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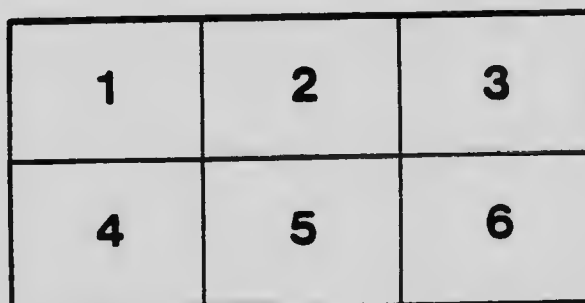
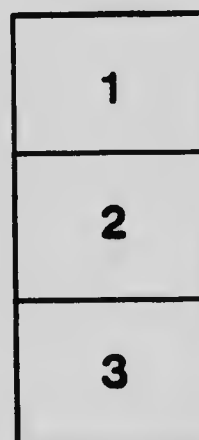
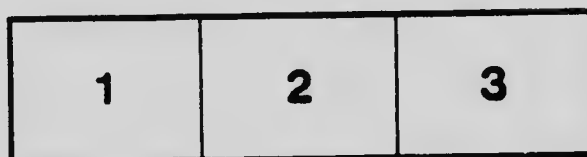
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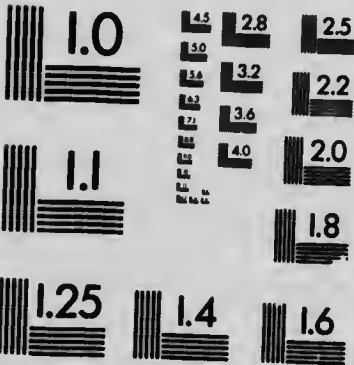
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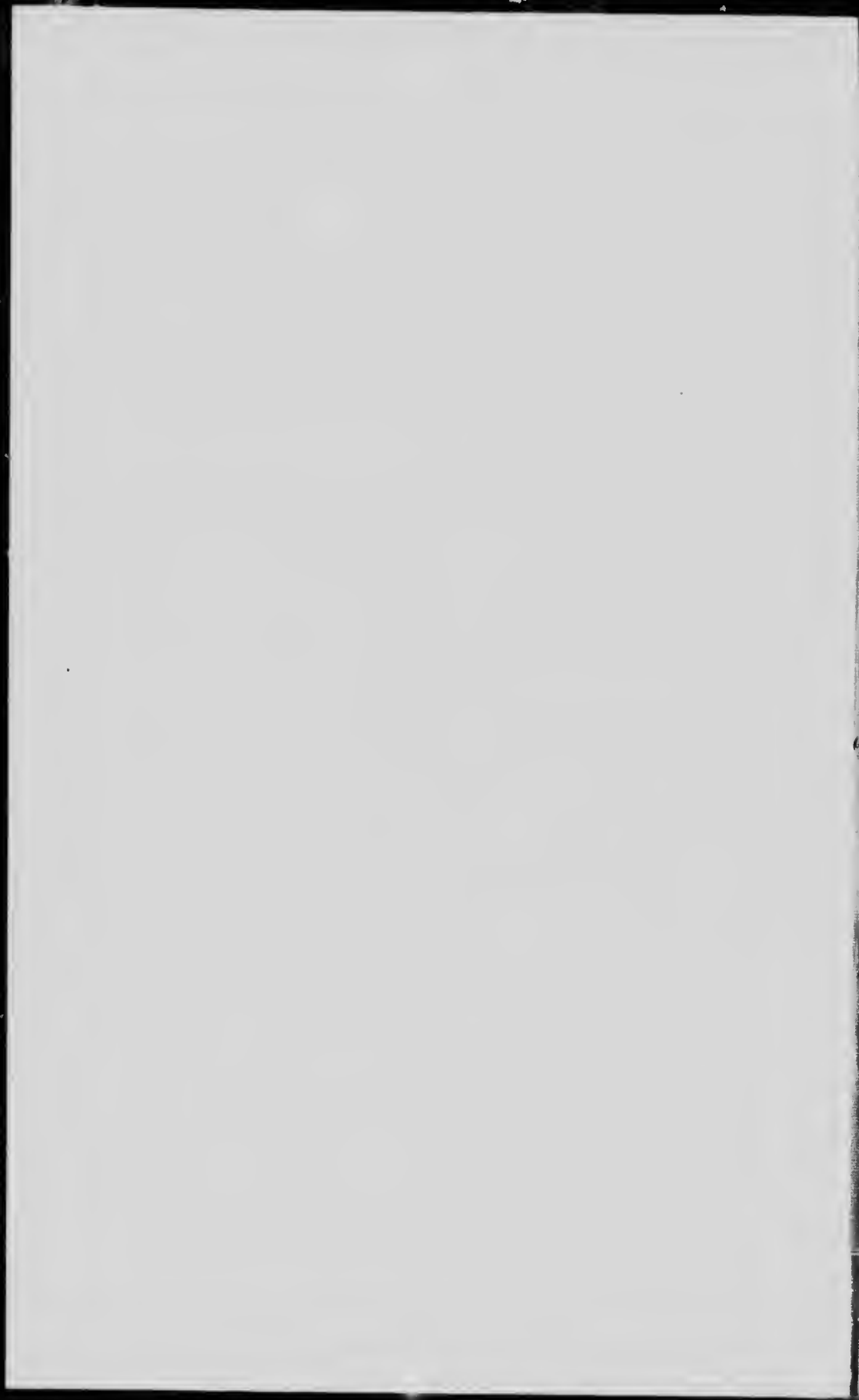
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# LIBERAL POLICY LESS TAXES AND MORE TRADE

## THE PROPOSED TRADE ARRANGEMENT WITH THE UNITED STATES

SPEECHES BY  
**SIR WILFRID LAURIER**  
**HON. W. S. FIELDING**  
**HON. SIDNEY FISHER**

*1911*  
**The Minister of Finance.**

*71/161 800*

House of Commons, Feb. 26, 1911.

Hon. W. S. FIELDING (Minister of Finance): Mr. Speaker, the action of this government in consenting to reopen negotiations with the government of the United States with a view to bringing about if possible a satisfactory reciprocal trade arrangement, has been very severely criticised in many quarters. From that fact we may properly infer that there must be some people in this Dominion of Canada who hold the opinion that the commercial policy of the 32,000,000 people who live to the south of us is of no concern to the inhabitants of this Dominion. No other conviction could justify the action of those who have objected to the opening of negotiations, one may easily understand, Sir, that there would be room for difference of opinion as to the merits of any arrangements into which it might be proposed to enter, but that there should be opposition to the re-opening of negotiations in response to the friendly approach of the United States government seems to us, in the light of history, to be very strange indeed. Sir, for us, for this government, for this parliament, for this

Dominion, to set itself against a discussion of the question of the trade relations between our country and the neighbouring republic would be to emphatically reverse the historic policy of the Dominion from the first day of confederation down to the present time, and not only the policy of the Dominion but the pre-confederation policy of every province out of which the Dominion was subsequently formed. Whether we desire it or not, Sir, the conditions of our two countries, lying side by side, must always make us of much interest one to the other.

The 92,000,000 people to the south are willing to acknowledge that they are interested in the commercial policy of Canada, and we representing 8,000,000 people are not ashamed to confess that we have the deepest concern in the policy which those people may adopt in relation to their commerce with the world at large. It is because we have the feeling that there is a mutual interest, that we have entered upon the negotiations as to which it is my privilege now to address you.

It ought not to be necessary to speak of

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this historic policy to which I have referred, but in view of the very strong action that has been taken by many gentlemen adverse to reciprocity it will be necessary that I shall for a few moments recall some of the main facts of the history of this matter. I am persuaded, and my colleagues are persuaded, that those who have formed a hasty judgment against reciprocity and against reciprocity negotiations have not spoken over their own deliberate judgment, and now that the time has come that we are able to disclose the results of our negotiations, we are most hopeful, Sir, that not only the negotiations themselves be approved but that the result of these negotiations will be approved not only by the country at large but by a great number of the gentlemen who have hitherto taken up that adverse position. Not to go back any further than a time within the memory of those who are sitting within the sound of my voice, we have to recall the reciprocity treaty of 1854, which was a treaty covering a wide range of natural products. At the time that treaty was arranged for between the then provinces of British North America and the United States, it naturally received some criticism. No measure of magnitude can at any time be presented to a deliberate assembly or to a great people without some kind of criticism being found, but, I think I am correct in stating that after that treaty had been in operation for some years it was recognized as being in the highest degree beneficial to the provinces of British North America, and as we thought beneficial also to the United States. Be that as it may, when the time came for the abrogation of that treaty in 1866, there was grave anxiety on the part of the people of British North America as to the effect of that abrogation. Our trade interests, it was thought then were so much dependent upon the American market that the abrogation of the treaty was naturally a cause of much alarm. And, every public man in the provinces as they then were, and every public man of responsible position from that day to this in the Dominion of Canada has realized the necessity of trying to cultivate good trade relations with the United States. From 1854 to 1866 the treaty was in operation. That brought us down to the very eve of confederation. Confederation dates from 1867, and one of the arguments very frequently used in support of the union movement was that in view of the abrogation of the treaty with the United States it was desirable that the provinces should be united in order that they might be stronger in their efforts to bring about a re-adjustment of our commercial relations and the procuring of a new treaty.

