

**CIHM
Microfiche
Series
(Monographs)**

**ICMH
Collection de
microfiches
(monographies)**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques

© 1996

The copy filmed here has been reproduced thanks to the generosity of:

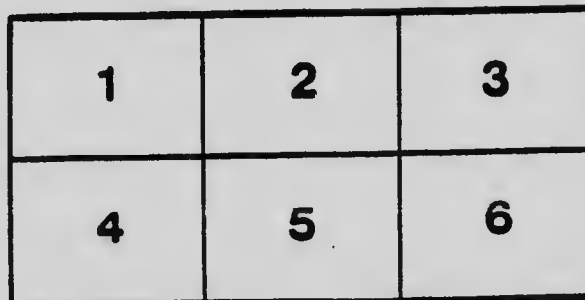
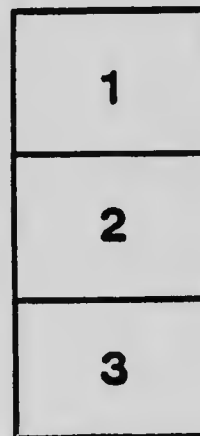
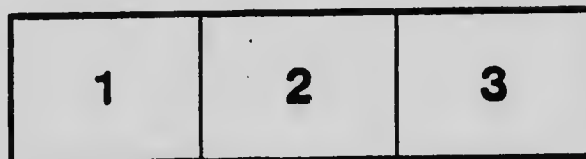
National Library of Canada

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

Bibliothèque nationale du Canada

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

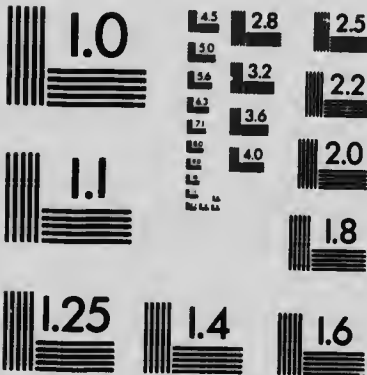
Les exemplaires originaux dont le couvertures en papier est imprimée sont filmés en commençant par le premier plat et en terminent soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par le première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole \rightarrow signifie "A SUIVRE", le symbole ∇ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.

MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



APPLIED IMAGE Inc

1653 East Main Street
Rochester, New York 14609 USA
(716) 482 - 0300 - Phone
(716) 288 - 5989 - Fax

D. M. L. Farr.

SPEECH DELIVERED

2.

— BY —

R. L. BORDEN, M. P.

IN THE HOUSE OF COMMONS

— ON —

9th FEBRUARY, 1911.

IN OPPOSITION

— TO THE —

RECIPROCITY PROPOSALS

— OF —

THE GOVERNMENT

8551000

SPEECH OF Mr. R. L. Borden, M.P.

— ON —

RECIPROACITY

Made in the House of Commons, Feb. 9th, 1911

Mr. Chairman, the conditions under which I was called upon to speak on a previous occasion in this House, just two weeks ago, afforded little opportunity for grasping the full import of the proposals which have been submitted to parliament and to the country by the government. Those proposals are of too grave and serious a character to be considered from a purely partisan standpoint. I desire, therefore, to-day to make a reasonable and moderate presentation of the views which I entertain with regard to them without making any attack upon the government or upon any one else. In the first place, I shall direct your attention to the condition to which this country has attained after some forty or fifty years of effort and endeavour, and I shall undertake to demonstrate, in so far as it is within my humble ability, that these are not proposals that should be lightly entered into by the Dominion of Canada at the present time.

Time Was Insufficient.

I do not agree with my hon. friend the Minister of Finance (Mr. Fielding) when he suggests that there has been ample time for the country to make itself acquainted with the nature of these proposals, and with their probable result, whether that result be considered from the economic standpoint alone, or whether it be considered from the distinct national standpoint which is involved in these proposals. The motion which my hon. friend the Minister of Finance has moved to-day was presented to this parliament on the 26th January, just two weeks ago. On Tuesday last, twelve days afterwards, my hon. friend the Minister of Finance presented to parliament information which admittedly was necessary in order that parliament should have a real conception of what is involved in these proposals. That information was presented to this parliament about three or four o'clock in the afternoon, and it was proposed by the government to proceed with the discussion of these proposals on the following day

at three o'clock in the afternoon. It is quite true that an arrangement was eventually made to postpone the discussion until to-day, but even so we have had in our possession for but forty-eight hours the information upon which these proposals must be considered by parliament and the country.

Practically a New Tariff.

They are not proposals to be rushed through parliament. They are not proposals which ought to be forced upon the country without the most ample opportunity of consideration and of suggestion, whether to the government or to parliament. What do these proposals embody? They embody practically a new tariff for this country in so far as its tariff relations with the United States of America are concerned. They are of so sweeping an effect that probably no one man, inside or outside of parliament to-day, can accurately or properly estimate what their future result may be.

This is 1911, Not 1854.

My hon. friend the Minister of Finance has referred to the reciprocity treaty of 1854. He has referred to that treaty as one which conferred great advantages upon this country. I do not propose this afternoon to enter into a consideration of the advantages which may have come to this country during some part of the operation of the reciprocity treaty of 1854, but I would like to point out that this is 1911, and not 1854, and that it is idle for us to attempt to discuss these proposals from the standpoint of 1854, or even from the standpoint of 1866. It is perfectly true that during the latter part of the reciprocity treaty, which lasted from 1854 to 1866, production was greatly stimulated in this country, and, I believe, we got very high prices for our products, but it is equally true that this resulted from causes which do not prevail to-day. During a portion of that period there was a great civil war raging in the United States,

production was checked in the United States, production was stimulated in Canada, and the prices that we obtained for our produce during the last half dozen years of the existence of that treaty were very much higher than could reasonably be expected under other conditions.

