

due to two causes, the removal of taxation, and that is in greater part, and the reduced purchases owing to economy practised by people in general. Let us hope, and I think I can confidently express this hope, that we have seen the last of our deficits, and that, having cleared off the residue of accumulations for past years, of contracts entered into, we shall, during the next year not only make, which I trust we shall do without fail, an equilibrium between revenue and expenditure, but we shall get back to our normal and our proper position, where we shall have met all expenditure and have a little sum to the good as well. The hon. leader of the Opposition made some remarks with respect to the French treaty, which calls for an explanation on my part, an explanation which was not given in the Speech from the Throne, but which is pertinent and proper to be given at this stage. My hon. friend was right in saying, that, so far as the French Chambers were concerned, they had passed the Treaty Act, and that, so far as Canada was concerned, that legislation was consummated. Ratifications, however, have not yet been exchanged, and the proclamation of the Governor General in Council calling the Act into force cannot be issued here until the ratifications have been exchanged. The satisfactory assurances that are spoken of have reference to this fact, that during the progress of the conference with the delegates of the colonial Governments, which took place last year, our Australasian and Cape friends criticised the treaty which was entered into with France on this ground, that they believed, and they expressed that belief that it would be found to be the fact that it would prevent the making of treaty arrangements between those colonies and Canada in which wines, the native products of the Cape and of some of the Australasian colonies, might be a factor in the interchange of products on the basis of better trade relations, their contention being that France would require, that if better terms on these articles were given to the colonies than were stated in the French treaty, under the third powers clause or phrase, she would be entitled to ask that the same treatment be given to her. That contention was so strongly made that the Minister of Trade and Commerce thought it his duty to formally communicate with the Colonial Office. That was done, and assurances received that the third powers did not include the colonies, and that the treaty, if passed, would not militate against any arrangement that it might be thought well to make between the colonies and Canada, even if it involved a lower rate of duty for the articles which were mentioned in the French treaty. That is the explanation in regard to that matter, in part. There is, however, another explanation. Great Britain has most-favoured-nation clause treaties with some powers, and she is also anxious that her other colonies should have as good treat-

Mr. FOSTER.

ment as is given to France in this respect, as to any other foreign power with which Canada makes a treaty. With respect to the most-favoured nations and the treaties with them, it is absolutely necessary, under the treaties, in which Canada is included, that their articles which are of the same nature as those mentioned in the French treaty should receive the most-favoured-nation treatment. The Canadian Act of Parliament in which the tariff is embraced does not make provision for that, and the fact of the existence of the treaty does not override the tariff law of the country. So that Great Britain wishes that, before ratifications are exchanged and the treaty proclaimed, the actual law shall make that point clear as regards the most-favoured nations and the colonies. That is the legislation which is hinted at in the Speech and which will be brought before the House for its consideration. My hon. friend was good enough to say in his criticism of the French Treaty that the members of the Government had been brought to their knees in this matter by Sir Charles Tupper, our High Commissioner. If the hon. gentleman had not had a lapse of memory he might have recollected that others besides the Government—if that be true—had been brought to their knees by this same French treaty; for, if I remember aright, my hon. friend very vigorously opposed the treaty. I am not sure that he did not vote twice against the treaty, but by and by, for sentimental reasons—and he is the hon. gentleman who has repeatedly declared that there is no sentiment in trade—for sentimental reasons he swallowed the treaty and came to his knees with the rest of us. I was very glad to hear my hon. friend's statement of friendship with regard to the colony of Newfoundland. I think he echoed what are the feelings of Canada as a whole; that if treaty terms can be fairly, honourably and amicably arranged, without coercion either of circumstances or of power, and with all proper provisions, it would be an excellent and much to be desired consummation, if Newfoundland be added to the confederation, and thus, that all the British possessions on this part of the North American continent should be brought into one united and harmonious whole. It was with this view and with this desire that the Canadian Government were happy to respond to the proposition which was made by the Government of Newfoundland that delegates should meet and discuss the matter. They have met and they have discussed the situation in a thorough and exhaustive and friendly way, and although negotiations are not as yet concluded, it will be, as the Speech from the Throne says, a matter of congratulation on all sides if this union can be consummated with fairness and with friendship between all. My hon. friend, however, made the proviso, that he should like to see