

which, in his opinion, should be adopted by the Government of this country, and he understood him to say that the Minister of Finance was in accord with him in that policy. He (Mr. Wilmot) could not allow silence on his part to be considered as assenting to the policy indicated. The hon. gentleman was aware that there were great differences of opinion in many parts of the Dominion relative to the probable beneficial or injurious effect of the proposed treaty. It dealt with our producing and manufacturing industries, and, had it been entered into, would have admitted into the markets of Canada free of duty the natural productions and a variety of manufactured goods, not only from the United States, but from Great Britain also, and from other countries with which she had commercial treaties, causing necessarily a large loss of revenue that would have to be made up in some other way. His hon. friend viewed the general interests to be dealt with from the standpoint of our import and export trade, and in referring to the exports of agricultural products from the Dominion to the United States, being \$35,000,000, and of manufactured articles only about \$2,000,000, and consequently that the amount of manufactured articles being so small, it was of so little importance as not to require any great consideration; but his hon. friend must recollect that the amount of the import and export trade was small compared to the home trade. As an instance, with regard to agriculture; supposing the cost of feeding the 4,000,000 inhabitants of the Dominion at twenty cents per head per day, which was probably a rate less than it now costs to support the paupers and criminals, it would amount in the year to \$292,000,000, the great proportion of which was contributed by the farming population, being nearly \$60,000,000 more than all the import and export trade of the Dominion in the year 1873, which was \$235,000,000; the same reasoning would apply to our manufacturing industries, and Adam Smith, the standard authority on political economy, in his chapter on the home and foreign trade, says that the home trade exchanges two capitals, and that rapidly, while the foreign trade exchanges only one, and that slowly,

and that is by far the greatest test of national wealth. Any statesman or financier who did not take into consideration the extent and value of the home trade, might be far astray in his estimates. The Reciprocity Treaty of 1854 was abrogated by the United States, with the supposition that Canada would be forced into annexation if their markets were closed against us; but from our trade returns since the abrogation of that treaty we do not appear to have suffered; in fact, the people of the Dominion were thrown more upon their own resources, and new channels of trade with the West Indies, South America and the Mediterranean, which had been previously carried on through the United States in American bottoms, was now carried on by our own shipping, giving us not only the benefits of more distant and profitable markets, but earning profitable freights in addition, and so far as our trade returns show, even with the United States themselves, our trade had greatly increased. By the showing of his honorable friend not only had our trade with them greatly increased, but in the seven years since the abrogation of the treaty, the balance of trade in our favor was \$51,975,008, while during the continuance of the Reciprocity Treaty it was largely against us. There were two factors or elements in the creation of wealth: one was the varied natural resources, we possessed, the other—the labor, industry, and ingenuity of our people, converting the raw material of nature into exchangeable products. Production must precede commerce, for in the exchange of these products, trade, whether home or foreign, really consists; but in commerce another element enters—that is the medium by which the exchanges are conducted, viz., money, which is with us gold, and upon it all our banking operations rest. If, therefore, our foreign trade should show a balance against us, our banks may be drained of gold to pay the balance, and all our circulation to carry on our home industries may be so restricted as to greatly embarrass them. His hon. friend stated that at the present time, in consequence of the derangement in the finances of the United States, reciprocity could not be entertained, and he (Mr. Wilmot) saw by the last re-