The Task Set in 1867.

I do not propose to waste your time by dealing with the reciprocity treaty of 1854, or with the conditions which prevailed at that time, except to contrast the condition of Canada as it is in 1911 with the condition which then confronted the scattered provinces, out of which this confederation was formed. What was the condition of this country in 1866? We had not yet formed confederation. There were simply four, or five, or six provinces in eastern Canada, four of which united to form this new, this great confederation. The task which they undertook at that time was, perhaps, as great a task as ever confronted any similar people under anything like the same conditions. What was the task? It was to convert these fringelike communities, scattered along the border of the United States, into a great and powerful nation, which should maintain its place upon the northern half of this continent under the protecting wings of the British flag.

A Work of Nation-Building.

The very first of our tasks was to add about 3,000,000 square miles to our territory; to take in the distant province of British Columbia, and all the great uninhabited territory between; to build lines of transportation, to develop and utilize our system of waterways; to bind together into one Dominion the scattered fragments

of our country, and last but not least to conserve and to develop the natural resources of untold importance which had come as a priceless heritage to the two great races that had united for the development of this Dominion. Sir, there was nothing greater than even that: There was the task laid before the people of this country to allay jealousies and prejudices, to create a national spirit, and to bring about that harmony and mutual understanding among the people of these four provinces, and of the other provinces that should be added in the future, which would contribute to the building up of a united and powerful Canada as the greatest of the Dominions which own allegiance to the British Crown. The task before our people was to build up British institutions in this country, to develop them in the spirit in which they had been developed in the mother country, and to do all this under conditions that might well have daunted men of less stout heart, because it was realized that these fringe-like communities were scattered for 4,000 miles along the territory of a great and powerful nation which must possess a far-reaching influence upon the commercial destiny of this country.

What Canadians Have Done.

Well, what have we done in that interval of 40 years? Indeed, to mention what we have accomplished it is only necessary to re-echo the statements that have been made over and over again by the Minister of Finance in every budget speech for the last 14 years, and to add to it the record of the advancement in material prosperity of Canada during the past 40 or 50 years, not confining it to 14 years alone. I trust I may be pardoned that remark, because I do not desire to sound any partisan note in the observations I shall address to the House. Here are the statistics of Canada's trade comparing 1868 with 1910:—

TRADE STATISTICS.

| | 1868. | 1910. | Increase. | Per cent. |
|------------------|-------------|-------------|-------------|-----------|
| | \$ | \$ | \$ | |
| Total trade..... | 116,000,000 | 649,000,000 | 533,000,000 | 456 |
| Exports..... | 49,000,000 | 279,000,000 | 230,000,000 | 470 |
| Imports..... | 67,000,000 | 370,000,000 | 303,000,000 | 450 |

Between 1868 and 1910 our exports increased as follows:—

| | 1868. | 1910. |
|--|--------------|------------------|
| Produced of mine in- crease from..... | \$ 1,225,000 | to \$ 40,000,000 |
| Produce of fisheries.. | 3,000,000 | 15,000,000 |
| Produce of forest.... | 19,000,000 | 47,000,000 |
| Animals and their products..... | 7,500,000 | 51,000,000 |
| Agricultural pro- ducts..... | 13,000,000 | 90,000,000 |
| Manufactures..... | 2,000,000 | 31,000,000 |
| Value total field crop last year | | 533,000,000 |
| Value total manufactures (esti- mated) last year..... | | 1,000,000,000 |

Advances in Transportation.

It is therefore abundantly evident, looking at trade statistics alone, that we have made not only great but marvellous progress in the last 40 years along the path which the people of Canada have been treading, and from which path I trust they will not see fit lightly to depart. Let us look at some other statistics. Let us look at what these scattered provinces in 1867 had in the way of transportation facilities—and transportation in a great country like Canada with enormous area, with abundant resources, and with a small population, is, after all, the key of the situation. Look at these figures:—

| | 1867. | 1910. |
|-------------------------|--------------|---------------|
| Miles of railway..... | 2,240 | 24,731 |
| Railway earnings..... | \$12,000,000 | \$174,000,000 |
| Tons of freight carried | 8,000,000 | 74,000,000 |
| Passengers carried.... | 6,500,000 | 36,000,000 |

BANKS.

| | 1868. | 1910. |
|--------------------|--------------|---|
| Bank capital..... | \$30,000,000 | \$184,000,000 (Including reserve fund.) |
| Bank deposits..... | 33,000,000 | 925,000,000 |

POST OFFICE.

| | 1868. | 1910. |
|--|------------|-------------|
| Letters transmitted through the mails.. | 41,000,000 | 414,000,000 |

AREA AND POPULATION.

| | 1868. | 1910. |
|-----------------|-----------|-----------|
| Area..... | 337,524 | 3,315,647 |
| Population..... | 3,371,504 | 7,250,000 |

Look at these evidences of vast progress and prosperity—look at the advancement we have made in founding universities and schools, look at our progress in education. And, last but not least, look at the standard of comfort in life which prevails in Canada to-day compared with that which prevailed in 1868. I know, Sir, that in my own home in the province of Nova Scotia, when I was a boy 40 years ago, the comforts of life as they are enjoyed at the present day were unknown to the people then. Observe the growth of our cities. In 1868 Montreal

had a population of 100,000; I believe that to-day it has a population of over 500,000. Toronto had a population at that time of 50,000; to-day it is a city of over 400,000. Hamilton had a population of 22,000; now I suppose it has over 80,000. Ottawa then had hardly escaped the name of Bytown; it had a population of 15,000; now it has a population of 85,000 or 90,000. Take the splendid cities of the west—Winnipeg, Calgary, Regina, Edmonton, Vancouver, Victoria. Some of them were mere wilderness in 1868, and for a long time afterwards. Vancouver, which dates from 1885, is to-day a city of 125,000 or 150,000. Will you tell me that we have not a right to be absolutely satisfied with the material progress, splendid, worldwide in its reputation, which has come to the people of Canada in the last 30 or 40 years?

