

making treaties with any countries, as I explained before, those eighteen or twenty other countries that already enjoy the favoured-nations clause in their treaty in which Canada takes part with England, would gain the advantage we give Japan. When my hon. friend's government made a treaty with France they specially recognized that provision because they put in a paragraph stipulating that the advantages given to France gave those other nations equal privileges. They could not avoid it. The only escape would be to denounce those other treaties. The mother country objected very strongly, and it was only after a strong pressure that we succeeded in getting the Germany and Belgium treaties denounced. If we think it is in our interests to make any proposition to Germany it would probably be accepted, or of course we can take the high handed way of proposing discriminatory duties against Germany higher than against the rest of the world. We are quite free to do that.

Hon. Mr. MILLER—Why not treat them as they treat us?

Hon. Mr. SCOTT.—We could do that no doubt. I could enlarge very much on that point but I do not propose to do it. I think it is perfectly evident to any candid gentleman who looks at it that a very extraordinary change did take place after we introduced our tariff in 1897. I know at the time it was stated that the industries of Canada were to be seriously affected by that change. That statement was made in another place at the time the tariff was introduced, and we have been told since that certain industries in this country were suffering—that they were losing money. Arguments of that kind have been adduced from time to time in the public press, but there is the fact that the large number, certainly 95 per cent of all the industrial factories in this country have been working overtime. There has been no suspension or lull in the industries in any sense, and while we have been importing largely, yet we have been buying largely from our own manufacturers. Many of them could not keep up with the orders. It is well known that orders had to be sent abroad because they could not be filled in Canada. That is the result of opening up trade with other countries. It sustains fully the point I

made, that to be successful our country must trade with outside countries—we must both buy and sell. It is quite evident unless you buy from a country, the exports sent abroad must pay a very much higher freight, because a vessel would only get a profit going one way. Now, we have endeavoured so to arrange the business of this country that there would be a trade both ways, and the figures in the Trade and Navigation returns fully sustain that point and show that we have been buying largely and selling largely. As a matter of fact, the only time that trade has changed largely in favour of Canada has been within the last year or two, where we have sold considerably in excess of what we have bought. If the Trade and Navigation returns are consulted it will be found since confederation the value of our imports has been enormously in excess of our exports. A change has occurred during the regime of the present government, and we are now selling very largely abroad. The markets of the world have been found and our exports have risen beyond \$400,000,000. I am glad to say they are still rising. The probability is that during the present year the total trade of Canada will have risen above \$450,000,000. It is up now, by the last returns, considerably over \$400,000,000.

Hon. Sir MACKENZIE BOWELL.—That is the imports and exports?

Hon. Mr. SCOTT.—Yes, the general trade. Some reference was made to the transportation commission. It is within the knowledge of any hon. gentleman who has taken note of passing events, that considerable complaint exists at the delays in sending forward to tidewater the products of this country. I presume it arises from a variety of causes. Suddenly those products have arisen to a very large volume, and there is considerable difference of opinion how best we can have transportation readily through Canadian channels. There are the views of some gentlemen who maintain they can be carried more cheaply by railway through from the great North-west to Quebec and the Atlantic seaboard. There are others who take a different view, that the quickest way would be by rail and lake, delivering the goods at Port Arthur and Fort William, and thence by the great lakes and canals to the Atlantic. With that view,