parties should extend to a third outside party gratuitous favours, that would be a violation of the treaty containing the most-highly-favoured-nation clause. I will read the judgment of the Supreme Court on the construction of the treaty with Denmark, by which Denmark was entitled to the most-highly-favoured nation treatment at the hands of the United States. In this treaty was a stipulation that if either contracting party granted a particular favour to any third nation in respect to commerce, that favour should immediately become common to the other party who should enjoy the same freely if freely made to the third party, or upon allowing the same compensation if the concession were conditional. Subsequent to that treaty, the United States entered into a treaty with Hawaii by virtue of which reciprocal concessions with regard to trade were made between the two powers, allowing a certain schedule of articles to be admitted into the United States free of duty in return for a like concession on the part of the state of Hawaii. A merchant in New York claimed on an importation of molasses from St. Croix, one of the West Indies, a part of the dominions of the King of Denmark, a reduction of the duty, on the ground that he was entitled to it under the special agreement between the United States and Hawaii, which he claimed should apply also to importations from St. Croix. He paid the duties under protest and sued the treasury officer for the money received. The case was transferred from the ordinary court of New York to the Circuit Court of the United States, and finally came up before the Supreme Court of that country and the judgment was delivered by Mr. Justice Field. It is unnecessary for me to read the whole judgment and I shall read only some extracts. Speaking of this particular provision in the treaty, Justice Field said :

> These stipulations, even if conceded to be self-executing by way of a proviso or exception to the general law imposing the duties, do not cover concessions like those made to the Hawaiian Islands for a valuable consideration. They were pledges of the two contracting parties, the United States and the King of Denmark, to each other, that, in the imposition of duties on goods imported into one of the countries which were the produce or manufacture of the other, there should be no discrimination against them in favour of goods of like character imported from any other country. They imposed an obligation upon both countries to avoid hostile legislation in that respect. But they were not intended to interfere with special arrangements with other countries founded upon concession of special privileges. The stipulations were mutual, for reciprocal advantages. "No higher, or other, duties" were to be imposed by either upon the goods specified; but, if any particular favour should be granted by either to other countries, in respect to commerce or navigation, the concession was to become common to the other party upon like consideration, that is, it was to be enjoyed freely, if the concession were freely made, or on allowing the same compensation if the concession were conditional.

According to that judgment, a nation enjoying the most-highly-favoured-nation treatment, was entitled to enjoy freely benefits which were granted freely by the other contracting power to an outside party, as a matter of comity. Mr. Justice Field said the clauses were to be considered together, and that the merchant was not entitled to a return of the duties for the simple reason that Denmark had not up to that stage offered to give to the United States, the benefit of the specific tariff that Hawaii had extended to the United States, and until she did that she was not in a position to claim the benefit of the treaty to that extent.

Now, the other night, during this debate, the hon. Minister of Trade and Commerce (Sir Richard Cartwright) who is well versed in these matters, did not venture to express the opinion that the United States view supported his at all, in fact, if I may so say, he damned the United States view with faint praise. The United States view is also expressed in the second volume of Wharton's Digest of International Law, pages 37, and following. That view is there summed up in a few words which the hon. Minister of Trade and Commerce read to the House as follows :—

> A covenant to give privileges granted to the "most-favoured nations" only refers to gratuitous privileges, and does not cover privileges granted on the condition of a reciprocal advantage.

Let me call the attention of the House for one moment to the weakness of the argument of the hon. Minister of Trade and Commerce. He has invoked the aid of the United States authorities to the destruction of the Government's contention. We extend this benefit of a reduced schedule of customs duties to England, not expressly by name, but it inures to the benefit of England. If it inures to the benefit of England, is that concession made to England as a matter of comity or gratuity, or is it extended to England in return for certain concessions made by England to Canada ? We all know that England's tariff is a free trade tariff, and we do not get in exchange for our concession any consideration. It is a pure gratuity. Therefore, if the most-favoured-nation clause applies to this case at all, by the American view the concession to England violates the treaty, as we do not extend it in return for any concessions made by England to us. Now, there is the English, or, rather the European view. The European view of these treaties has been maintained persistently by England down to the present time. I shall not go into a historical resume of the times or occasions England has asserted it. That would be unnecessary. But I will state that she has claimed it down as late as 1895. In the report, extracts from