

I look upon it as disastrous to our interests to permit the present condition to continue.

These tables then present the following salient points: First, we have an enormous expansion of exports of farm products. Next, we find that Great Britain takes over four-fifths of the farm products of this country. We are dependent from Great Britain for the sale of \$83 out of every \$100 we raise. Next, we find a great shrinkage in the export of farm products to the United States—a shrinkage of two-thirds of the amount exported in 1866. Then we find there has been nearly a five-fold expansion of our import trade from the United States since 1866—from \$28,000,000 to \$129,794,000. We find next that we have had a stationary export trade with the United States. If we deduct the precious metals we exported to the United States in 1866 including inland short returns, \$44,000,000 worth, not including the precious metals we exported last year of the products of Canada, not including precious metals, \$44,825,000 worth. So we have on the one hand an import trade from the United States five-fold greater than in 1866, while our export trade to the United States remained at practically the same amount. We find that in the thirty-six years that have elapsed since 1866, we have increased our imports from Great Britain \$9,370,000, or 23½ per cent.

It will be interesting to glance for a moment at our free list, which is a large one. It amounted last year to \$84,314,877. Of this amount the United States had \$60,879,347, of which \$6,000,000 was coin and bullion. Now, we must take from the United States raw cotton, anthracite coal, hides probably, flax seed and some other articles. But we can reduce that free list by one-half if we desire to do so—reduce it to the advantage of our own industries and to the disadvantage of American industries. The United States had 72 per cent of our total free list with the entire world last year—rather favourable treatment of a nation that has treated us as the United States has done for a generation past.

Now, a word or two with regard to the import of manufactures. The question may be raised—it was raised yesterday—of the classification of manufactures imported. In the tables I have referred to, whether the classification is entirely right or not, it is the same in the case of both countries, so that the comparison must be reliable as though something were taken from or something added to the list for each. The following figures show the amount of our imports of manufactures from Great Britain and from the United States for the years given:

	Great Britain.	United States.
1898.. . . .	\$26,243,651	\$41,510,312
1899.. . . .	31,187,387	49,362,776
1900.. . . .	37,323,311	60,473,221
1901.. . . .	36,469,135	62,643,640
1902.. . . .	41,675,602	69,536,613

Now, Sir, in the last year, 1902, the manufactures free of duty from Great Britain amounted to \$7,988,819, while the manufactures free of duty from the United States amounted to \$21,195,092. This latter sum goes to swell that enormous free list of \$60,000,000. The increase in our imports of manufactures from Great Britain in the four years I have quoted, amounted to \$15,432,000, or 51 per cent, while the increase from the United States was \$28,026,000, or 67 per cent. And this increase has gone on, notwithstanding the operation of preferential duties, and the United States manufacturers are obtaining a stronger and stronger hold upon our market, their natural advantages enabling them to do so. And all this time the United States have refused to give us the consideration which our liberality towards them would naturally call for, liberality which they have availed themselves of to bring about the results I have shown.

Mr. CLANCY. I do not wish to interrupt the hon. gentleman's (Mr. Charlton's) argument, but I am not quite sure whether he proposes to reduce the amount of free goods coming into Canada by a system of protection or by a system of reciprocity.

Mr. CHARLTON. I am not prepared to say what might be done with the free list under a system of reciprocity. But, under a system of protection, with a system under which we should have to meet the same conditions as now exist. I would cut that free list in two, and take off as much more as would be possible. I would be governed at all times, necessarily, by our own interest. If it were our own interest to admit a class of goods free, I would admit it free. We would look at this primarily from the standpoint of what is best for ourselves, and secondarily from the standpoint of how we could convince the American that he had better be ready to grant fair play.

Now, with regard to the rate of duties, in every respect the United States seems to have had advantageous conditions of trade. The duties paid last year upon United States goods amount to \$15,155,136. This is 11.75 per cent upon the total import from the United States, or 12.54 per cent on the imports entered for consumption. The duties paid on the imports of British goods for the same year were 17.04 per cent. The duties on the goods from all other countries were 20.5 per cent. The rate on the goods from all countries, including Great Britain and the United States, was 15.26 per cent. The dutiable goods imported from the United States paid an average of 25.18 per cent; the dutiable imports from Great Britain paid an average of 24 per cent, and the dutiable imports from other countries paid an average of 37.79 per cent. This would make the duty on the dutiable imports from Great Britain slightly lower than on those from the United States. The hon. member for South Oxford reminded us last night—