So, from the beginning of confederation this desire for reciprocity became the established policy of the country. It was the established policy, not of one political party, but it was the policy of all political

parties that have had to do with the government of Canada. In 1868 in the first year of confederation, there was enacted in the tariff of that year a standing offer of reciprocity to the United States. The men of that day who controlled the government of Canada felt that as one of their first steps they must make this declaration that they desired to renew some reciprocal arrangement with the people of the United States. Accordingly, there was carried into the tariff of 1868, the first tariff after confederation, that standing offer of reciprocity to the United States. In 1869 Sir John Rose, then, if I mistake not, occupying the position which I now have the honour to fill, was sent to the United States as a delegate from the Canadian government to endeavour to bring about reciprocity. In 1870, in the tariff legislation of that time, the standing offer was again inserted. It was changed some what in form, but it was renewed in principle and in substance. In 1871 Sir John Macdonald was concerned in the negotiation of what was then called the treaty of Washington, and he endeavoured to bring about commercial reciprocity, as well as settle the other matters that were afterwards dealt with in the treaty, but he was, as his predecessors had been, unsuccessful in establishing better commercial relations. In 1874 a change of government took place, the government of Hon. Alexander Mackenzie came into power, and Mr. Mackenzie again took up the question of reciprocity. Indeed, in the Liberal platform adopted by the convention of 1893, this common desire, not a desire peculiar to the Liberal party, but a desire, common to all public men, found expression in a resolution in favour of reciprocity. So that, in the days of the Liberal government and in the days of the Conservative government this desire for reciprocity has at all times been found. The Mackenzie government dispatched Senator George Brown, of Toronto, to Washington for the purpose of negotiating a treaty and a treaty was prepared at that time, but the United States failed to ratify it. In 1878, in the days of what our friends opposite call the National Policy, one of the strongest arguments which they used in many quarters was that the National Policy should be adopted as a means of forcing the Americans to give us a new reciprocity treaty. In the first tariff, the so-called National Policy, adopted in 1879, a standing offer was made and the terms in which it was made were sufficiently interesting in view of what has now been accomplished to justify me in taking the time of the House for a moment by reading them. In section 6 of the Tariff Act of 1879 there is this standing offer:—

“Any or all of the following articles, that is to say: animals of all kinds, green fruit, hay, straw, bran, seeds of all kinds, veget-

ables (including potatoes and other roots), plants, trees and shrubs, coal and coke, salt, hops, wheat, peas and beans, barley, rye, oats, Indian corn, buckwheat and all other grain, flour of wheat and flour of rye, Indian meal and oatmeal, and flour of meal of any other grain, butter, cheese, fish (salted or smoked), lard, tallow, meats (fresh, salted or smoked), and lumber, may be imported into Canada free of duty, or at a less rate of duty than is provided by this Act, upon proclamation of the Governor in Council, which may be issued whenever it appears to his satisfaction that similar articles from Canada may be imported into the United States free of duty, or at a rate of duty not exceeding that payable on the same under such proclamation when imported into Canada."

So you will see, Sir, that our Conservative friends, upon coming into power in 1878-9, deemed it necessary as one of their first steps that they should proclaim to the world their desire to re-establish reciprocal trade relations with the United States. That principle was continued in their tariff from year to year with some change of form, but not in principle, so that down to the day when the Conservative party retired from office in 1896 this desire to obtain reciprocity with the United States was to be found upon the statute-book, in budget speeches and in everything wherein they proclaimed the commercial policy of Canada.

Now, we turn to the change of administration in 1896. I have already said that in the Liberal platform of 1893 reciprocity occupied a prominent part and soon after this government came into power—indeed, if my memory is correct, even before parliament assembled—two members of the government were sent to Washington with the view of ascertaining what might be done in the way of reciprocal treaty arrangements. They did not find the situation favourable and they came back to their colleagues and reported that they were not able to accomplish anything. There is one incident in this history that I have forgotten that is of importance and that is that in the year 1891 the dissolution of parliament is ordered by the Conservative government of the day upon the ground that they regarded the reciprocity question as so important that they required a mandate from the people of the Dominion to enable them to proceed to Washington and deal with that question. The Liberal party of the day also was in favour of reciprocity. Both parties declared for reciprocity at that time and the only question was as to which one could get the largest degree of reciprocity. So, if we follow it from day to day and from year to year, taking the history of the reciprocity treaty of 1854, the early years of confederation, the period in connection with the national policy and the period since the change in administration

down to the joint high commission of 1898-9, we find that throughout all these years, whatever difference there may have been amongst the public men of our country on other subjects, there was no difference of opinion as to the great importance and desirability of re-establishing reciprocal trade relations with the United States of America.

Now, in view of the history which I have so hurriedly presented to you, and with which many hon. gentlemen in the House are more intimately acquainted than I am, would it not have been a strange proceeding, if this government had refused to entertain the friendly approaches of the President of the United States, and to join in a conference to see whether or not something could be brought about in the way of reciprocity? That was the position in which we found ourselves and I confess it was with much surprise that we found the many manifestations of opposition. Again, I say I am persuaded that the gentlemen who on the public platform or in the press took such strong ground against our action, did not give us the benefit of their well considered judgment. I am going to appeal to them to revise that judgment, to give a fair consideration to the project we are about to submit to them, and in all sincerity I say I am most hopeful indeed that what we have to propose will not be regarded as a matter of party contest, but as something which if it can be brought about by the joint action of this parliament and the Congress of the United States, will work out for the good of the Dominion and we trust for the good of the United States as well.

These negotiations, Sir, may be said to have commenced nearly a year ago. They took at first the shape of a communication from the Secretary of State of the United States to Hon. Mr. Bryce, His Majesty's ambassador at Washington, and the matter being one purely of a Canadian character, Mr. Bryce, like the very sensible ambassador he is, turned it over to the government of Canada for consideration and from that time down to the present these negotiations have been conducted directly between ministers of the government at Ottawa and the Secretary of State or the officers of the Department of State at Washington. I wish to say in that connection that at every stage of the matter we have been favoured with the cordial sympathy and co-operation of the distinguished ambassador at Washington, and that on many occasions we found his co-operation and sympathy and advice of the utmost value to us. I desire in this public way to acknowledge the service he has just rendered in his capacity as ambassador for His Majesty.

The United States tariff was revised a year or two ago, and the world received what is known as the Payne-Aldrich tariff. That tariff brought out an embarrassing



situation between the United States and some countries, particularly between the United States and Canada. The Payne-Aldrich tariff provided that what was called the maximum tariff, a very high tariff, and be imposed on the products of all countries to which that tariff applied. It was said in the course of the discussions arising out of our action in connection with the matter that Mr. Taft, the president, would never have put the maximum tariff on Canada. That has been very frequently said. Now if the situation had really been as it seemed to be in the minds of the gentlemen who made that criticism, I should have been disposed to agree with them. I will frankly say that I do not think Mr. Taft ever desired to impose the maximum tariff upon the products of Canada. The misfortune was that Congress had imposed the tariff, it was not a question of Mr. Taft doing it as Congress had put that tariff on and declared that on and after a given date the products of all countries not exempted by special action of the president should become subject to the maximum tariff. The maximum tariff existed and was coming into operation in a few days. It was not a question of Mr. Taft putting it on, but of Mr. Taft being induced to take it off, as he had the power to do. The President of the United States, as one evidence of his sincere desire to avoid trouble with Canada on that question, did us the honour of inviting a member of this government to proceed to Albany to meet him and discuss the matter. He came a long way from his capital and not very far from our own and was pleased to discuss the question there with a minister of the Canadian government. My colleagues did me the honour of sending me on that mission. I have said before and repeat that at my first interview with that distinguished statesman, the President of the United States, I became satisfied that he was animated by the warmest desire to make a fair and just and friendly arrangement with Canada. As I have already said, it was not a question of putting on the maximum tariff, it was a question of taking it off, and I found that the President of the United States was willing to take it off if we could give him some decent excuse to do so under the terms of the American tariff law. We made a few changes a few concessions of no earthly importance, so small and trifling that I am sure hardly any of us in the House could remember to-day what they were. But they served the purpose, they were enough to give Mr. Taft the reason and excuse he desired and accordingly he issued his proclamation that Canada should not be placed under the disadvantage of the maximum tariff, which if applied would undoubtedly have done harm on both sides, most certainly to large business interests in Canada. Out of the negotiations at that time have sprung the larger

negotiations of a more recent date. We were invited by the President and the Secretary of State, Mr. Knox, to take up the greater question of a reciprocal trade arrangement. The arrangements we made nearly a year ago, last March, were of a small and trifling character that nobody could have regarded them as a final adjustment of our tariff question and we readily responded to the suggestion of the President that we should meet him and his cabinet ministers for the consideration of the question along broader lines.

Mr. FOSTER. Was it in any way one of the conditions on which President Taft consented to excuse Canada and lift her out of the rather embarrassing condition, that in addition to the concessions which we gave in a tariff sense, there should be an undertaking, implied or expressed, that that action should be followed by negotiations for a trade treaty?

Mr. FIELDING. As a matter of condition, no. There was no question, understanding, arrangement, condition or suggestion as between Mr. Taft and the Canadian government that is not set forth in the correspondence which has been in the possession of the House for the last ten months. That correspondence clearly shows that Mr. Taft expressed an earnest desire to have a discussion on broader lines and that on behalf of our colleagues we agreed that that discussion should take place; but it was not a condition of Mr. Taft taking any action at that moment, it was a matter which we jointly desired, which he had suggested, and which we were very happy to agree to.

I have, Sir, referred thus to the earlier stages of these negotiations, and brought the story down to a very recent date. I have pointed out that the desire for reciprocity was not a party matter, that it was universal, and we felt, as we had a right to feel, that we were bound to take advantage of any opportunity that offered to bring about that more desirable arrangement of trade between the United States and Canada for which this country had been seeking for the last half century. That was the position in which we found ourselves. If we thought the moment was favourable, if in view of that history which I have so briefly referred to, we thought the psychological moment had come when we could deal with the United States in a more favourable manner, if we thought they had repented, if I may use the expression, of the error of their ways, that they had seen they could not afford to treat Canada in the way they had been treating her in bygone years, if they had reached that happy frame of mind, was it our duty to refuse to meet them, or was it our duty to meet them and say: We are glad, brethren, you think better of the situation, we are will-

ing to sit down and discuss this matter in a fair and generous spirit.

We have, then, proceeding along these lines, and we have conducted negotiations first at Ottawa and afterwards at Washington, covering the whole question of trade relations. We have now been able to come to an understanding, and if we have been able to bring about some of the good results for which this country has been seeking for many years, I earnestly hope that the action will be one in which all parties in this House and in this country will be able to join and say, that that is for the good of Canada and for the good of the United States as well. Let me proceed to tell you, first in a summary way and afterwards in detail, exactly what that arrangement is.

