

ing a national tone and spirit to our population. It is not to be expected that if a change of Government should take place to-morrow any very great modification would be made in the existing tariff. It is not to be supposed that a paternal Government would pursue a policy which would destroy capital and paralyze industries which have been built up under the National Policy throughout this Dominion.

I may be asked what has the National Policy done for Prince Edward Island? I admit that it has done less for that Province than for other parts of the Dominion, but it has to a very great extent paved the way for a consideration of a renewal of the Reciprocity Treaty with the United States, which would not otherwise be the case. That was one reason why I welcomed the National Policy, and I find now, as I found last year at Detroit, in talking with members of the Board of Trade there, that in almost every instance reference was made to the great energy that our people had put forth in building up manufactures for ourselves. In fact, when the Reciprocity Treaty was abrogated, it was thought to be almost impossible for us to cope with the difficulties and dangers which surrounded us and it was considered extraordinary that 4,000,000 of people, situated as we were beside a nation of 50,000,000, could make such a policy successful. I am told that there is a change of opinion in the United States with regard to this question, and I now read an editorial article from the New York *Herald*, one of the leading papers of the United States, in confirmation of what I say:

TRADE WITH CANADA.

"It was the refusal of the United States to renew the reciprocity treaty with Canada in 1866 that compelled that country to develop its own resources. The Intercolonial Railway, a system of canals and a confederation of the provinces were the direct result of the repeal of this treaty. During the continuance of that reciprocal commerce the United States always exported more to Canada than it imported from that country, and, on the most stringent application of protectionist doctrine, derived the greater benefit from that trade.

After the abrogation of treaty relations numerous and incomprehensible tariff duties were put in force along the northern frontier. Especially was this the case with duties on agricultural products, as the conditions of production are so nearly alike along the Canadian border as to make any attempt to

discriminate purely artificial. The United States lost a customer, and Canada began to produce for herself. *Further than this, commercial relations were fostered with other nations, and, with a consciousness of strength, a tariff war with this country was entered upon.*

What has been gained by our refusing to renew the treaty in 1866? Nothing. Everything must be set down as loss, and that by our own stupidity and pig-headedness. Our policy now is to court trade, not only with Canada, but with Mexico, the Central and South American States, and in fact, with every nation which wishes to buy and is able to pay for its purchases in what we want. The Corean treaty is all very well as a diplomatic rocket, but as an instrument of commerce is difficult to see how we are to gain by it. *Our commercial interests lie with States nearer home.*

Thus it will be seen that the National Policy has brought the commercial people and the statesmen of the United States to consider whether it is not better for them to have closer commercial relations with a people who have shown themselves quite capable of grappling with the difficulties which surround them. If we look over the public returns we will find that we have opened up commercial relations with foreign countries with which, before the adoption of that Policy, we had very little trade. We have established trade relations with the West Indies, South America, Australia, Germany, Spain, Portugal, France, Italy, Holland, Belgium, Newfoundland, China, Japan and Switzerland. It would have been impossible for us to have opened up that trade without manufactures. We might have shipped our raw material, it is true, but to a great many of those countries it was necessary to send mixed cargoes. Therefore our manufactures assisted us very materially to develop our trade and resources, and we have been enabled to engage in large undertakings called for by the necessities of the country without lessening the value of our securities or diminishing in any way the prosperity of the country. I may say this, that if the United States at the time when her securities ran down from par until her public bonds were not worth more than forty cents on the dollar, had not inaugurated a policy of protection, her position might have been very different from that which she holds to-day. We all remember the ordeal through which the great Republic passed. When the bat-