

ports from Washington that Congress had imposed an additional 10 per cent. on imported manufactured articles. His hon. friend was of opinion that protection was run into the ground; yet the Americans were a shrewd, practical people, and in their policy they were followed by France, Belgium, Germany, Austria and Russia. England was the only country that had adopted a free-trade policy, but she had only done so, after generations of a protective one, during which time she had accumulated enormous wealth, and had loaned her surplus capital to all the nations of the earth, and had invested a vast sum of money in great public undertakings throughout the civilized world, receiving therefrom a large annual revenue which would pay for her importations. But in the financial history of the United States it must be remembered that about 1832, Congress, to meet the demand of the Democratic party, passed a compromise tariff, under which the duties were annually to be reduced until they reached a maximum of 20 per cent., with the annual reduction the imports of foreign commodities largely increased, and in 1837 the excess in value of the imports over the value of exports became so great that the drain of gold from the banks brought about a panic of great magnitude, causing all the banks throughout the Union to suspend specie payments. Many of them failed, and bankruptcy and ruin was universally spread. While the currency is a metallic one trade is subject to great panics, should the imports greatly exceed the value of the exports. Free trade, in his opinion, did not consist in the importation of goods free of duty if payable in gold fixed in price, but a true system of free trade would be an exchange of commodities on fair and equal terms. The abolishing of import duties would so affect the revenue as to require the deficiency to be raised by direct taxation, and that would most probably be put upon the land, for personal property could in many ways be put out of sight. He, as a farmer, would be opposed to direct taxation, and he believed it would act most injuriously upon the business of the country. On referring to a report of the hon. gentleman's speech in 1865, ex-

plaining his reasons for resigning his seat in the Government in consequence of Mr. Galt having gone to Washington to negotiate for a continuation of the treaty, he said that "We should not have gone to Washington as suitors for any terms they were pleased to give us. We were satisfied with the treaty, and the American Government should have come to us, since they, not we, desired a change. There was something in building up a great country besides mere commercial advantages, and he did not desire that by a system of reciprocal legislation Canada should be bound to sail in the wake of Washington." Of course no public man should be bound by opinions expressed nine years ago, but he (Mr. Wilmot) was very much of the same opinion now. Our country was of vast extent, and with all the resources by wise statesmanship we could build up a great nationality, — its fertile lands, its various minerals, its magnificent forests and valuable fisheries, and a fleet of shipping that was to be found scattered over every sea, with a hardy, healthy, and industrious population that rendered us independent of any other country for the necessaries of life, and sufficient surplus to export to procure a moderate supply of the luxuries of life. And he for one was not prepared to leg for reciprocity without the United States were prepared to meet us fairly. They were so keen and sharp that they were bound to have the best of the bargain. While they have the navigation of the River St. John, under the Ashburton Treaty, and could bring their timber and lumber down, they passed a special Act of Congress to permit their own citizens to manufacture lumber at the Port of St. John, and send it thence into the United States free of duty. Our people had to pay from twenty to forty per cent. duty, giving the Americans the monopoly of the business.

HON. MR. KAULBACH—Situated as we and the United States are on this continent, many reasons suggest themselves in favour of more intimate trade relations, providing proper regard is paid to reciprocal advantages and the fostering of home industries. Yet we should be thankful that by the grace of our American neighbors, our interests have not been sacrificed or