

If we gave it to Germany then the so called favoured nation treaties with other countries came in and we had to give it to the other countries as well; so that practically the preference to the mother country was for the moment cancelled. But, while the Imperial government felt bound to take that view, they immediately realized that that was a condition of affairs that should not continue and they gave notice that after the 31st of July, 1898, the treaty would cease and determine, and it did. Then, a new question arose. Shortly before the expiry of the treaty negotiations were opened by the Imperial government for a new treaty. It was explained that the German government were not prepared to make a permanent treaty with any country at that time, but that they were making provisional treaties to tide over a few years, and they made a provisional treaty with Great Britain whereby Great Britain was to continue to have the benefits of favoured nation treatment, but they specifically excluded Canada from the benefits of that treaty.

Mr. BORDEN (Halifax). Great Britain and the colonies.

The MINISTER OF FINANCE. Yes, they extended it to Great Britain and the colonies generally but they particularly excluded Canada. So soon as that became known we entered a protest against it. Communications passed between our government and the High Commissioner in London. The treaty did not expire until the end of the month of July, 1898, and on the 11th of July, 1898, shortly before the treaty actually expired, Lord Strathcona addressed a letter to the Under Secretary of State for the Colonies. We shall lay on the Table of the House all the correspondence on the subject, but for the purpose of my speech I will read one or two letters which will put the House in possession of the essential facts.

#### RELATIONS WITH GERMANY—LORD STRATHCONA'S LETTER.

17 Victoria Street,  
London, 11th July, 1898.

Sir,—I beg to acknowledge Mr. Cox's letter of the 5th instant with a copy of the note from the German ambassador to the Marquess of Salisbury, communicating the decision of the Bundesrath on the question of provisional commercial relations between the German empire

and Great Britain and the colonies, on the expiry of the present treaty.

The Dominion government, I am advised, have observed with much regret that Canada is to be excluded from the grant of the most favoured nation treatment which is to be extended by Germany after the 31st instant to imports from the United Kingdom, the British colonies and the foreign possessions of the empire.

It is true that the Dominion is granting to the United Kingdom and to certain British possessions a preferential tariff after the 31st instant, but that is a matter of purely domestic policy as distinct from foreign policy. And in this connection I may state that Canada proposes to extend to Germany the same privileges that are accorded to all other foreign powers. It will be gratifying to the Dominion government if it is possible to continue this policy so far as Germany is concerned. And all that Canada asks in return is the same treatment that is being extended to Germany. No suggestion has ever been put forward that the exports from the Dominion should be placed in Germany on the same footing as goods exchanged between the different states that form the German empire.

There is one other point I may mention. It is that though in the French, Spanish and Portuguese colonies preferential rates of duty are conceded to imports from the metropolitan countries, I believe I am correct in stating that imports into Germany from these colonies are not refused most favoured nation treatment.

I have been requested by the government of Canada to ask Her Majesty's government to represent the matter to the German government, and with all respect, I venture to express the hope that the German government will find it possible to reconsider its decision and thus prevent a disturbance of the commercial relations between Germany and Canada which must otherwise result to the disadvantage of both countries.

I am, Sir,

Your obedient servant,

(Sgd.) STRATHCONA.

The Under Secretary of State for the Colonies,  
Colonial Office,

Downing Street, S.W.

We have been criticised in this House for not having adopted retaliatory legislation towards Germany. I admit that there was very much in the circumstances to tempt parliament to take such a course. However, the view which we took was that in matters of an international character we should not adopt any hasty or ill advised legislation, but that we should endeavour by patient representations to impress our views on the German government, in the hope that a better understanding would be brought about, and so, from the beginning, as shown by Lord Strathcona's letters under instruc-