

of the reciprocal arrangement upon the dairying industry, was not speaking by the book.

With regard to the fruit and canning industry, he also devoted some considerable time to that subject, and he came to the same conclusion, that the confirmation of this reciprocity agreement with the United States would inevitably destroy the canning industry of this country.

Mr. ARMSTRONG. I am sure the hon. gentleman does not wish to place words in my mouth that I never uttered, or to misrepresent me in any way. I do not think you can turn up 'Hansard' and show that I have made the statement that the canning industry would be ruined.

Mr. KYTE. Then that it would be seriously injured and hampered.

Mr. ARMSTRONG. Oh, well, be fair.

Mr. KYTE. I accept the hon. gentleman's explanation with respect to that, but I wish to point out to my hon. friend that there is not much evidence of the canning industry being injured, or in any way hampered by this agreement in face of the fact that the common stock of the Dominion Cannery, within the last ten days, went up from 48 to 58. There are many sources in this country from which we can obtain evidence with respect to the effect a question of public policy may have upon certain industries without taking all our authority from hon. gentlemen opposite. I think the records of the stock exchanges afford a pretty good index as to what the people generally are thinking with respect to the operation of this reciprocity arrangement upon the industries of the Dominion. With regard to the railways of Canada, it has also been asserted that this agreement will result inevitably in diverting traffic from our transcontinental railways, and that the American roads will get the benefit of the carrying trade, or a great portion of the carrying trade, of our country. I observe that the Canadian Pacific railway stock, within the last ten days, went up from 209½ to 213¼. If we accept that as an index of the view which the Canadian Pacific railway take of this matter, I can scarcely imagine that the argument advanced by hon. gentlemen opposite in that respect can be harmonized with the stock operations in the city of Montreal, and in the other stock exchanges throughout this country. I have here, also, from the Montreal 'Daily Witness,' selected from the column called 'Stock Exchange Talks,' a paragraph which says:

Our big railways are preparing for a great year's activity from one end of the Dominion to the other, and in this connection, among the many interests to be served by this expansion will be the different Canadian steel

corporations which are to receive liberal orders for rails and other construction requirements from the railway concerns.

I might also point out to you, Mr. Chairman, that in the last week the determination has been arrived at by the directors of the Canadian Pacific Railway Company to build an additional line from Victoria harbour, on the Georgian bay, to the city of Montreal, in order to carry the additional freight which will be offered as a result of this trade agreement.

Mr. SPROULE. They have been working at that for nearly two years back.

Mr. KYTE. At all events, they are not discouraged by the prospect, or, perhaps, they would hesitate before they would carry on the scheme. I also saw, a few days ago, that it was the intention of the Canadian Pacific Railway Company to build an additional competing line between Toronto and Montreal. Taking all the leading stocks of Canada, I think you, Mr. Chairman, will be very much impressed with the fact that, taking one with the other, nearly every industrial stock in Canada has gone up during the last two weeks. I might say further, that this morning's paper contained a despatch from Montreal, which reads as follows:

Montreal, Feb. 20.—G. F. Johnston and H. J. Allison, of the firm of Johnston, McConnell and Allison, left Montreal this evening for New York en route for England in connection with the completion of a \$20,000,000 British Columbia lumber deal, the capital for which is already largely subscribed. The name of this concern will be the British Canadian Lumber Corporation, the head office of which will be in this city.

I read this for the purpose of pointing out that the lumber interests is not calculated to receive very much injury from this reciprocal trade arrangement should it pass through parliament.

But there is one other feature of this question that I desire to present to the committee, because this is an agreement which involves a larger question than that of any local industry or enterprise. I refer to the large amount of British capital which has heretofore been invested in Canada for the purpose of developing the great industrial and commercial enterprises of the country. The statement was made without reserve by the hon. member for North Toronto (Mr. Foster), and repeated by the hon. member for East Lambton (Mr. Armstrong) that the result of this arrangement would be to withdraw British capital from Canada and make it extremely difficult to get any further advances of British capital for the industrial and agricultural development of the country. I have before me an interview given by a