

distinguished financier of the city of London, whose name we will all recognize, Mr. Grenfell, son-in-law of the distinguished Governor General of Canada at the present moment. Mr. Grenfell is a member of the banking firm of Chaplin, Milne, Grenfell & Co., and chairman of the Canadian agency of one of the leading Canadian bond issuing houses in London. In a cable message which reached here yesterday, Mr. Grenfell is quoted as giving the following interview with regard to reciprocity:

From my recent trip to Canada, I am convinced that Canadians fully realize the progress and prosperity that have accrued to Canadian manufacturing and agricultural industries from cheap money sent out at a rate of over £30,000,000 per annum by English investors. I am confident that the first thing taken into consideration by the Canadian ministers would be whether the reciprocity arrangement with the United States might affect securities against which these large investments have been made.

I believe it will prove of inestimable advantage to Canada. Great material benefits will be derived by the whole Dominion in both agricultural and manufacturing industries from the opening of American markets. The future prosperity of Canada must be largely based on the soundness of agriculture and the enhanced value of western farm lands that will result from reciprocity will mean greater security of English investors. The free and larger markets which reciprocity will open to the farmers of the west, will cause great demands for the products of the factories of the east. Canadian statesmen have taken advantage of the situation.

It appears to me they have secured splendid terms for Canada in exchange for giving Americans what Americans could have taken for themselves at any time by simply lowering their own tariff wall without asking permission from Canada. Investors in England will speedily realize many trade advantages derived by Canada through the reciprocity agreement and will be more anxious to participate in opportunities offered by sound Canadian enterprises by investing their money at high rates of interest, while assisting in the development of the British Empire.

I submit, Mr. Chairman, that these statements, coming, as they do, from gentlemen who are experts on the subject, gentlemen who have authority to speak, are far more convincing arguments to lead one to a correct conclusion as to the real effect of this reciprocity arrangement upon the industries of Canada than all the somnolent reveries of the hon. member for East Lambton. My hon. friend (Mr. Armstrong) also stated that the Hudson Bay railway should be abandoned, because it would be practically a waste of money to construct it, as under this arrangement the trade would be diverted from that railway to the railways of the United States.

Mr. ARMSTRONG. The hon. gentleman (Mr. Kyte), is wide of the mark again. I

Mr. KYTE.

made no such statement as he now attributes to me.

Mr. KYTE. The hon. gentleman stated that one of the results of reciprocity would be that the Hudson Bay railway would be useless to Canada, and though I may have paraphrased his statement and not given his exact words, I believe 'Hansard' will bear me out that such is in effect what he said.

Mr. ARMSTRONG. I ask you, Mr. Chairman to have the hon. gentleman read the 'Hansard' and there he will find that what I said was, that if the statement of the men of the west be true, that they are going to trade with Chicago and New York, then there was no need for the Hudson Bay railway, and that statement was made by me interrogatively.

Mr. KYTE. I accept the correction, and it still leaves the point just where I put it.

Mr. ARMSTRONG. No.

Mr. KYTE. Now, the hon. the leader of the opposition, speaking on this very Hudson Bay railway some short time ago, said:

The west is very much concerned at the present time about the building of the Hudson Bay railway. There is not absolute unanimity of opinion in this country as to the relief that will be brought to the people of the west by the construction of that road. I hope it may bring to them all the relief they expect, and then beyond question, in justice to this road it ought to be proceeded with without any delay.

That is the statement of the leader of the opposition in respect to the building of the Hudson Bay railway, and we may conclude from it, that he does not regard that this trade arrangement will militate against that great enterprise as my hon. friend (Mr. Armstrong) would have us imagine.

Mr. LENNOX. Does the hon. gentleman not find that the leader of the opposition also said in effect: Why proceed with the building of the Transcontinental railway, the Hudson Bay railway, and the canals, if we are going to divert our trade to the south and alter our policy which has been established for so many years.

Mr. KYTE. I did not feel I was called upon to read all the speeches made by the leader of the opposition, in which he has made reference to this railway; my point was to show that when he was discussing this particular resolution, he was still urging the government to proceed without delay with the construction of the Hudson Bay railway.

Mr. LANCASTER. Yes, instead of making this bargain with the United States.