In the first place, I am glad to be able to tell the House that at a very early stage in our negotiations, several months ago, indeed, we informed the representatives of the United States government that while we desired to make a friendly reciprocal arrangement, while we were most anxious to broaden our trade relations and to establish and continue friendly relations with them, we believed that could be now brought about as well by mutual legislation, as by the more definite form of a treaty; and therefore we informed them that while we were prepared to proceed with the negotiations and to make the arrangement as broad and generous as we could, it must be understood that we preferred the form of concurrent legislation, and that it was not our purpose to bind the Dominion of Canada or the United States in the way of a treaty.

Mr. FOSTER. Can the minister give about the date at which that information was sent to Washington?

Mr. FIELDING. It was never sent to Washington by any communication. It occurred in the personal communications between the representatives of the government and those of the United States.

Mr. FOSTER. The date of that?

Mr. FIELDING. It occurred in the city of Ottawa, at the time the delegates from the United States were here. I cannot give my hon. friend the exact date. Intimation was given that while we were anxious to have an arrangement, we preferred that there should be no treaty, and we thought we could show that the arrangement could be made useful and effective without the formal binding of a treaty. It will, therefore, be found, in the document which I shall read presently, that we have made no hindering arrangement—that if this arrangement which I shall present to you, commends itself to your judgment, is found to be advantageous, it will continue, but if on reasonable trial, it is found in any way to be unfav-

ourable to the Dominion of Canada, the government and the parliament of the day, are absolutely free at any time to change the arrangement, and nobody will have any right to complain.

The next point is that we have arranged that there shall be a large free list. We have agreed upon a schedule containing a large number of articles which are to be reciprocally free. These are chiefly what are called natural products, though there are some things in them which would hardly be classified in that way. Some of these things are already free in Canada, but have been subject to duty in the United States. We have been able to arrange that the United States shall take off the duty, and, therefore, instead of having what some of our hon. friends have sometimes called a lop-sided free trade, there will be real free trade in this matter, and the thing that is free in Canada shall also be free in the United States.

In another schedule we have provided a rather numerous list of items on which there shall be a common rate of duty in both countries. A very common criticism on the part of gentlemen who have not viewed this matter as favourably as we would have wished, has been: If the United States want to make a tariff arrangement with you, let them come down to your rates of duty. It seemed to be taken for granted that that was what the United States would not do. But that is exactly what we asked them to do, and what they have agreed to do, respecting a large number of articles. They have not only come down to our rates, but in some cases they have come below it, and in those cases, in order to reach that common rate, we have had to make reductions. But as our tariff is a moderate one, while theirs, in the main, is a high tariff, the result has been that, in order to arrive at a common rate, we have had to make only moderate reductions, while they, in many cases, have had to make quite large reductions. There are a few exceptions to this general rule. We found a few cases with which we desired to deal, but with respect to which we were not able to agree upon a common rate. In some instances it was not so much the rate itself as the classification and the phraseology. Dealing with these cases as exceptions, we have provided one schedule of articles on which the United States impose the rates of duties therein mentioned on the products of Canada, and another schedule of articles on which Canada may impose the rates of duties therein mentioned on the products of the United States. The idea of reciprocity is in the arrangement, but it does not require both countries to adopt the same rate or the same classification. These two schedules, however, will be found to contain not many items.

Mr. BURDEN (Halifax). If there is

nothing in the nature of a treaty, how is this arrangement to be carried out?

Mr. FIELDING. My hon. friend will see as I proceed. It is not a binding treaty in any shape or form. The arrangement rests on mutual faith, mutual good-will, mutual conviction that the thing is for the benefit of the two countries.

Before dealing with the schedules in detail, I want to give an illustration of how we have been able to reach a common ground. For example, take the article of wheat. At present wheat is dutiable in the United States at 25 cents a bushel and in Canada at 12 cents a bushel. We make wheat free in both countries. The reduction in Canada is 12 cents a bushel, whereas the United States reduction is 25 cents a bushel. I give that as an illustration of the fact that the tariff of the United States being much higher than ours, in order to meet a common rate they have had to make very much larger reductions than we have.

Mr. OWEN. What will be the duty on our wheat going into the United States?

Mr. FIELDING. The duty on our wheat going into the United States will be nothing. As another illustration, take the article of barley. It was a large crop in Ontario some years ago, and when the American tariff increased the duty on barley it was regarded by Canadian farmers as a rather severe piece of legislation. Barley is now made free. Canada's reduction is 15 cents per bushel and the United States reduction is 30 cents per bushel.

Take another illustration, an item of importance to many districts in this country, the item of potatoes. Potatoes are now made free. Canada's reduction is 20 cents per bushel and the United States 25 cents.

Oats are made free. Canada's reduction is 10 cents per bushel, the United States, 15 cents per bushel.

Flour is now to be dutiable at the common rate of 50 cents per barrel; Canada's reduction is 10 cents per barrel; the United States reduction is about equal to 70 cents per barrel.

Rough sawn lumber is made free. It was already free in Canada, but in the United States, even under the Payne-Aldrich tariff, there was a duty of \$1.25 per 1,000 feet. That duty is removed, and rough sawn lumber may be exported free into the United States by the manufacturers of the Dominion.

In the discussion of tariff items in this House in by-gone years, there were two items which were commonly bracketed together, strange as it may appear. I refer to coal and flour. In the early days in the discussion of the duties on these articles, it was argued with much force that the coal duty was rather a burden on the people of Ontario, and that the flour duty

imposed a burden on the people of the lower provinces, and that, on the principle of give and take, the people of the two sections should be willing to have these two duties imposed, each section profiting by that policy. I shall not now go into the discussions which took place at that time. We are now proposing to bracket them together. We are making a small reduction in the duty of flour to 10 cents per barrel, and a small reduction in the duty of coal of 8 cents a ton. The present duty on coal is 53 cents, and we propose to make it 45 cents. The duty in the United States to-day is 45 cents, and our duty, under this arrangement will be 45 cents, but that is not hardly placing the matter fairly before the House. For this reason on that in the United States the duty of 45 cents is on the long ton of 2,240 pounds, whereas, ours is on the short ton, so that while nominally there is a similarity, there is not actually quite an equalization of the rates. However, that may be, our coal people, who were alarmed over this reciprocity matter, will have to bear a cut of 8 cents per ton on their duty; and I hope, as one who has warm sympathy for the coal trade, that they will be able to stand it and continue to do business at the old stand.

Mr. CURRIE (Simcoe). Is there any change in the duty on slack coal?

Mr. FIELDING. I am just coming to that. There is no change in the duty on slack coal coming into Canada, but there is a very important change in the duty on slack coal going into the United States. Slack coal is dutiable at 15 cents per ton in the United States. Recently, in the last amendment to the tariff law, words were used in the definition of slack coal which led to considerable trouble. The words are, if I remember correctly, were that all slack coal shall be deemed coal produced in the ordinary way. And the United States authorities ruled that coal which was washed for the purpose of preparing it, is not prepared in the ordinary way, and therefore, one of our coal concerns, which has large contracts in the United States, and desires to build up a large trade in that country in slack coal, found itself subject to this condition, that what it regarded as slack coal was regarded by the United States as coal screened and held dutiable at the rate of 45 cents per ton. We protested against that and we asked that the duty of 15 cents per ton on slacked coal should apply to slack coal of all kinds, including washed coal.

Another item is that of coke. Coke is free in Canada, but dutiable in the United States. We asked that it be made free in the United States as well as free in Canada, and our American friends have agreed. I think that hon. gentlemen interested in the coal fields in British Columbia will be very glad to hear that news

because coke is an important item, and I have every reason to believe that large quantities of coke will go from British Columbia into the United States under this arrangement.

With regard to some of the items made free, I have said before that they are largely natural products, but we have made some reductions in a moderate list on manufactured articles. I have already indicated that our reductions are not very large while those of the United States are considerable. Our manufacturers are rather alarmed at the competition of the Americans. No doubt, with their magnificent organization and great accumulation of capital, our American friends are in advance of us in most of the lines of manufactures, and I do not suppose that in manufacturing generally we can hope at present to send many things across the line. But I do hope that the reduced rates of duty will open up new facilities to our manufactures and that we shall be able to send more manufactured goods across the border. Our manufactures whose products are shut out to-day by prohibitory duties, may be encouraged to send some of their goods into the United States under a moderate tariff.

Take wire rods which are largely made in Canada. They are free in Canada but dutiable in the United States, and there is a bounty on them here which will expire shortly. We have thought it desirable that our manufacturers in that line should have a chance in the American market, and therefore, we claimed the wire rods, which are now free in Canada, should be free in the United States, and I think we will have a fair chance of making wire rods for Uncle Sam and sending them over from our steel plants.

With regard to agricultural implements, the House need not be reminded of the strong desire on the part of our western farmers to have better terms on these articles. They would be glad to have them free of duty, but, anxious as I am to meet their views, I must frankly say to them that we do not think that is fair. Like all others they must be prepared to give and take, they must be prepared to bear their share in the burdens of the country, and I believe that when the matter is fairly put to the farmers, they will recognize that principle. We do not propose to make agricultural implements free but to make some reductions, and we trust that, while these may not be all the farmers want, they will be evidence of the desire of the government to meet their views as far as possible without doing any injustice to the industries of Canada. We have a 15 per cent. list on agricultural implements, including mowers, reapers, and harvesters. These were 17 1-2 per cent., and we now propose to reduce them to 15 per cent.

Mr. BRODER. Is there any change to be made in the valuation for duty?