The Line That Canada Took.

What has been the line of development which we have undertaken? We have undertaken to bind the provinces of Canada together. We have undertaken to create a great interprovincial trade. We have undertaken to do that by assuming burdens and making sacrifices, which, I venture to say, are as great as were ever undertaken by any people in the history of the world. What burdens have the people of Canada themselves assumed, that lines of transportation and trade and commerce might flow from east to west, and might bind together these scattered communities into one great nation under the British flag? I will tell you what we have done—and I did not realize the extent of the efforts of the people of Canada in that regard until I came to look over the record a little.

Has Spent Nearly a Billion Dollars.

The federal government has expended actual cash on railways and other transportation in 1910, according to the records of the Department of Railways and Canals, \$177,000,000; the provincial governments, \$30,000,000; the municipalities, \$18,000,000; a total of actual cash expended out of the public treasury of this country upon railway development in Canada since 1868 of nearly \$500,000,000. But, Sir, that is not all. The federal and provincial governments have guaranteed bonds for railway construction in Canada amounting to \$125,000,000 more; and in addition to all that the various governments of Canada have granted, in aid of railway construction, no less than 55,000,000 acres of the public domain. At the present time, to complete the Transcontinental railway, we are proposing a further expenditure of from

6

\$75,000,000 to \$100,000,000. We are also proposing to build the Hudson Bay railway, at a cost of \$30,000,000; and that is a work which ought immediately to be undertaken in the interest of our great western country. The Georgian Bay canal will cost probably in the vicinity of \$100,000,000—a work intended for the further development of that splendid system of waterways which we possess in Canada, rivalling, if not exceeding in its importance and value, that which is possessed by any other country in the world. We are also proposing the enlargement of the Welland canal, at a cost, I suppose, of from \$30,000,000 to \$35,000,000.

Is that Sum to be Wasted?

If, in the future, the trade of this country is to flow north and south, instead of east and west, what is the meaning of all these sacrifices that we have made, of all this treasure that we have poured out? What is the meaning of the Transcontinental railway, as it is being built to-day? What is the meaning of the Georgian Bay canal, as we propose it to-day? What is the meaning of the proposed enlargement of the Welland canal? Have these any real national meaning to the people of Canada if the lines of our trade and commerce are to be diverted so that in the future they will run north and south, instead of east and west as they have been doing?

We Have Found the British Market.

My hon. friend the Minister of Finance has referred to the conditions as they were from 1854 to 1866. As I have said, the conditions are absolutely different to-day. Transportation and cold storage—and we want a better system of cold storage in this country—have brought the British market nearer to us to-day than the United States market was in 1854. In 1910 Great Britain took, of our animals, and their products, \$42,000,000 out of \$54,000,000 which we exported, equal to 77 per cent. Of our agricultural products, she took \$71,000,000 out of \$90,000,000, equal to nearly 80 per cent. In the same year, the United States took of animals and their products only 20 per cent. of our exports, and of agricultural products only 9 per cent. The United States last year took of our agricultural products only \$70,000 more than she took 42 years ago. What does that mean? It means that, after the denunciation of the Reciprocity Treaty in 1866 the people of Canada were confronted with conditions which sorely tried their spirit; that they met those conditions manfully, with a high spirit and a firm purpose; that they have

gone into the markets of the world and built up their trade there, and built it up under stable and sure conditions; and that it would not be wise for us to-day to depart from the path upon which we entered some 50 years ago.

Reciprocity No Longer Necessary.

My hon. friend the Minister of Finance referred to the fact that there was a standing offer of reciprocity in this country from 1866 for 25 or 30 years. It is perfectly true; but I would like to remind my hon. friend and all hon. gentlemen on the other side of the House, of this one circumstance, which is of some importance in this connection, that it was the policy of this government, by their Tariff Act of 1897, as amended by the Tariff Act of 1898, to take off that standing offer of reciprocity, and it has not been on the statute-book since that time—why? Because the people of Canada had entered on a certain path; because they had built up other markets among the nations of the world; because they had been excluded by high tariffs from the United States market; because they had met those conditions as they ought to be met, and they believed the time had come when that standing offer of reciprocity should be taken from the statute-book of Canada, and it was removed from the statute-book by this parliament without any dissent.

No Desire for Reciprocity Since 1891.

Well, we did ask for reciprocity for many years before that, and we asked for it on many an occasion. It is perfectly true that Sir John Macdonald, in making his argument for the National Policy in 1878, before conditions had changed as they have in the past 30 years—it is perfectly true that he made the argument alluded to by my hon. friend the Minister of Finance. It is perfectly true that there was an issue in this country upon that question in 1891; and it is also perfectly true that in 1891 the people of Canada declared that they would continue in the path upon which they had entered in 1866, and upon which they had made a distinct advance through the National Policy which was adopted in 1879. The United States, during all these years, refused our proposals for reciprocity.

American Hostility to Canada in the Past.

Undoubtedly the treaty of 1854 was denounced for more than one reason, or rather there was more than one cause which led to its denunciation in 1866. There was no doubt some feeling engendered in the minds of the people of the United States by certain events which had

taken place during the war; but I have always thought that the American people ought perhaps to have borne in mind the fact that some 40,000 or 50,000 Canadians had fought under the United States flag in the civil war from 1860 to 1863 for the maintenance of the union. There were, of course, some annoying incidents; there was perhaps some lack of good feeling, but there had also been a good deal of friction about duties upon articles which were not embraced in the Reciprocity Treaty of 1854, and possibly that was one of the causes which led to the denunciation of that treaty in 1866. The United States did not have very much regard for the Canadian market in those days. We were a great and powerful and rapidly growing nation, and it was said on the other side of the line in 1854, and repeated in 1866 and afterwards, that the ultimate destiny of this country was not only commercial but political union with the United States. There were no doubt many in the United States who thought that the denunciation of this treaty of 1854 would oblige Canada to seek for commercial and political union with that country.

