade with the United States and our trade with other countries, taking into account the imports and the exports of precious metals, would vary that statement, and it is interesting to hear how our trade with the United States would stand on that basis. Last year we imported from the United States \$6,062,000 in coin and bullion, which left our total imports from that country, less this coin and bullion, \$123,732,000, and our total exports to the United States were \$71,177,000. Our exports of precious metals were:

Coin and bullion.....	\$ 1,635,000
Gold dust and nuggets.....	19,677,000
Silver and silver ore.....	2,055,000

Or a total of precious metals of \$23,367,000, which, deducted from the total exports, left our exports of domestic products and products not the produce of Canada, \$47,829,000. If we deduct the \$2,894,000 of exports not produced in Canada, it leaves our exports \$44,935,000.

My hon. friend from South Oxford yesterday afternoon, in criticising the statement of the hon. leader of the opposition with regard to this very point, wanted to know what difference there was between the exports of precious metals and farm products and anything else. It was, he said, an exchange of what we wanted to sell for what we wanted to buy, which was true enough. But all the nations treat the precious metals on a different basis from ordinary exports. We raise wheat, corn, bacon, cattle and all the products of the farm for sale. We have to dispose of them. They are raised for that purpose. But gold and silver are quite different in their character, and all the nations are seeking to strengthen their gold reserve. There is not a nation which does not look with disfavour on the exportation of gold. They look at that in quite a different light from the exportation of what they have raised for the express purpose of selling. We may at least make a distinction between the class of products we raise for the purpose of selling and the precious metals, which it might be in our interest to reserve here as a financial basis—a basis for credit and banking, and the various purposes for which gold is used.

After deducting this export of precious metals and counting the \$47,829,000 as our actual exports, we have a balance of trade with the United States against us of \$75,925,000. That balance of trade has swallowed up our \$67,000,000 of favourable balance with Great Britain and left about \$8,000,000 to provide for somewhere else. This is not a healthy and desirable condition of trade. The United States, year after year, have had enormous balances of trade in their favour, and the result is they are one of the wealthiest nations in the world; \$600,000,000 is no unusual balance in their favour.