Mr. FIELDING. Our negotiations have not touched the question of valuation; that must be left to the operation of the customs authorities of the two countries. Then there is a list of implements: Cultivators, ploughs, harrows, horse-rakes, seed-drills, threshing machines, including wind-stackers, baggers and weighers; these are reduced from 20 per cent to 15 per cent. Then, hay loaders, potato diggers, fodder or feed-cutters, grain-crushers, fanning mills, hay-tedders, farm or field-mowers—on these the Canadian reduction is from 25 to 20 per cent. These are the reductions which are being made in our tariff. On the other side of the question, the United States tariff on some of these things is 15 per cent. We have provided that parts of machines shall be introduced at the same rate as the machine itself. In the United States, where they had a nominal rate of 15 per cent. upon agricultural implements of a certain class, it was provided that repair parts for these machines should be dutiable at the rate of 45 per cent. We have provided that the machines and the parts shall bear the same rate of duty. Then, portable engines, horse-power and traction engines for farm purposes, hay-loaders, potato-diggers, fodder or feed cutters, grain-crushers, fanning mills manure-spreaders, windmills, and parts thereof for repairs—these are now dutiable in the United States at from 30 to 45 per cent., and we have arranged that the American duty shall be reduced to 15 per cent.

Before I proceed to take up the schedules in detail, there are one or two interesting features which I am sure the House would wish me to explain at the earliest moment. We have had very interesting discussions from time to time over the question of the duty on paper and pulp of various kinds. Our American friends were anxious for some tariff change in relation to these articles. We ourselves were anxious for some tariff changes. As respects certain grades of pulp and paper, mechanically ground pulp, chemical pulp, common printing paper, known as newsprint, and the common pasteboard and the cheaper articles of paper other than newsprint, or common paper, up to a limited value of four cents per pound, we believed that we could compete with our American friends on these particular articles and that it was desirable we should have free trade in them. As to the paper of a more advanced quality, I doubt if we would be able to compete with them and we did not take that class of paper into our negotiations. But as respects pulp of its various kinds and common newsprint paper and common pasteboard and common paper of all kinds running to the value of four cents per pound, we would have been

quite willing to have reciprocity with them. They said: We are quite willing to do that if you provide that the regulations which exist in some of your provinces with regard to the shipment of pulpwood shall be removed. Of course, there could be but one answer that that. We have nothing to do with the provincial regulations. These regulations have been made by the provincial governments in accordance with what they believed to be the best interests of their respective provinces, and whether they are good or bad regulations was not for us to debate with our friends of the United States. And so we had to say to them: If you propose to put any such limitations upon the arrangement we cannot object to your doing for yourselves what you think best respecting the terms and conditions upon which you will admit our paper into your country; you have the right to impose these conditions, and if they do not suit Canada no harm is done; but we on our side will not agree to make paper and pulp and these articles free in Canada until you have made them free into your country from every province and part of the Dominion of Canada. So the matter stands in this way: that they will put in their tariff, as set forth in their correspondence with us, an item that these various grades of pulp and paper shall be made free if there be no regulations, either in the form of an export duty or in the form of the provincial regulations interfering with the shipments of pulpwood. Whenever that condition arises they will make paper free. We said: All right, but that is no good to us and we will not make your paper free in Canada until you remove the restriction.

Now, there was one other question. It has always been a matter of complaint against the United States (and I may say it has sometimes been a matter of complaint against my good friend the Minister of Customs) that the pious intentions of tariff makers are sadly interfered with by the administration which makes the regulations, and so we thought it necessary to bring that question to the notice of our American friends. As these regulations may arise from time to time, it was impossible to deal with them in detail, but what we thought we ought to do was to obtain on both sides a declaration that there should be no interference by means of vexatious regulations with the good intentions of this reciprocal arrangement, and that both parties would sincerely and earnestly endeavour to facilitate trade along the lines contemplated. It is set forth in our correspondence that if any regulation is found to work adversely either party would have the right to make representations concerning it, and it would endeavour to remove any regulation as to which there was found just cause of complaint.

There is one other question, before I

come to deal with the correspondence and the schedules, namely, the very important branch of our national industry which touches the fish question. Canada has never enjoyed the advantage of free fish into the United States except upon the condition that she should grant the United States not only similar privileges, but the right to fish in the national waters of Canada. That was a condition of the old reciprocity treaty, and under that condition very satisfactory progress in our fisheries was made. There are some people in our country to-day who attach so much importance to the item of free fish that they would be willing, in order to obtain it, to give to our American friends the right to fish in our waters. We do not think that this represents the national sentiment. We said to our American friends that we were willing to meet them in the exchange of commodities, that we could not discuss this question at all of giving them free fishing, and practically at an early stage in the negotiations that feature was eliminated. One thing further we have done: We have secured, I may say unconditionally, for the first time what is regarded as the very substantial advantage of the free admission of our fish of all kinds into the United States markets. In what is commonly called the Chamberlain-Bayard treaty, made between Mr. Chamberlain and Sir Charles Tupper on the one side and Mr. Bayard, of the United States, on the other, in the year 1888, provision was made for free fish being admitted into the United States, and the condition set forth in that treaty was that Canada should give to the fishermen of the United States certain commercial privileges such as the right to come into our ports and obtain bait, ice, and supplies, and to ship crews, and transfer their fish. These commercial privileges were to be granted free of all charge and cost to the United States in exchange for the privilege of free fish.

It was admitted at that time that the treaty would probably be ratified; but as there might be some delay in its ratification, and with a view of avoiding the friction which unhappily was existing in relation to our fisheries, there was put into the form of a protocol what was commonly known as the *modus vivendi*, in which it was declared that for a period of two years, that being the period within which it was thought the treaty would be ratified, the United States would be allowed to enjoy these commercial privileges by a license to be issued to their fishermen at the cost of \$1.50 per ton. That arrangement, which was contemplated for two years, has existed down to the present time. The treaty was not ratified, the American government was not able to secure its ratification in the Senate; but inasmuch as the withdrawal of the *modus vivendi*, it was thought, might lead to some friction and

some embarrassment, the government decided to let it remain in operation, and it has so remained down to the present time. We get a few thousand dollars from the licenses which are so issued to our American friends. We are not concerned with the few thousand dollars we get from these licenses, but we insist upon issuing the licenses as a vindication of our national right. Once we have gained a recognition, as we now have, of our right to these fisheries, we do not care about the trumpery sum of \$1 which we get for each of those licenses, but the license must be issued as a vindication of Canada's national right. So it will be seen that which we failed to accomplish under the Chamberlain-Bayard treaty, that which was to be given free from the United States in return for free fish, we are securing to-day. We are accomplishing exactly what they sought to secure in the Chamberlain-Bayard treaty, but which unfortunately was never accomplished, because that treaty never went into operation.

I think I have called attention to all the special features of this arrangement, and now I propose to present to the House the form in which this arrangement is made. The decision that was reached was that my hon. friend the Minister of Customs and myself—

Mr. BURRELL. Would the hon. gentleman permit me to ask him how the new arrangement affects fruit?

Mr. FIELDING. When I read the schedules, my hon. friend will find that fruit is made reciprocally free.

Mr. SPROULE. What about dairy products?

Mr. FIELDING. Dairy products are free.

Mr. MONK. What about garden produce?

Mr. FIELDING. Vegetables are free. I was saying that the form in which this arrangement is made is an agreement that my hon. colleague and myself should address to the Secretary of State a letter setting forth our understanding of what had been mutually determined, and inviting him to confirm it. I will now read the letter:

"Washington, January 21, 1911.

"Dear Mr. Secretary,—

"1 The negotiations initiated by the President several months ago through your communication to His Excellency the British Ambassador respecting a reciprocal tariff arrangement between the United States and Canada, and since carried on directly between representatives of the government of the two countries, have now, we are happy to say, reached a stage which gives reasonable assurance of a conclusion satisfactory to both countries.

"2. We desire to set forth what we understand to be the contemplated arrangement, and to ask you to confirm it.

"3. It is agreed that the desired tariff changes shall not take the formal shape of a treaty, but that the governments of the two countries will use their utmost efforts to bring about such changes by concurrent legislation at Washington and Ottawa.

"4. The governments of the two countries having made this agreement from the conviction that, if confirmed by the necessary legislative authorities, it will benefit the people on both sides of the border line, we may reasonably hope and expect that the arrangement, if so confirmed, will remain in operation for a considerable period. Only this expectation on the part of both governments would justify the time and labour that have been employed in the maturing of the proposed measures. Nevertheless, it is distinctly understood that we do not attempt to bind for the future the action of the United States congress or the parliament of Canada, but that each of these authorities shall be absolutely free to make any changes of tariff policy or of any other matter covered by the present arrangement that may be deemed expedient. We look for the continuance of the arrangement, not because either party is bound to it, but because of our conviction that the more liberal trade policy thus to be established will be viewed by the people of the United States and Canada as one which will strengthen the friendly relations now happily prevailing and promote the commercial interests of both countries.

"5. As respects a considerable list of articles produced in both countries, we have been able to agree that they shall be reciprocally free. A list of the articles to be admitted free of duty into the United States when imported from Canada, and into Canada when imported from the United States, as set forth in Schedule A.

"6. As respects another group of articles, we have been able to agree upon common rates of duty to be applied to such articles when imported into the United States from Canada or into Canada from the United States. A list of these articles, with the rates of duty, is set forth in Schedule B.

"7. In a few instances it has been found that the adoption of a common rate will be inconvenient, and, therefore, exceptions have to be made.

"8. Schedule C specifies articles upon which the United States will levy the rates therein set forth when such articles are imported from Canada.

"9. Schedule D specifies articles upon which Canada will levy the rates therein set forth when such articles are imported from the United States.