Whence the Change?

Let us for one moment consider why it is that the great nation to the south, having refused our suggestions of reciprocity for 25 or 30 years, has at last come to the conclusion that at present reciprocal trade with Canada is desirable. Let us consider a moment on what that present desire is based. In the first place let me say that I should be misunderstood, that no one realizes more than I the absolute importance of our having the best and most friendly relations with that great nation, whose boundary adjoins ours for nearly 4,000 miles. That is eminently desirable, and no one will work or co-operate for that purpose more willingly and sincerely than I; but the United States have framed their policy at all times in their own interests, and the people and the statesmen of that country are too broad-minded and generous to think for one moment of denying to this country the equal right of framing its fiscal policy as may seem best to its people. I would say this further. I would say that the United States, in many respects, give us a lesson which we would do well to consider and often to follow, as for example in their policy for the conservation of their natural resources, in the earnest attempts by their public men and men of great eminence, not in public life, to elevate the standard and ideals of public life in that country and to make the people more thoroughly cognizant of their responsibility as citizens of one of the

greatest countries in the world. In these respects, as well as in others, I believe we might well take an example and a lesson from the people of the United States to-day.

Fiscal Changes Impending.

But on what is the present desire of the United States for reciprocal relations founded? We know that fiscal changes in that country are impending. They have had an enormously high tariff as compared with ours. Their tariff is almost double what ours has been during the past 25 or 30 years, and during that period the United States have afforded the most wonderful examples the world has ever known both of protection and of free trade. They have a great tariff wall around their country and free trade among 90,000,000 people within their own borders. They are thus a most remarkable example of protection on the one hand and of absolute unrestricted free trade on the other. And they have made marvellous progress in many respects. The United States to-day is the greatest manufacturing country in the world. It is probably the greatest agricultural country. I do not know what the figures are to-day, but I remember that some eight years ago I examined the statistics of the United States with regard to their manufacturing industries, and I found that the total manufactured product in that country amounted to \$13,000,000,000 annually, and that of that amount they exported only 3½ per cent, so that out of that enormous manufactured product of \$13,000,000,000 they consumed nearly 97 per cent. within their own territory. But there has been and there still is a powerful demand and persistent outcry for substantial reductions in their very high tariff. May we not, therefore, find in the impending fiscal changes in that country one reason why its government is disposed to make a treaty of reciprocity with Canada?

Mr. Taft Wants Our Resources.

The high cost of living in the United States is put forward by the President in his message to Congress. The exhaustion of the natural resources of the United States is also dwelt upon by the President over and over again in his message to Congress, and I shall trespass for a moment on the patience of the House to quote four or five very strong utterances in that regard which may be found in his message. At page 5 Mr. Taft said:

If we can enlarge our supply of natural resources and especially of food products and the necessities of life without substantial injury to any of our producing and manufacturing classes, we should take steps to do so now.

On page 6 he says:

Should we not, therefore, before their policy has become too crystallized and fixed for change, meet them in a spirit of real concession, facilitate commerce between the two countries, and thus greatly increase the natural resources available to our people.

And further at page 7:

By giving our people access to Canadian forests we shall reduce the consumption of our own, which, in the hands of comparatively few owners, now have a value that requires the enlargement of our available timber resources.

And it is perfectly true that the timber resources of the United States at the present time are not only very considerably depleted, but have passed into the control of comparatively a very few men who are holding them not only for their value in the immediate present, but for that enormously increased value which will come in the early future, as the price of timber rises and increases in the United States. I shall give some figures and statistics in regard to that a little later on. Then at page 8:

The opening of the timber resources of the Dominion to our needs will be limited to no particular section.

I think then it is abundantly apparent to every hon. gentleman in this House that one of the impelling causes which have constrained the government of the United States to seek these reciprocal relations which they denied to us for so many years is the desire that they may have access to the abundant natural resources of Canada which ought to be kept and developed for the benefit of our own people.

Their Own Resources Nearly Exhausted.

Let us look for one moment at the condition of the United States to-day in respect of the natural resources which providence bestowed on them so freely. An authority in the United States, Mr. Gannett, says that the valuable and accessible coal in the United States will be exhausted in about 100 years. Mr. Van Hise, who has written a very exhaustive book upon the conservation of natural resources in the United States, thinks that estimate is perhaps too conservative and he believes that their coal will last for a longer period. The same gentleman whose work I cite because I believe him to be an author of repute and who seems to have examined the question very thoroughly, speaking of the wasteful use of coal in the United States, says:

In the last decade of the nineteenth century, more coal was mined in the United States than in all the previous decades of that century.

And further:

In the first decade of the 20th century more coal was mined in the United States than in all previous years in the history of that country.

They are already speaking in the United

States of prohibiting the exportation of coal. The same authority says that the natural gas of the United States will be exhausted in twenty-five years.

Look at their iron supplies. In the first decade of the 20th century they mined 53 per cent. of all the iron ore that has been extracted, they mined more in that decade than had been extracted from iron mines in the United States in all previous years. In thirty years more, according to this authority, the high grade ores of the United States, so far as they are known at present, will be exhausted.

Take their abundant supply of copper. In the first decade of the 20th century 57 per cent. of all the ore extracted has been mined. The process of using up their natural resources is proceeding in that country at an enormous rate.

More than half of their timber is gone, they are using it according to this same authority three times as fast as it is being reproduced.

Mr. Pinchot on American Resources.

Many hon. members in this House heard Mr. Gifford Pinchot address the Canadian Club of Ottawa upon the conservation of natural resources about a year or eighteen months ago. He has recently published a book from which I shall give an extract:

The five indispensably essential materials in our civilization are wood, water, coal, iron and agricultural products.

