

no disadvantage. The trade is small. All those nations with whom we have most favoured nation treaty will be admitted on the same terms. Those nations we have no favoured nation treaty with will not be admitted, but the bulk of our export is to Great Britain, and the bulk of our import is from Great Britain. The trade with all the other foreign nations put together is a small matter and does not enter into our calculations under the present circumstances. What I wish to point out is this, that the people are not sufficiently educated to the principles of free trade to realize, that taking off our duty in favour of the United States, while the people of the United States keep up their duty against us is sound. I acknowledge that that is not popular with us. So far as I am personally concerned, I believe we would be advantaged, from an economic standpoint, by adopting British free trade, but it has got to be a question of education with the people of Canada to admit such a proposition as a sound one. I think that there is no doubt about it that the minds of the people of Canada are thoroughly open to the wisdom and advantage of taking off the tariff in favour of Great Britain, while they do not approve of taking off the tariff in favour of the United States excepting upon the basis of a *quid pro quo*, and that is why I say, in changing our trade relations with the United States, it requires a treaty. In changing our trade relations with the people of Great Britain it requires no treaty. All we have to say is that with Great Britain we desire to trade upon absolutely equal terms, and if we were to lower the tariff in favour of British trade, it would not necessarily admit one single item from the United States, because we have no favoured nation treaty with the United States. The matter of reciprocity with the United States has been referred to by one of the leaders of the government. Reciprocity with the United States on a free trade basis—that is to say, we admit absolutely free the produce of the United States, which is also freedom to the world, and they admit ours free—would be an admirable thing if we could accomplish it. If we could agree upon any system of duties, or any system at all, it would be an admirable thing. But a reciprocity treaty without some provision that it shall be reciprocity without discrimination, would not be, I consider, practical. When we negotiated our treaty in 1854 there was no such thing

as favoured nation treaties—at least the treaties with Belgium and Germany were not then in existence, and those are the treaties that govern the relations between Great Britain and Canada, and therefore we could negotiate that reciprocity treaty of 1854, without disturbing our trade relations elsewhere, but to-day those favoured nation treaties are in existence, and if we were to make a reciprocity treaty with the United States, and with the United States only, it would admit the nations of the world, with the exception of Great Britain, upon the same basis—that is, it would admit all those nations with whom we have most favoured nation treaties, but Great Britain with whom we have no favoured nation treaty would be excluded. That would be a discrimination which would be impracticable and impossible in carrying on our international trade. Therefore, I say that any treaty we make with the people of the United States should be made upon what I term a free trade basis—that is to say, anything we admit from the United States into Canada free, shall, of course, have to be free to the rest of the world. I desire to say a few words as to the effect free trade would have on the country. An idea prevails that you would ruin every industry. I say you would not ruin any industry. You might change their character somewhat, but if you were to apply the principle of free trade in any of the cities of Canada, and any gentleman engaged in manufacturing in any of those places did not see fit to conduct his business without protection, he will soon find people who have capital, and who are familiar with trade and international commerce ready to buy him out with a good margin of profit. If they are afraid to go on they can sell out. They would not be able to tax the industries of the country for their special benefit. They would not be able to tax the consumers and restrict trade and divert it from its proper channels for their own individual benefit, but they would have the advantage of selling out to somebody who understands what the principles governing free trade are and who are prepared to conduct manufacturing industries to advantage. When the sugar refineries were injured by the bounty system of Europe and they applied for protection, the government's reply was, we represent the whole people and not one interest. The sugar refiners immediately converted their