"10. With respect to the discussions that have taken place concerning the duties upon the several grades of pulp, printing paper,

&c.—mechanically ground wood pulp, chemical wood pulp, bleached and unbleached, news printing paper and other printing paper, and board made from wood pulp, of the value not exceeding four cents per pound at the place of shipment—we note that you desire to provide that such articles from Canada shall be made free of duty in the United States only upon certain conditions respecting the shipment of pulp wood from Canada. It is necessary that we should point out that this is a matter in which we are not in a position to make any agreement. The restrictions at present existing in Canada are of a provincial character. They have been adopted by several of the provinces with regard to what are believed to be provincial interests. We have neither the right nor the desire to interfere with the provincial authorities in the free exercise of their constitutional powers in the administration of their public lands. The provisions you are proposing to make respecting the conditions upon which these classes of pulp and paper may be imported into the United States free of duty must necessarily be for the present inoperative. Whether the provincial governments will desire to in any way modify their regulations with a view to securing the free admission of pulp and paper from their provinces into the market of the United States must be a question for the provincial authorities to decide. In the meantime, the present duties on pulp and paper imported from the United States into Canada will remain. Whenever pulp and paper of the classes already mentioned are admitted into the United States free of duty from all parts of Canada, then similar articles, when imported from the United States shall be admitted into Canada free of duty.

“11. The tariff changes proposed might not alone be sufficient to fully bring about the more favourable conditions which both parties desire. It is conceivable that customs regulations which are deemed essential in some cases might operate unfavourably upon the trade between the United States and Canada, and that such regulations, if made without due regard to the special conditions of the two countries, might to some extent defeat the good purposes of the present arrangement. It is agreed that the utmost care shall be taken by both governments to see that only such customs regulations are adopted as are reasonably necessary for the protection of the Treasury against fraud; that no regulations shall be made or maintained which unreasonably hampers the more liberal exchange of commodities now proposed; that representations on either side as to the unfavourable operation of any regulation will receive from the other all due consideration, with the earnest purpose of removing any just cause of complaint; and that, if further legislation is found necessary to enable either government to carry out the purpose of this provision, such

legislation will be sought from congress or parliament as the case may be.

“12. The government of Canada agree that, until otherwise determined by them, the licenses hitherto issued to United States fishing vessels under the provisions of section 3 of chapter 47 of the Revised Statutes of Canada, granting to such vessels certain privileges on the Atlantic coast of Canada shall continue to be issued and that the fee to be paid to the government of Canada for such license by the owner or commander of any such United States vessel shall hereafter be one dollar per annum.

“13. It is understood that upon a day and hour to be agreed upon between the two governments, the President of the United States will communicate to congress the conclusions now reached and recommend the adoption of such legislation as may be necessary on the part of the United States to give effect to the proposed arrangement.

“14. It is understood that simultaneously with the sending of such communication to the United States congress by the President, the Canadian government will communicate to the parliament of Canada the conclusions now reached, and will thereupon take the necessary steps to procure such legislation as is required to give effect to the proposed arrangement.

“15. Such legislation on the part of the United States may contain a provision that it shall not come into operation until the United States government are assured that corresponding legislation has been or will be passed by the parliament of Canada; and in like manner the legislation on the part of Canada may contain a provision that it shall not come into operation until the government of Canada are assured that corresponding legislation has been passed or will be passed by the congress of the United States.

“Yours faithfully,

(Sgd.) “W. S. FIELDING,  
“WM. PATTERSON.”

The Honourable P. C. Knox,  
Secretary of State,  
Washington, D.C.

Mr. MACLEAN (York). Does that mean that all or none must be accepted on behalf of each government?

Mr. FIELDING. Practically, I would say, yes.

Mr. BORDEN (Halifax). Is it an indivisible agreement?

Mr. FIELDING. I would think so, except that if we should attempt to make changes our American friends would be equally ready to make changes, and I am afraid that there would be danger of our not making any agreement at all. In that sense, I would say, yes; it would be all or none, although parliament, of course,

would have the absolute right to make any changes it saw fit.

Mr. MACLEAN (York). It will be subject to modification or the re-opening of negotiations?

Mr. FIELDING. It might be possible, but I am bound to say that I think the time is exceedingly favourable for the accomplishment of this purpose, if we agree that it is desirable, and any attempt made to delay it by further negotiations, I am afraid, would put in peril the whole arrangement. However, parliament is absolutely free to treat the matter as it deems best. Let me now read the reply of the Secretary of State, the Hon. P. C. Knox:—

“Department of State, Washington,  
“January 21, 1911.

“The Honourable W. S. Fielding, and  
“The Honourable William Patterson,  
“Washington.

“Gentlemen,—I have the honour to acknowledge the receipt of your communication of this date in relation to the negotiations initiated by the President several months ago for the reciprocal trade arrangement between the United States and Canada, in which you set forth and ask me to confirm your understanding of the results of our recent conferences in continuation of these negotiations.

“I take great pleasure in replying that your statement of the proposed arrangement is entirely in accord with my understanding of it.

“It is a matter of some regret on our part that we have been unable to adjust our differences on the subject of wood pulp, pulp wood and print paper. We recognize the difficulties to which you refer growing out of the nature of the relations between the Dominion and the provincial governments, and for the present we must be content with the conditional arrangement which has been proposed in Schedule A attached to your letter.

“I fully appreciate the importance, to which you call attention, of not permitting a too rigid customs administration to interfere with the successful operation of our agreement, if it is approved by the Congress of the United States and the parliament of Canada, and I desire to confirm your statement of our understanding on this point. I am satisfied that the spirit evinced on both sides gives assurance that every effort will be made to secure the full measure of benefit which is contemplated in entering into this arrangement.

“The assurance that you give that the Dominion government proposes to require only a nominal fee from the fishing vessels of the United States for the privileges in Canadian waters for which heretofore a

charge of \$1.50 per ton for each vessel has been required is most gratifying.

“I heartily concur in your statement of the purposes inspiring the negotiations and in the views expressed by you as to the mutual benefit to be derived by both countries in the event our work is confirmed, and I take this opportunity to assure you, on behalf of the President, of his appreciation of the cordial spirit in which you have met us in these negotiations.

“I have the honour to be, gentlemen,

“Your obedient servant.

(Signed) “P. C. KNOX.”

Mr. MACLEAN (York). In case the congress of the United States or the parliament of this country should alter in any way the tariff as fixed by this negotiation, what would happen? Would it be, as you were, in regard to everything?

Mr. FIELDING. Each party is absolutely free to make its tariff in accordance with whatever it believes to be the interest of the United States on the one side or the interest of Canada on the other.

Mr. MACLEAN (York). What would happen then? Would everything then go back to the old condition?

Mr. FIELDING. If the United States should change one item in its tariff in a way to prejudice the trade in that particular article, the parliament of Canada might change its tariff on a particular item in such a way as to prejudice the trade in that particular article, and if, by and by, one item after another were changed and all the advantages of the arrangement were wiped away, I suppose we would come back to our old condition, and it would be a case of, as you were.

Mr. CURRIE (Simeoe). I would like to ask the minister if any articles have been signed, or is this just simply a convention, and not a treaty?

Mr. FIELDING. It is neither a treaty nor a convention in the technical sense. The agreement is to be found in the letter addressed by my colleagues and myself to Mr. P. C. Knox, Secretary of State for the United States, and in Mr. Knox's reply, the two documents being those which I have just read. These are the only documents that express the arrangement in any shape or form.

Mr. CURRIE (Simeoe). Then I understand this is not a treaty at all?

Mr. FIELDING. My hon. friend is quite correct.

Mr. BORDEN (Halifax). I would like to ask whether the proposed arrangement covers my articles which are imported to any extent from Britain or any of the British possessions, and if so, whether the



lowering of duties which has been granted to the United States, is to be extended to Great Britain and the British possessions?

Mr. FIELDING. Of course, as a general principle, whether Great Britain is to be interested or not, any duty that may be lowered to any foreign country, according to our well established policy, would be at the same time lowered to Great Britain, and a clause will be inserted in the resolutions which I shall have the honour to propose, providing that where in any case the duties are lowered the benefit shall be extended to Great Britain. As a matter of fact, they are only lower on a few items of food stuffs than the preferential rate and they are articles which Great Britain does not send us at all. Notwithstanding I think that if this arrangement be confirmed, it would probably lead to some readjustment of our tariff here and there, in order that we may maintain, as we fully intend to do, the principle of the British preference and that the concessions under the tariff now existing may be maintained under the conditions of affairs when this arrangement is made.

Mr. BORDEN (Halifax). I understand from those who are more familiar with such matters from personal experience than I am, that the necessity of obtaining consular certificates for goods exported from Canada to the United States has been found sometimes a little oppressive. Has any arrangement been made in regard to that matter?

Mr. FIELDING. It was mentioned and it is covered by the general clause in our agreement that all customs arrangements—and that will include consular certificates—shall be liberally interpreted whatever they may be. We did not think it was possible to go into things in detail because if we attempted to deal with any particular regulation and failed to deal with some others, we would have been embarrassed and we thought our best position would be to deal with the general principle. Therefore, we determined that no regulation should be allowed to hamper this trade unless the regulation were found to be necessary for the protection of the revenue against fraud.

Mr. FOSTER. I did not quite understand my hon. friend's answer, to the hon. the leader of the opposition (Mr. Borden). As I understood the Finance Minister if in the case of articles imported from the United States and from Great Britain a lower duty is made to the United States, a lowering will also be made to Great Britain. Great Britain now has a preferential rate on certain articles, that preference giving her such and such an advantage, and the lowering of rates on similar articles from the United States, unless the British preference is by that amount

increased, diminishes the British preference. Did I understand my hon. friend to say that in all cases of that kind the British preference would be kept intact in its degree?

Mr. FIELDING. Not by the operation of this regulation in itself. I understand my hon. friend's question is whether in the event of any rates being lower on the products of the United States than on the products of Great Britain there would be at the same time a lowering to Great Britain. To that I answer, yes. But I also said, that if this arrangement be confirmed, it would probably necessitate some readjustment of the rates in our tariff laws generally with a view to the maintenance of the preference at whatever rate we may see fit to make.

Mr. FOSTER. Would the minister be willing to say whether that has simply to do with the principle of preference or with maintaining the degree of preference?