We have timber for less than thirty years at the present rate of cutting. The figures indicate that our demands upon the forest have increased twice as fast as our population.

We have anthracite coal for but fifty years, and bituminous coal for but two hundred.

Our supplies of iron ore, mineral oil, and natural gas are being rapidly depleted, and many of the great fields are already exhausted. Mineral resources such as these when once gone are gone forever.

Page 125:

The diversion of great areas of our public lands from the homemaker to the landlords and the speculator; the national neglect of great water-powers, which might well relieve, being perennially renewed, the drain upon our non-renewable coal; the fact that but half the coal has been taken from the mines which have already been abandoned as worked out and by caving-in have made the rest for ever inaccessible; the disuse of the cheaper transportation of our waterways, which involves comparatively slight demand upon our non-renewable supplies of iron ores, and the use of the rail instead—these are other items in the huge bill of particulars of national waste.

Canadian Resources for Canadians.

We undoubtedly have in Canada very great natural resources. The government of this country, with the hearty support of members on this side of the House, have taken steps along the line of the conservation of those resources. We know how immensely important forests are to

this country, important not only in respect of their value as material, but in their relation to the great waterways system of this country, and to the preservation of our water-powers, important to the people of this country in every sense. Thus when we observe that the President of the United States, over and over again, directs the attention of Congress to the importance of giving to the people of the United States direct access to the forests of Canada, in order that their own may be preserved, surely that suggestion and that argument afford ample room for thought to the people of this country as to whether or not they should accept these proposals.

“We are Not Helpless To-day.”

Why did Canada want reciprocity in 1866 and for many years afterwards and why ought we to hesitate before embarking upon any proposal of that kind to-day? In the first place, we are not helpless to-day as we were in 1866. We have built up a great interprovincial trade, we have found stable and sure markets in Great Britain where the producers of the United States are our competitors. Transportation and cold storage have changed the whole situation from what it was in 1866, from what it was in 1878, from what it was even in 1891. The British markets are nearer to-day than the United States markets were fifty years ago. These proposals, in short, change the whole current of our industries and are likely to dislocate our national development. Further than that the now proposed markets will, according to the proposals of the government, be so entirely unstable and insecure that after having had the benefit of them for five years or even less, we may be obliged at the end of that period to go back just where we were twenty-five years ago to build up our industries again, to make a reputation for our bacon, our cheese, our butter, in the markets of the old country, and surely no one of us believes that these markets which we may abandon for the moment will be left unoccupied by the people of Argentina, and other countries which have been competing with us in the past in those very markets.

We Want to Develop Them Ourselves.

We want to conserve our natural resources as I have said. We do not desire that they should remain undeveloped, but we want to develop them ourselves, not for the benefit of the few, but for the benefit of the whole people of Canada, and to develop them in such a way that not only the national wealth, but the in-

dividual wealth of the entire people of Canada will be increased by these resources.

A Departure From the True Path.

Now in view of the statistics which I have given, are we not moving along the line of material progress and development about as fast as we could expect to go, and about as fast as it is desirable to go? Are we not at the present time following a perfectly sure and safe path? Have we not markets on the stability of which we can depend at all times in the future, as we have been able to depend upon them at all times during the past thirty or forty years? Is there not reason to believe, with increasing facilities of transportation, with the cheaper rates, which I hope will be secured, with better cold storage, is there not every reason to believe the markets of the British island will in the future be even more open to the people of Canada than they have been in the past? Are not these very good reasons why we should be satisfied with the position we now hold. To use a well-known expression, ‘What we have we will hold,’ in that regard. But the proposals of this government, if they mean anything at all, seem to me to mean a complete, an unnecessary, an unwise departure from that path which we have pursued with so much success.

Uncertainty of the Arrangements.

Then there is another consideration, and that is the delicate character of the agreement which has been entered into by this government. It is not a treaty, says my hon. friend the Minister of Finance. In the letters which constitute the result of the negotiations it is alleged that both parties expect and hope that this arrangement will continue for a considerable time. What is our position in regard to those items of the tariff which we may desire to change? If we desire to put a duty on any article that is upon the free list under these proposals, are we at liberty to do so? Yes, says the Minister of Finance, you will be at absolute liberty to do so, and the proposals say so in distinct terms. What will be the result of that? He told us the other day that it was everything or nothing. Will not that condition bind us after we have once assented to these proposals, and will not our tariff have to remain fixed? Will it not still be everything or nothing then? I see no reason why that condition, with which the Minister of Finance says we are confronted to-day, will not continue at all times in the future. If we alter one single item in that tariff the United States will have the right to say:

The whole arrangement is off; in the words of your own Finance Minister, it is everything or nothing. Is that a desirable condition for this country to enter into for the purpose of finding a new market? Is it for this that we are to abandon the stable and sure markets we have at the present time? A treaty stating a definite period during which a certain condition shall continue, is one thing; it must be interpreted according to the usage of nations. But this arrangement which will leave it entirely open to either side to make any alteration, but which penalizes the slightest alteration by a complete abrogation of the arrangement, creates a much more delicate and difficult situation, in my humble apprehension.

A Reversal of Policy.

I do not propose this afternoon to deal at any length with the economic side of the situation. It is perfectly obvious that certain classes in the community may see in these proposals some immediate future advantage which will be of exceedingly doubtful permanence; it is perfectly obvious on the other side that very great disaster and even ruin will be wrought to some industries in this country if these proposals are carried into effect. No one can doubt that they will produce a far-reaching effect on our trade as a whole. What their exact economic effect may be, I do not think any man in this House is wise enough to predict with accuracy. They do, however, seem to be a reversal of our policy as it has continued for more than forty years. Looking at them from a purely common sense standpoint, if the fruit men and the market gardeners of this country see their industry injured or ruined by the operation of these proposals, are they likely to assent to a policy which will give them absolutely no protection whatever in this country, while they pay duties and endure taxation for the benefit of other industries? It seems idle to imagine that any such result as that can obtain.

