

received the approval of the Canadian Parliament. In the other cases, the favoured-nation treaties had never received the approval of the Canadian Parliament; but they were nevertheless held to apply to Canada. Thus it will be seen that the preference which we wished to give and which we actually did give for several months to Great Britain, had to be extended to the countries I have named; and we refunded to importers duties which had been collected in the interim upon goods from those several countries.

But all this will come to an end at a very early day. At the end of July in the present year the Belgian and German treaties will expire. Canada will not then be obliged to give the preference to either Belgium or Germany.

With the fall of the treaties, the claims of other nations, under the favoured-nation treaties, to receive equal advantages will also fall. Canada will then be free to confine the benefits of her preferential tariff to the mother country and to such colonies as, in the judgment of Canada, should be admitted. That is, Mr. Speaker, what we can do, and that is precisely what I shall have the honour of proposing to the House. Under the terms of the preferential tariff, as it now stands, the second reduction of 12½ per cent, making 25 per cent in all, will take effect on the first of July next. For the moment, it will be necessary for us to give that greater reduction, not only to Great Britain, but to the various nations I have mentioned, because the treaties do not expire until the last day of July. We propose to repeal the section of the law and the schedule dealing with the preferential tariff. We propose that that repeal shall take effect on the first of August next, which will be the day when Canada will no longer be bound by the Belgian and German treaties, and we propose to substitute for the existing law on the subject a new section and schedule, in accordance with the statement I have made. This new section and this new schedule will provide that the preferential tariff shall, in the first place, apply to the products of the United Kingdom of Great Britain and Ireland, and also that it shall apply to the products of any British colony or possession, the tariff of which is deemed to be favourable to the trade of Canada. Under this provision, new South Wales and British India will be admitted, as they now are to the benefits of the preferential tariff. There will be a further provision respecting the operation of the preferential tariff, to which I shall refer as I proceed.

Mr. McNEILL. Will the hon. gentleman kindly say how the denunciation of the Belgian and German treaties affect the favoured-nation clause with regard to other countries?

Mr. FIELDING.

The MINISTER OF FINANCE. By the favoured-nation clause we are obliged, as part of the Empire, to give to any country having a favoured-nation treaty with Great Britain any privilege which may be granted to any third power. Belgium and Germany are third powers within the meaning of these words. Therefore, when we were obliged, by the decision of the Imperial authorities, to give the privileges of the tariff to Belgium and Germany, these being third powers as respects all other nations, the favoured-nation treaties began to apply, and we had to extend the advantages to the several countries as well.

Mr. McNEILL. I think I did not make my question quite clear to my hon. friend. I was not asking with regard to Belgium and Germany, but with regard to other countries. For example, Holland had a right to come in under our reciprocal offer; would not all other nations having the favoured-nation clause in their treaties have the right to come in as soon as Holland was admitted, irrespective of Belgium and Germany altogether?

The MINISTER OF FINANCE. I see the hon. gentleman's point now. The point is, that having admitted Holland, we would be obliged, even irrespective of the German and Belgian treaties, to admit the other nations as well. That would be quite correct, but we could easily have refused to admit the goods of Holland, and then there would be no trouble. But we could not refuse to admit the goods of Belgium and Germany with the same freedom as we could the goods of Holland.

Mr. McNEILL. Does the hon. gentleman say that he could, in the face of his reciprocal offer of last session, have refused admission to the goods of Holland?

The MINISTER OF FINANCE. That, possibly, is a question upon which legal gentlemen might differ. I am strongly inclined to think that there was a measure of discretion remaining in the hands of the Government on that question. I will not say, however, that the question is beyond debate. I think, perhaps, there is room to doubt whether or not we were obliged to admit the goods of Holland. However that may be, Holland received the benefit of the doubt, and we did admit her goods. The hon. gentleman is quite right in stating that the moment any foreign nation, no matter by what method, received the benefits of our preferential clause, we were then obliged, under the Imperial decision to give every other nation having the favoured-nation clause in its treaty the same advantages.

I wish now to say something with regard to changes which may be deemed necessary in the present tariff. The Government have been gratified, and exceedingly gratified, by the manner in which the tariff policy of last