Mr. FIELDING. A large number of the articles covered by this are free; we cannot make them more than free to Great Britain, my hon. friend does not imply that. I think it will be found that most of the rates—I do not wish to speak too generally, for fear in some cases I should make exceptions—most of the rates we are giving, for example on manufactured goods, are the rates now laid down in the intermediate tariff, of which Great Britain and the world have had notice for several years. There are a few cases in which the rates are lower than the intermediate and even lower than the preference. That is in the case of food products, and as these do not come from Great Britain at all they are of practically no importance in relation to the preference. This instrument deals with duties on goods from the United States, but we would have to look over our tariff and see how it affected the British preference at any given point, and if we see fit to grant Great Britain a larger preference than would remain it is absolutely within the right of this parliament of Canada to fix that preference at whatever we think is a proper rate. That would be a matter for careful examination in detail and I do not think it arises at this moment.

Mr. FOSTER. Suppose that to-day Great Britain on any set of articles enjoys a preference of 33½ per cent. Suppose that by this instrument the United States is given, in that competing line of goods, a lower duty than it now has to pay, will the Finance Minister say that the British preference shall be kept intact as to degree?

Mr. FIELDING. We do not deal with that in this instrument—

Mr. FOSTER. I know you cannot.

Mr. FIELDING. But what we will do in regard to any particular item of our tariff in future Acts or resolutions, is a question which I find it impossible to answer at this moment, but I will say that we remain absolutely free to make the rate of the British preference as low as we like. If the effect of any given item is what my hon. friend says, to diminish to some extent the British preference, that is diminishing the proportion although not changing the rate, then if we want to give Great Britain a greater preference all we have to do is to reduce the British preferential rate. That is all.

Mr. FOSTER. The Prime Minister has declared that one prime consideration kept in view in these negotiations was that whatever happened the British preference would not be interfered with. The Finance Minister will not say they will keep the British preference intact, but he says, as everybody knows, that this parliament can do just what it likes about that when it is legislating on that article. But if there was anything made fairly certain it was that whatever was done in this matter between the United States and us the British preference should not be diminished, that is that the degree of the preference should be kept intact. The Finance Minister, I believe, does not go so far as to say that shall be done, he simply throws it on the House and upon our power to do as we like.

Mr. FIELDING. We are dealing to-day with negotiations with the United States. We are giving to the House the result of our negotiations with the United States. It is not necessary for me to say to my hon. friend that the British preference never entered into these negotiations, and that we never discussed with our American brethren what the British preference should be. The preference is a great and important question. We have dealt with it in the past, we shall deal with it again. I do not want to import into this discussion anything of party colour, but I ask my hon. friend if he does not think that the British preference may safely be trusted in the hands of men who created it?

Mr. FOSTER. I am not particularly interested now as to who created it or procreated it.

Mr. FIELDING. We are.

Mr. FOSTER. I have a document put before me, a set of negotiations, and as one member of parliament and representing my people I am asked whether I will assent to that or not. As one condition of my assent I want a straight answer to a straight question, that is whether in any degree my acceptance of this will diminish the British preference as it at present exists, either actually or relatively. I have been led to believe by the assertion of the Prime Min-

ister that it would not. Will the Finance Minister allay my fears?

Mr. FIELDING. Unfortunately being possessed of somewhat orderly minds, we like to do one thing at a time. This is a tariff negotiation with the United States. We will have to deal with the items in the tariff generally, we will have to consider the British preference and to see how far it would be affected by this if we made any change. But that is an entirely distinct question which we will have to deal with at the proper time, and I do hope we will be able to deal with it in a spirit of greater sympathy with the principle of the British preference than my hon. friend manifested when the British preference was brought down.

Mr. MIDDLEBRO. Would it be considered a breach of faith or a breach of the agreement which has just been entered into if you should keep the corresponding duty on goods coming from Great Britain to Canada 33 per cent. lower than the duty on similar goods from the United States?

Mr. FIELDING. No, sir, we can do as we like with the duties on goods from Great Britain.

This agreement deals with the rates of duty on Canadian products going into the United States, with the rates of duty on American products coming into Canada, only that and nothing more. If my hon. friends will permit me, I will now read the schedules:

"Articles the growth, product or manufacture of the United States to be admitted into Canada free of duty when imported from the United States, and reciprocity articles the growth, product or manufacture of Canada to be admitted into the United States free of duty when imported from Canada:

"Live animals, viz: cattle, horses and mules, swine, sheep, lambs, and all other live animals.

"Poultry, dead or alive.

"Wheat, rye, oats, barley, and buckwheat; dried peas and beans, edible.

"Corn, sweet corn, or maize (except into Canada for distillation).

We can impose a duty on corn for distillation. In the United States they do not. We maintain our duty for the purpose of distillation, but the corn is free otherwise.

"Hay, straw, and cow pease.

"Fresh vegetables, viz.: potatoes, sweet potatoes, yams, turnips, onions, cabbages, and all other vegetables in their natural state.

"Fresh fruits, viz.: apples, pears, peaches, grapes, berries, and all other edible fruits in their natural state.

"Dried fruits, viz.: apples, peaches, pears, and apricots, dried, desiccated or evaporated.

"Dairy products, viz.: butter, cheese, and fresh milk and cream. Provided that cans

- actually used in the transportation of milk or cream may be passed back and forth between the two countries free of duty, under such regulations as the respective governments may prescribe.
- "Eggs of barnyard fowl, in the shell.
- "Honey.
- "Cotton-seed oil.
- "Seeds, viz.: flaxseed or linseed, cottonseed, and other oil seeds; grass seed, including timothy and clover seed; garden, field, and other seed not herein otherwise provided for, when in packages weighing over on pound each (not including flower seeds).
- "Fish of all kinds, fresh, frozen, packed in ice, salted or preserved in any form, except sardines and other fish preserved in oil; and shell fish of all kinds, including oysters, lobsters and clams in any state, fresh or packed, and coverings of the foregoing.
- "Seal, herring, whale, and other fish oil, including cod oil.
- "Salt.
- "Mineral waters, natural, not in bottles or jugs.
- "Timber, hewn, sided or squared otherwise than by sawing, and round timber used for spars or in building wharfs.
- "Sawed boards, planks, deals and other lumber, not further manufactured than sawed.
- "Paving posts, railroad ties, and telephone, trolley, electric light and telegraph poles of cedar or other woods.
- "Wooden staves of all kinds, not further manufactured than hewed or jointed, and stave bolts.
- "Baskets and palings.
- "Plaster rock or gypsum, crude, not ground.
- "Mica, manufactured or rough trimmed only, and mica ground or bolted.
- "Feldspar, crude, powdered or ground.
- "Asbestos not further manufactured than ground.
- "Fluorspar crude, not ground.
- "Glycerine, crude, not purified.
- "Talc, ground, bolted or precipitated, naturally or artificially, not for toilet use.
- "Sulphate of soda, or salt cake; and soda ash.
- "Extracts of hemlock bark.
- "Carbon electrodes.
- "Brass in bars and rods, in coil or otherwise, not less than six feet in length, or brass in strips, sheets or plates, not polished, planished or coated.
- "Cream separators of every description, and parts thereof imported for repair of the foregoing.
- "Rolled iron or steel sheets, or plates number fourteen gauge or thinner, galvanized or coated with zinc, tin or other metal, or not.
- "Crucible cast steel wire, valued at not less than six cents per pound.
- "Galvanized iron or steel wire, curved or not, numbers, nine, twelve, and thirteen wire gauge.
- "Typecasting and typesetting machines and parts thereof, adapted for use in printing offices.
- "Barbed fencing wire of iron or steel, galvanized or not.
- "Coke.
- "Round rolled wire rods in the coil of iron or steel, not over three-eighths of an inch in diameter, and not smaller than number six wire gauge.
- "Pulp wood mechanically ground; pulp of wood, chemical, bleached or unbleached; news print paper, and other paper, and paper board, manufactured from mechanical wood pulp or from chemical wood pulp, or of which such pulp is the component material of chief value, colored in the pulp, or not coloured, and valued at not more than four cents per pound, not including printed or decorated wall paper.
- "Provided that such paper and board, valued at four cents per pound or less, and wood pulp being the products of Canada when imported therefrom directly into the United States shall be admitted free of duty, on the condition precedent that no export duty, export license fee, or other export charge of any kind whatsoever (whether in the form of additional charge or license fee or otherwise) or any prohibition or restriction in any way of the exportation (whether by law, order, regulation, contractual relation, or otherwise, directly or indirectly) shall have been imposed upon such paper, board, or wood pulp, or the wood used in the manufacture of such paper, board or wood pulp, or the wood pulp used in the manufacture of such paper or board;
- "Provided also that such wood pulp, paper or board, being the products of the United States, shall only be admitted free of duty into Canada from the United States when such wood pulp, paper or board, being the products of Canada, are admitted from all parts of Canada free of duty into the United States.
- "Note.—It is understood that fresh fruits to be admitted free of duty into the United States from Canada do not include lemons, oranges, limes, grape fruit, shaddocks, p. melos, or pine apples."
- These things are largely free in Canada. In the United States they do not want to make them free, so they are not included in the fruits that are made free.
- "It is also understood that fish oil, whale oil, seal oil and fish of all kinds, being the product of fisheries carried on by the fishermen of the United States shall be admitted into Canada as the product of the United States, and similarly that fish oil, whale oil, seal oil and fish of all kinds, being the product of fisheries carried on by the fishermen of Canada, shall be admitted into the United States as the product of Canada."
- That refers to fish taken beyond the three-mile limit, which would not be strictly a Canadian or a United States product; but

if it is taken by Canadian fishermen it assumes the character of a Canadian product, and if it is taken by United States fishermen it assumes the character of a United States product, and is treated accordingly.