Trade With Great Britain.

Then look at the effects on our trade with Great Britain. I take the past six years by way of illustration, and I find that we imported from the United States during that period \$581,000,000 of dutiable goods, and \$502,000,000 of free goods, or a total of \$1,083,000,000. The rate of duty on dutiable goods was 24.26 per cent., and the rate on total importations was 13.4. We imported from Great Britain during the same period of dutiable goods, \$542,000,000, and of free goods, \$113,000,000, or a total of \$455,000,000. The rate on dutiable goods from Great Britain was

24.78 per cent., as compared with 24.26 per cent. upon goods imported from the United States. The rate on the total imports from Great Britain was 18.64 per cent., as compared with 13.4 per cent. upon total imports from the United States. Now we talk about a preference in our markets to the producers of Great Britain. As a matter of fact, taking the dutiable goods alone, the British importer into Canada is paying higher duties to the revenues of this country than the United States importer. I remember well that the present Minister of Trade and Commerce, in years gone by, declared when he was in opposition that a condition of that kind amounted virtually to a discrimination against Great Britain. What are the figures respecting exports? Our exports to the United States during the six years to which I have alluded, amounted to \$506,000,000, and our exports to Great Britain during the same period amounted to \$726,000,000. If you look through the returns of the Department of Trade and Commerce you will find staring you in the face the fact that dutiable goods from Great Britain are paying a higher rate of duty to the revenues of Canada than goods from the United States. What then becomes of the argument for a British preference? Can it be reasonably said that there is any real British preference? Then add to the conditions which have brought about that result, this free list which it is proposed to create between Canada and the United States, and the reduced list which is also provided for in these proposals, and what kind of trade conditions will you have in the future as between Canada and the United States on the one hand, and Canada and Great Britain on the other hand?

Discriminating Against Great Britain.

During the past six years Great Britain has bought from us nearly \$300,000,000 worth more than we have bought from her; we have bought from the United States between \$500,000,000 and \$600,000,000 worth more than the United States have bought from us. Well, if you alter these proposals along the lines suggested by the government to-day, what condition as between Canada and the United States on the one hand and as between Canada and Great Britain on the other are you to apprehend in the near future?

Influence of the United States.

The Minister of Finance has spoken of the influence of the United States upon the destinies of this country. No one realizes that more fully than I do. A nation of 100,000,000, the greatest manufacturing nation in the world, with its

boundaries extending along ours for 4,000 miles — why, of course, it must exercise a most profound influence upon the future commercial destiny of this country. I might characterize it even more strongly than I have done. It has been said, that they can lower their tariff and change our trade routes. Perhaps they can accomplish something of that kind, but I want to ask you, Mr. Chairman, whether or not it is wise for us to combine with them for that purpose? Are we wise to make concessions to them for that purpose? Wider markets is the cry of the Minister of Finance. If the national issue is to be absolutely disregarded and you are to push the argument of wider markets to its logical, and, I believe, its inevitable conclusion, what will it lead you to? It will lead you to complete free trade and absolute commercial union with the United States.

“That Path Has Only One Termination.”

My hon. friend the Minister of Agriculture (Mr. Fisher) smiles at that suggestion. I do not know whether he smiles at the argument or in approval of the suggested ultimate destiny. But I would like to say to him that if it is good to seek wider markets, from which the rest of the empire is excluded, in the United States of America, why not have still wider and wider markets in the United States of America from which the rest of the empire will be excluded? That path has only one termination, and that is absolute commercial union with the United States of America. There cannot be much doubt, I think, about what that would mean.

“The Parting of the Ways.”

The President of the United States, in his message, on page 6, used very significant words. Speaking of the people of the Dominion, he said: ‘They are at the parting of the ways.’ They are at the parting of the ways! I think the people of Canada have indeed come to the parting of the ways, and that the issue of infinite gravity which is presented to them at the present time is whether they will continue in the work of nation building, in which they have been engaged during the past forty years, whether they will maintain their own markets as they have maintained them during the past forty years, whether they will preserve the autonomy of this country as they have preserved it during the past forty years, or whether they will undo the work which the fathers of confederation began, and which their sons have been carrying out. Whether our provinces will continue to trade with each other and with the

mother country as in the past; or whether we will impel British Columbia to trade with the state of Washington, the prairie provinces to trade with the middle west, Ontario to trade with Ohio, New York and Pennsylvania, and Quebec and the maritime provinces to trade with the New England states. If that issue is not presented to the parliament of Canada by these proposals then I certainly have utterly mistaken their purport and meaning.

What a Zollverein Means.

A book came into my hands only a few days ago. It is written by a gentleman who visited Canada about seven years ago—Mr. Geoffrey Drage. I quote the opinion of a German authority and publicist from page 68 of this book. Mr. Drage refers to the opinion of Professor von Schulze-Gaevernitz, contained in a work which he has written on British imperialism and English free trade, and the quotation from this German professor is in these words:

As Professor von Schulze-Gaevernitz has pointed out, a zollverein between the United States and Canada would be both commercially and politically the death of British dominion in North America. Political union must follow commercial union.

Then Mr. Drage goes on to speak of commercial union in these words:

Such a union would also be the political suicide of Canada, who would lose the political identity which she has developed and of which she is so jealously proud.

Why Americans Desire Reciprocity.

I could give very many extracts, indeed, from the opinions of men in the United States. Mr. Beveridge, a very notable public man in the west, has given utterance to ideas, which, I am sure, have come to the attention of every hon. member of this House. Perhaps it might be well that I should quote one or two words from his opinion in this connection:

There must be reciprocity with Canada. Our tariff with the rest of the world does not apply to our northern neighbor. That policy already has driven American manufacturers across the Canadian borders, built vast plants with American capital on Canadian soil, employing Canadian workmen to supply trade.

