

I desire to avail myself of this, the very earliest, opportunity of presenting to the House a statement concerning the negotiations which have recently occurred with respect to the question of commercial relations between the United States and Canada. One need hardly say anything as to the great importance of the subject. Living, as we do, close beside the great republic, and in close connection with it in many ways, it must at all times be of the utmost importance that we should maintain, as far as possible, friendly relations with that great country. Notwithstanding a tariff situation which we in Canada regard as somewhat unfavourable, the volume of our present trade is a very large one. Fifty per cent of the total trade of Canada is with the United States; fifty-nine per cent of our imports come from the United States, and thirty-five per cent of our exports are sent to the United States. And this occurs under tariff conditions which we in Canada, at all events, have regarded as not as favourable as we should wish them to be. The importance of the question was recognized at an early stage of the session by an hon. member opposite, who suggested that, before we should proceed with the final approval or our second or supplementary French treaty, we should ascertain whether the government of the United States would regard that treaty as one discriminating against the trade of the republic. While we realized the great importance of the matter, we did not think it would be wise to take that course. We had had negotiations from time to time with our American friends in relation to better trade conditions, and they had not turned out very successfully. We had, after repeated efforts, taken the ground that we should not again approach the United States with proposals for betterment of our trade relations, and that, if the matter was to be reopened again, it should be reopened, not upon the initiative of Canada, but upon the initiative of the United States. Accordingly, we declined to make any approach to the United States while the question of the French treaty was pending. That treaty was approved in due course, I am glad to say, not only by this side of the House, but little less than unanimously by parliament. We were bound to maintain the right of Canada, through the proper and accredited channels, to enter into trade treaties with any other country with which we might find it convenient to do business, and we felt that, to approach the United States in the manner suggested, would be to recognize their right to restrict our liberty in that respect.

Now, happily, Sir, the condition is changed. We declined to go to the United States on the subject, but the United States has taken the responsibility of taking the initiative. Ottawa no longer takes the init-

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iative, but Washington takes the first step of asking that we open negotiations for better trade relations.

Mr. HUGHES. Did not the editor of the 'Globe' go down there with his hat in his hand?

Mr. FIELDING. If my hon. friend (Mr. Hughes) is a regular and attentive reader of the 'Globe', I am surprised that he does not profit more from it. The United States tariff, I have said, is one which we have not regarded as favourable to Canadian trade. For years we had what was commonly known as the Dingley tariff. The new tariff law is known as the Payne-Aldrich tariff. In some respects, the new tariff is less favourable than the old one to Canadian interests; I think there are one or two cases of that kind. In other respects, the new tariff is more favourable to our trade than the Dingley tariff was. Taking it all in all, it is calculated that the Payne-Aldrich tariff is better for Canada. As respects last year's imports—taking these as an illustration—if we take the new tariff and apply it to the exports from Canada to the United States last year, it is claimed, the changes under the Payne-Aldrich tariff would be equivalent to \$1,000,000 in our favour. That is to say, those who pay the duty—and I am not now entering into that aspect of the question—on these Canadian goods will pay about \$1,000,000 less under the Payne-Aldrich tariff than would have been paid under the Dingley tariff. It is well to note, therefore, that to that extent there has been somewhat of an improvement. Nevertheless; the American tariff of to-day is quite a high tariff. And if upon that high tariff there should be placed in addition the maximum tariff of the United States, as proposed by a clause of the Payne-Aldrich Bill, undoubtedly the tariff burden would be so great upon Canadian industry as to practically become prohibitive. If that maximum tariff had to be applied, it would, I suppose, almost inevitably follow that Canada would be obliged to adopt retaliatory measures. There will be those who say that that does not necessarily follow; those who say that retaliation is not the most effective method of dealing with foreign nations. I do not subscribe to that doctrine. I think that experience, even the experience of Canada, shows that retaliatory measures sometimes becomes necessary in self-defence. I think that if the maximum tariff of the United States had to be applied to Canada, it is more than probable that public opinion in Canada would have demanded retaliation from this side in the form of the present surtax, or, perhaps, a larger surtax, and perhaps, in other respects as well. This, undoubtedly would