## SCHEDULE B.

Articles the growth, product of manufacture of the United States to be admitted into Canada at the undermentioned rates of duty when imported from the United States; and reciprocally the same articles the growth, product or manufacture of Canada to be admitted in the United States at identical rates of duty when imported into Canada:—

Articles.	Rates of Duties.
Fresh meats, viz.: beef, veal, mutton, lamb, pork, and all other fresh or refrigerated meats excepting game .....	One and one-quarter cents per pound.
Bacon and hams, not in tins or jars .....	One and one-quarter cents per pound.
Meats of all kinds, dried, smoked, salted, in brine, or prepared or preserved in any manner not otherwise herein provided for.	One and one-quarter cents per pound.
Canned meats and canned poultry .....	Twenty per cent. ad valorem.
Extract of meat, fluid or not .....	Twenty per cent. ad valorem.
Lard, and compounds thereof, cottonoleum and cotton stearine, and animal stearine ....	One and one-quarter cents per pound.
Tallow. . . . .	Forty cents per 100 lbs.
Egg yolk, egg albumen and blood albumen..	Seven and one-half per cent. ad valorem.
Fish (except shell fish) by whatever name known, packed in oil, in tin boxes or cans, including the weight of the package:—	
(a) when weighing over twenty ounces and not over thirty-six ounces each.	Five cents per package.
(b) when weighing over twelve ounces and not over twenty ounces each..	Four cents per package.
(c) when weighing twelve ounces each or less .....	Two cents per package.
(d) when weighing thirty-six ounces each or more, or when packed in oil, in bottles, jars or kegs .....	Thirty per cent. ad valorem.
Tomatoes and other vegetables, including corn, in cans or other air-tight packages, and including the weight of the package..	One and one-quarter cents per pound.
Wheat flour and semolina; and rye flour..	Fifty cents per barrel of 196 pounds.
Oatmeal and rolled oats, including the weight of paper covering .....	Fifty cents per 100 pounds.
Corn meal .....	Twelve and one-half cents per 100 pounds.
Barley malt .....	Forty-five cents per 100 pounds
Barley pot, pearled and patent.....	One-half cent per pound
Buckwheat flour or meal .....	One-half cent per pound
Split pease, dried .....	Seven and one-half cents per bushels of 60 lbs
Prepared cereal foods, not otherwise provided for herein .....	Seventeen and one-half per cent. ad valorem.
Bran, middlings and other offals of grain used for animal food .....	Twelve and one-half cents per 100 pounds.
Macaroni and vermicelli .....	One cent per pound.
Biscuits, wafers and cakes, when sweetened with sugar, honey, molasses or other material. . . . .	Twenty-five per cent. ad valorem.
Biscuits, wafers, cakes and other baked articles composed in whole or in part of eggs or any kind of flour or meal when combined with chocolate, nuts, fruits or confectionery; also candied peel, candied pop-corn, candied nuts, candied fruits, sugar candy and confectionery of all kinds .....	Thirty-two and one-half per cent. ad valorem.

## SCHEDULE. B—Continued.

Articles.	Rates of Duties.
Maple sugar and maple sy. up .....	One cent per pound.
Pickles, including pickled nuts; sauces of all kinds, and fish paste or sauce .....	Thirty-two-and one-half per cent. ad valorem.
Cherry juice and prunae juice or prune wine, and other fruit juices, and fruit syrup, non alcoholic .....	Seventeen and a-half per cent. ad valorem.
Mineral waters and imitations of natural waters, in bottles or jugs .....	Seventeen and a-half per cent. ad valorem.
Essential oils .....	Seventeen and a-half per cent. ad valorem.
Grape vines; gooseberry, raspberry and curraat bushes .....	Seventeen and a-half per cent. ad valorem.
Farm wagons, and finished parts thereof..	Twenty-two and a-half per cent. ad valorem.
Ploughs, tooth and disc harrows, harvesters, reapers, agricultural drills and planters, mowers, horse-rakes, cultivators, threshing machines, including windstackers, baggers, weighers, and self-feeders therefor; and finished parts thereof imported for repairs of the foregoing .....	Fifteen per cent. ad valorem.
Portable engines with boilers, in combination, horse-powers and traction engines, for farm purposes; hay loaders, potato diggers, fodder or feed cutters, grain crushers and fanning mills, hay tedders, farm or field rollers, manure spreaders, weeders and windmills; and finished parts thereof imported for repair of the foregoing, except shafting .....	Twenty per cent. ad valorem.
Grinstones of sandstone, not mounted, finished or not .....	Five cents per 100 pounds.
Freestone, granite, sandstone, limestone, and all other monumental or building stone, except marble, brechia, and onyx, unmanufactured, or not dressed, hewn or polished.	Twelve and a-half per cent. ad valorem.
Roofing slates .....	Fifty-five cents per 100 square feet.
Vitrified paving blocks, not ornamented or decorated in any manner, and paving blocks of stone .....	Seventeen and a-half per cent. ad valorem.
Oxide of iron, as a colour .....	Twenty-two and a-half per cent. ad valorem.
Asbestos further manufactured than ground; manufactures of asbestos or articles of which asbestos is the component material of chief value, including woven fabrics wholly or in chief value of asbestos .....	Seventeen and a-half per cent. ad valorem.
Printing ink .....	Twenty-two and a-half per cent. ad valorem.
Cutlery, plated or not, viz.: pocket knives, pen knives, scissors and shears, knives and forks for household purposes, and table steel .....	Seventeen and a-half per cent. ad valorem.
Bells and gongs; brass corners and rules for printers .....	Twenty-seven and a-half per cent. ad valorem.
Basins, urinals and other plumbing fixtures for bath rooms and lavatories; bath tubs, sinks and laundry tubs, of earthenware, stone, cement or clay, or of other material.	Twenty-seven and a-half per cent. ad valorem.
Brass band instruments .....	Thirty-two and a-half per cent. ad valorem.
Clocks, watches, time recorders, clock and watch keys, clock cases and clock movements .....	Twenty-seven and a-half per cent. ad valorem.
Printers' wooden cases and cabinets for holding type .....	Twenty-seven and a-half per cent. ad valorem.
Wood flour .....	Twenty-two and a-half per cent. ad valorem.
Canoes and small boats of wood, not power boats .....	Twenty-two and a-half per cent. ad valorem.

SCHEDULE B.—Continued.

Articles.	Rates of Duties.
Feathers, crude, not dressed, coloured or otherwise manufactured .....	Twelve and a-half per cent ad valorem.
Antiseptic surgical dressings, such as absorbent cotton, cotton wool, lint, lambs' wool, tow, jute, gauzes and oakum, prepared for use as surgical dressings, plain or medicated; surgical trusses, pessaries and suspensory bandages of all kinds .....	Seventeen and a-half per cent. ad valorem.
Plate glass, not beveled, in sheets or panes exceeding seven square feet each, and not exceeding twenty-five square feet each....	Twenty-five per cent. ad valorem.
Motor vehicles other than for railways and tramways, and automobiles and parts thereof, not including rubber tires .....	Thirty per cent. ad valorem.
Iron or steel digesters for the manufacture of wood pulp .....	Twenty-seven and a-half per cent. ad valorem.
Musical instrument cases, fancy cases or boxes, portfolios, satchels, reticules, card cases, purses, pocket books, fly books for artificial flies, all the foregoing composed wholly or in chief value of leather .....	Thirty per cent. ad valorem.

SCHEDULE C.—Articles the growth, product or manufacture of Canada to be admitted into the United States at the undermentioned special rates of duty when imported from Canada. This deals with the exceptions which it was not found convenient to have in the common rate.

Articles.	Rates of Duties.
Aluminium in crude form .....	Five cents per pound.
Aluminum in plates, sheets, bars and rods..	Eight cents per pound.
Laths .....	Ten cents per 1,000 pieces.
Shingles .....	Thirty cents per thousand.
Sawed boards, planks, deals and other lumber, planed or finished on one side .....	Fifty cents per M. feet B.M.
Planed or finished on one side and tongued and grooved, or planed or finished on two sides .....	Seventy cents per M. feet B.M.
Planed or finished on three sides, or planed and finished on two sides and tongued and grooved .....	One dollar and twelve and a half cents per M. feet B.M.
Planed and finished on four sides .....	One dollar and fifty cents per M. feet B.M.
Iron ore, including manganiferous iron ore, and the dross or residuum from burnt pyrites. ....	Ten cents per ton of 2,240 pounds.
Coal slack or culm of all kinds, such as will pass through a half-inch screen .....	Fifteen cents per ton of 2,240 lbs.

In estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tonguing and grooving.

Mr. MAOLEAN (York). What about anthracite coal?

Mr. FIELDING. That is at present free on both sides. We do not produce it in Canada.

Mr. CHISHOLM (Huron). What about the standard for anthracite?

Mr. FIELDING. There is nothing in our regulations touching anthracite at all. We have a few articles on the other side, and this sets forth the terms and conditions upon which these are to be admitted into Canada from the United States, being the items with respect to which we did not find it convenient to have a common rate.

**SCHEDULE D.**—Articles the growth, product or manufacture of the United States to be admitted into Canada at the undermentioned special rates of duty when imported from the United States:—

Articles.	
Cement, Portland and hydraulic or water lime, in barrels, bags or casks, the weight of the packages to be included in the weight for duty .....	Eleven cents per 100 pounds.
Trees, viz.: apple, cherry, peach, pear, plum, and quince, of all kinds and small peach trees known as June buds .....	Two and a half cents each.
Condensed milk, the weight of the package to be included in the weight for duty .....	Two cents per pound.
Biscuits without added sweetener .....	Twenty per cent. ad valorem.
Fruits in air-tight cans or other air-tight packages, the weight of the cans or other packages to be included in the weight for duty. ....	Two cents per pound.
Peanuts, shelled .....	One cent per pound.
Peanuts, unshelled .....	A half cent per pound.
Coal, bituminous, round and run of mine, including bituminous coal such as will not pass through a three-quarter-inch screen..	Forty-five cents per ton.

This completes the schedules which, I am sorry to say, have occupied the attention of the House longer than I thought they would.

**Mr. EMMERSON.** Would the hon. minister, before he leaves these schedules, state the changes made in the tariff with respect to building and grinding stones?

**Mr. FIELDING.** I am going to include in the schedule a comparison showing the effect of the changes—each article—showing the American rate, our rate, and the new rate, and the reductions on each side. With the permission of the House I shall hand it into "Hansard" without reading it.