That capital should be kept at home to employ American workmen to supply Canadian demand. We should admit Canadian wood pulp and Canadian paper free in return for Canada's admitting our agricultural implements, our engines, pumps and other machinery free. We should freely admit Canadian lumber to American planing mills in return for Canada freely admitting other American manufacturing products to Canadian markets.

Canadian Trade for American Ports.

And so on. The result of that argument, and indeed, the scope of many of the schedules brought down to this parliament is, to hand Canadian natural products over to the United States producers with a mini-

num of labour employed upon them in Canada. Mr. Henry W. Whitney, of Boston, has written a notable article upon reciprocity with Canada, which was published in the Atlantic Monthly of October last. He says:

If we were to admit Canadian grain free of tariff charges, much of it would stay with us for home consumption; a portion would go through our ports to foreign lands.

Then, a little farther on:

New York and Boston and Portland are the natural outlets for the foreign trade of eastern Canada. St. John and Halifax are twice as far from Montreal as New York, or Boston or Portland. The Canadian Atlantic ports are not to be mentioned with the American Atlantic ports for passenger business.

Further on:

The elevators for storing and handling Canadian grain should be located on this side of the line, and the steamers of the Canadian Pacific and the Grand Trunk Pacific should, in the winter time at least, find their home port in New York or Boston or Portland. And if, under a reciprocity arrangement or otherwise, the farm products of Canada were admitted free of duty, the Canadian government would be friendly, instead of hostile, to the use of American ports for Canadian business.

Then, in a previous part of the article he says:

What might ultimately be the political effect of the establishment of friendly trade and social relations between the United States and Canada, is a problem that had best be left to work itself out in the years to come. It is quite possible, indeed I think it quite likely, considering the number of questions of domestic and foreign policy which might arise under such a condition, that the two nations would in the end become politically one.

And he adds:

But that would be a long way in the future, if it ever came to pass at all.

Mr. FOSTER. He thought he was too strong.

Revise Our Tariff for Ourselves.

Mr. BORDEN (Halifax). Now, what about the fiscal policy which we are to pursue in this country? We should have regard to Canadian interests in the framing of the tariff. If our tariff needs any revision to-day, let us sit down and get at it and revise it for ourselves, and let us do it without the assistance of the United States of America, much as we respect that great nation, and much as we desire to be on the most friendly and intimate terms with her. When we desired reciprocity, the United States did not spring into our arms, and there can be no offence surely in the assertion of Canada that she proposes to keep her commercial and fiscal freedom absolutely intact, and to proceed along the path on which she entered so many years ago.

Develop Our Own Country.

Sir, we should have a fiscal policy that aims at the development of our own coun-

try, at the employment of our own labour, at the increase of our own population, at the utilization of our resources. We ought to aim at giving the producers in Canada a reasonable opportunity of carrying on their business by equalizing the cost of production where they might suffer from competition under unfair conditions. We have natural resources in Canada which afford a foundation for many splendid industries. We have carried out such a policy as I have referred to, for the last thirty years at least, and why should we abandon it now? Upon what should our policy be based? Should it be based upon an attempt to create millionaires in this country or to impose unfair conditions upon any portion of the community? Not by any means. I believe that we in Canada, in the future still more than in the past, should attempt to shape our tariff upon scientific consideration of known facts. I believe it would be well that we should have exact information as to these matters laid before parliament.

A Permanent Tariff Commission.

I believe it would be well if we established a permanent tariff commission in Canada so that our tariff should not be made by rule of thumb. An agitation arises in some part of the country against a duty of 25 per cent., and it is said it should be reduced to 15 per cent. The Minister of Finance and the Minister of Customs get together and conclude that it ought to be reduced to 15 per cent. Then the industries affected declare in strident tones that a reduction of 15 per cent. would absolutely wipe them out and throw thousands of men out of employment. Thereupon the Minister of Customs and the Minister of Finance say: We will compromise, and we will make it 20 per cent. I do not think that is the manner in which our tariff should be framed; I think it should aim at equalization of cost of production so far as that can reasonably be accomplished. We ought to give the people of this country a fair opportunity to create industries, and to give employment, but we ought not to give it under conditions which would impose unjust burdens upon a portion of our people.

The Scientific Principle.

My idea of a tariff is one which would give a fair chance, and more than a fair chance perhaps, to stand up against competition of countries where, it may be, the standard of living among the labouring people is lower than in Canada, and lower than it ought to be anywhere. That I think is a reasonable proposition. A permanent tariff commission if established would be the most fitting authority to

decide as to these points. I understand, of course, that there are complexities. I understand that the problem of transportation must come in; I understand that the problem of great combinations of capital in other countries must be considered; I understand that a great factory which has an annual output of \$20,000,000 can sell its products at a much lower price than a factory the annual output of which is only \$1,000,000, but I would insist that we should have reasonable and accurate information as to all this.

Guarding Against American Trusts.

We can guard against our own trusts and combines by appropriate legislation passed by the parliament of Canada, but we have no means, except our tariff, to guard against the trusts and combines of other countries. I would like to tell hon. gentlemen that there are some curious positions which we do not all appreciate connected with tariff questions. I remember that some years ago I was talking to a big manufacturer, and I said to him: There is an outcry from men in your industry for an increase in the tariff, and he said: I am not joining in it, I am opposed to it. I told him I was surprised at that, and he said: You will not be surprised when you learn the reason, and I will tell it to you: A great many factories in this industry have gone out of business during the past few years, there are only a few left now beside myself, I am strong enough to keep on under this tariff although I may not make any money at present, but my competitors in Canada are not as strong as I, and they are bound to go to the wall. I want them to go to the wall. It is for that reason I am opposing any change in the tariff upon my line of industry at the present time. Remember that after all there is something in competition, under a reasonable tariff, which makes for reduction in the price of products.

As Regards Agricultural Implements.

The hon. gentleman from Portage la Prairie (Mr. Meighen) presented a very forceful argument to this House with respect to the duties on agricultural implements, and I say that the government of Canada ought to be in a position now to lay before the House information which would either corroborate or displace the facts presented by my hon. friend (Mr. Meighen). So far as agricultural implements are concerned the proposals submitted by the government are not along the line of the facts which my hon. friend (Mr. Meighen) presented. They deal in exactly the same way with some articles

upon which he made a very strong argument indeed. Before the end of the session the government should bring down, with regard to that particular industry, information absolutely accurate and definite with respect to the cost of production, and having that information it would be in order for parliament to deal with the question according to the light which would be shed by that information upon the very important subject which that hon. gentleman (Mr. Meighen) brought before this House. The statements of my hon. friend (Mr. Meighen) have not up to the present date been controverted by any member of the government, and if not controverted I think all must admit that they call for some action by the government and by parliament.

What the West Wants.

Earlier in the session my hon. friend the Prime Minister has spoken, and I have spoken, of a certain feeling among the people in the western part of Canada that fiscal conditions in this country at the present time are not perfectly fair to them. I feel that after all the question of transportation is the question which, coupled with that of terminal elevators, most intimately affects the west. Some years ago when I was in western Canada a great many farmers spoke to me on matters directly affecting the people of that part of the country. One big farmer who sought an interview with me dwelt most vigorously upon the needs of the west in respect to transportation, and I was very much impressed by his observations. He said:

Importance of Transportation.

'There is a good deal of outcry in this part of the country about the duties on agricultural implements and the duties on other articles, but I am not very much disposed to join in that outcry. We deep-thinking men are more concerned with the question of cheap transportation of our products than we are with the question of saving \$25 or \$30 a year on our agricultural implements.' And, so I believe that the question of transportation is the most vital question with the people of the west. The government should deal promptly and effectively with that question, and with the grievances which have arisen in the west in that connection, and they would find the people of the west disposed to treat the fiscal question in a broad-minded and generous spirit; after all, the day will come when the people of western Canada will see tall smoke stacks, and great and important manufacturing industries in all our western cities.

The Hudson Bay Railway.

The west is very much concerned at the present time about the building of the Hudson Bay railway. There is not absolute unanimity of opinion in this country as to the relief that will be brought to the people of the west by the construction of that road. I hope it may bring to them all the relief they expect, but beyond question, in justice to the west it ought to be pushed to completion without any delay. Further than that, I think the government ought to have regard to the wishes of the west as to the operation of that road. It should not be placed under the absolute and solo control of any one transportation line, but it ought to be operated by means of a commission so as to give to every one of the great railways of the west equal rights over it, and to give to the people of this country complete control of rates. If the government are prepared to deal with the construction of the Hudson Bay railway along these lines, they will find the members on this side of the House prepared to give their proposals a warm support.

Terminal Elevators.

Then, there was the question of terminal elevators which the right hon. gentleman found confronting him when he went west last year. I have spoken of that already during this session. I believe the government ought to take steps to operate these terminal elevators, and I see no reason why that could not be done by a commission. It may be said that is a great undertaking; but is it a greater or more important undertaking than the establishment of the Railway Commission of Canada, with all the enormous powers devolving upon that body? Suppose we had a commission to take charge of these elevators, so that there would be absolutely no question of the grading of the wheat that went through them, and no injustice done to western producers of grain, I venture to say that the people of eastern Canada would support the government in a proposal of that kind. I advocated in this House in 1903 the equipment of every one of our great ports in Canada as a national port. I believe that was a wise policy, and I believe it would be one step along that line for the government to take charge of these terminal elevators and operate them under such conditions as would satisfy the farmers of the west.

Cold Storage and Abattoirs.

Then, Sir, as to cold storage and refrigeration and the establishment of abattoirs

in the west, we on this side of the House have already stated our position. Considering that we have this great gap of 800 miles of uninhabited country between the east and west of Canada, I think it is worth while for the east to make every reasonable concession to the west in order that there may be no apparent divergence of interest between the east and the west, but that east and west, from the Atlantic to the Pacific, may join together in the upbuilding of our great federation.

Take Time for Consideration.

I trust that the Prime Minister will not proceed hastily with these reciprocity proposals. The country has had very little time to consider them. As far as I am concerned, my opinion with respect to them has, I trust, been made fairly clear to this House this afternoon. I think the Prime Minister would do well to withdraw them from the consideration of the House at the present time, and await some further developments.

Keep Canada for the Canadians.

We have begun a great work in this country. Two great races whose mother tongues are spoken in this parliament came into the inheritance of this great country under the providence of God. Our fathers endured many hardships and made wonderful sacrifices in planting their homes in this then western wilderness. In times of peril both races have poured out their blood without stint in defence of their common country. In the work of upbuilding a strong nation and a great civilization under the British flag, on the northern half of this continent, they have laboured side by side with mutual sympathy and with high purpose. The heaviest burdens have been lifted, the greatest obstacles have been overcome, the most difficult part of the task has been accomplished. I trust that the Canadian people will not lightly relinquish the task to which their energies and the energies of their fathers have been consecrated for so many years. I trust that the standard will not be thrown aside and the retreat sounded when the battle is more than half won. The self-denials, the sacrifices, the patriotism, demanded of us to-day, in order that this nation may maintain and carry out the ideals and the purposes for which it was called into existence, are as nothing to those which were required of our fathers who founded this confederation. Loyalty to their memory and to the ideals which they consecrated demands that we should continue with firm heart and unabated hope upon the path on which we entered nearly fifty years ago.

01584