**Mr. BRODER.** Are there any understanding about the packages in which free goods are shipped?

**Mr. FIELDING.** In some cases we have mentioned it. For instance, in the case of cream we have provided that the cans containing it, which may pass to and fro, shall be free of duty.

**Mr. BRODER.** They put a heavy duty on the packages.

**Mr. FIELDING.** We have thought of that, and my hon. friend will find that the wording of the item is entirely satisfactory. These regulations will apply to British goods as well, if they should be found in any case to affect them. But these cases will be found to be very few. They will apply, however, not only to the United States but they will apply to every country with which we have what is called the favoured nation treaty. It is well understood that by virtue of these old

treaties (many of them made years ago at a time when Canada had hardly reached its present mature status, and when the colonies are not so consulted as they are now in regard to these arrangements), these old treaties still outstanding and binding the whole empire oblige us to give whatever is given to one country, to all other countries possessing these treaties. We have had that question repeatedly up here, and hon. gentlemen no doubt understand it. And so, these reductions will have to be given in each case to the various countries which have what is called the favoured nation treaties.

It is too soon to make any very close examination into the financial results, but yet I thought we ought to make an approximate estimate and that it would interest the House to know what that estimate is. As far as we can see on a hurried examination, on the basis of last year's business—assuming that for the first year under the operation of this arrangement the volume of trade to be the same as last year,—it would result in a reduction of taxation amounting to \$2,260,000. Therefore, even from the point of view of the reduction of the burden on the taxpayer the matter is well worthy of attention.

We have been impressed, Mr. Speaker, from the beginning—my hon. colleague the Minister of Customs and myself, who have been charged with these negotiations—with the great importance of the matter. I need hardly say we have given to the work our best consideration and attention. We have fortunately had the benefit of the assistance of two capable and able officers of our public service. I refer to Mr. John

McDougald, the Commissioner of Customs, or Deputy Minister of Customs as he really is, and Mr. James May Russell, for many years in the Customs department, but now assigned to the tariff branch of the Finance Department. In the preparation of the information necessary for an intelligent study of this question and later on in the working out of the details of the arrangement we have received from these gentlemen a service of the utmost value, and I desire in this public way, to express how deeply we are indebted to them.

It would be too much to expect that an arrangement of this character should be adopted without careful criticism and perhaps it is too much to expect that it should be passed without adverse opinion. The common experience is that all grave and important movements are calculated sometimes to alarm people and that we are amazed afterwards as the years roll on to find how our anticipations have not been realized. I trust it will be found by those who have been somewhat anxious, perhaps nervous, possibly alarmed for the outcome of these negotiations; I trust as they look into the matter carefully, they will find, as I believe they will find, that their anxiety, while very natural, was hardly necessary. In this arrangement, they will find that every interest in the Dominion of Canada has received our careful considerations. We hope indeed to broaden the trade between our neighbours and ourselves; we have desired to find larger markets for our products. We are doing that all the time; we are sending our commercial agents to the uttermost ends of the earth to seek for business; why not seek it from the 92,000,000 people who live side by side with us?

We present this arrangement as one which we feel we can sincerely commend to the judgment of this House and of the people of Canada. We do not present it to the House as something in which we have won a victory over our American friends. That, Sir, would be a small return for the good spirit in which they have met us. I desire to say that throughout these negotiations the President of the United States has given us abundant reason to appreciate his sincere desire to carry out a friendly arrangement. He will carry into the completion of this transaction the authority of his great office and his great talents; he will carry into it, Sir, all the energy and ability he possesses to bring it to a successful issue, and I know he will make it a labour of love.

And, no less commendable has been the line of conduct of the distinguished Secretary of State of the United States, Mr. P. E. Knox. As this is an international matter, it came under the direction of the Secretary of State. Mr. Knox gave it close personal attention for many days, day after day, and I know he is not less anxious

than the President of the United States to bring about a friendly arrangement. From these two distinguished gentlemen, from every officer of the State department and Treasury department, and from all with whom we were brought in contact we found abundant evidence of an honest and sincere desire to make a friendly arrangement with us.

We present the arrangement to you to-day, Sir, not as a triumph of one country over the other, but as the result of an effort to do justice to both; we commend this arrangement, Sir, to the judgment of this parliament as the President of the United States will commend it to the judgment of the Congress. The one fear I have is that there may be people who will say that we have made so good a bargain that the Congress should not approve of it. In times past friendly arrangements have been made with the United States government which have failed to receive the approval of the Congress, but we think the time is more favourable now. We think we have found the psychological moment for dealing with this question; we think we are within reach of some of the commercial advantages for which our people have struggled now for half a century. We commit this matter to the care of the Canadian parliament with the firm conviction that it is going to be a good thing for Canada, a good thing for the United States, and that we will continue to have it and maintain it not because there is any binding obligation to do so, but because the intelligence of the people of the two countries will decide that it is a good thing for the promotion of friendly relations and for the development of commerce of the two countries.

That it is expedient to amend the Customs Tariff, 1907, and to provide as follows:—

1. That the articles, the growth, product or manufacture of the United States, specified in schedule A shall be admitted into Canada free of duty when imported from the United States.

2. That the articles, the growth, product or manufacture of the United States, specified in schedules B and D shall be admitted into Canada upon payment of the rates of duty specified in the said schedules when imported from the United States.

That the advantages hereby granted to the United States shall extend to any and every other foreign power which may be entitled thereto under the provisions of any treaty or convention with His Majesty.

That the advantages hereby granted to the United Kingdom and the several British colonies and possessions with respect to their commerce with the United States shall be held to increase any rate of duty now provided for in the British preferential tariff.

That it is expedient to provide that the



Act proposed to be founded on the foregoing resolutions shall not come into operation until a date to be named by the Governor in Council in a proclamation to be published in the 'Canada Gazette' and that such proclamation may be issued whenever it appears to the satisfaction of the Governor in Council that the United States Congress has enacted or will forthwith enact such legislation

as will grant to Canada the reciprocal advantages provided for in certain correspondence dated Washington, January 21, 1911 between the Honourable P. C. Knox, Secretary of State for the United States, and the Honourable W. S. Fielding, Minister of Finance of Canada, and the Honourable William Patterson, Minister of Customs of Canada.

RECIPROCAL TARIFF AGREEMENT BETWEEN UNITED STATES AND CANADA.  
STATEMENT of Articles and Duties Specified in  
SCHEDULES A AND B.

ARTICLE.	CANADIAN TARIFF.			United States Tariff.	Rates now proposed for both United States and Canada.	Reduction by United States.	Reduction by Canada.
	Preferential.	Intermediate.	General.				
Cattle—							
Less than one year old.....	15 per cent	22½ per cent	25 per cent	Free.	Free.	\$2 per head.	25 per cent.
Valued at not more than \$14 per head.....				\$2 per head		\$5.75	
Valued at more than \$14 per head.....				\$3.75	Free.	\$7.75	
Horses and mules.....				27½ per cent.	Free.	27½ per cent.	
Horses over one year old, valued at \$50 or less.....	\$10.	\$12.50	\$12.50				\$12.50.
Horses, N.O.B., valued at \$150 or less per head.....	15 per cent	22½ per cent.	25 per cent	Free.	Free.	\$30.	25 per cent.
Valued at \$150 or less per head.....				\$30 per head.		\$30.	
Valued at over \$150.....				25 per cent.		\$1.50 each.	
Swine and lambs.....	1c. per lb.	11c. per lb.	11c. per lb.	Free.		75c. each	14c. per lb.
Sheep.....	15 per cent.	22½ per cent.	25 per cent.	\$1.50 each.		\$1.50	25 per cent.
Less than one year old.....				75c. per head			
Other live animals.....				\$1.00			
Poultry, dead and alive.....	15 per cent.	22½ per cent.	25 per cent.	20 per cent.			25 per cent.
Alive.....							
Dead.....	15 per cent.	22½ per cent.	25 per cent.	3c. per lb.			
Wheat, per bushel.....	12½	17½	20	5c.			
Rye.....	8 cents.	10 cents.	12 cents.	25 cents.			
Oats.....	7	9	10	10			
Barley.....	7	9	10	10			
Buckwheat.....	10	12½	15	30			
Peas, edible, dried, per bushel.....	15	12	15	15			
Peas, dried, per bushel.....	15	12½	15	45			
Potatoes, per bushel.....	10	12½	15	25			
Corn (except into Canada for distillation).....	12½	17½	20	(see clause 40c)			
Sweet potatoes, per bushel.....	Free.	Free.	Free.	25 cent.			
Yams.....	7 cents.	9 cents.	10 cents.	15c. per bushel.			
Turnips.....	15 per cent.	22½ per cent.	25 per cent.	25 cents.			
Onions.....	15	12	15	25			
Cabbages.....	15	12	15	30			
All other vegetables in their natural state.....	15	12	15	40c. per bushel.			
Fresh fruits, viz.—				2c. each.			
Apples.....	25c. per bbl.	35c. per bbl.	40c. per bbl.	25c. per bushel.			40c. per bbl.
Pears.....	17½ per cent.	22½ per cent.	25 per cent.	25c.			25 per cent.

**RECIPROCAL TARIFF AGREEMENT BETWEEN THE UNITED STATES AND CANADA—Continued.**  
**STATEMENT of Articles and Duties Specified in Schedules A and B—Continued.**

ARTICLES.	CANADIAN TARIFF			Rates now proposed for both United States and Canada.	Reduction by United States.	Reduction by Canada.
	Preferential.	Intermediate.	General.			
Fresh Fruits— <i>Con.</i>						
Peaches.....	67c. p. 100 lbs.	90c. p. 100 lbs.	\$1 per 100 lbs.	25c. per bushel. Free	25c. per bushel. \$1 per 100 lbs	
Grapes.....	17c. per lb.	17c. per lb.	2c. per lb.	25c. p. cu. ft. cap. of bbls. or packages.	25c. p. cub. ft. 2c. per lb. cap. package.	
Wild blueberries, wild strawberries and raspberries	Free	Free	Free	Free	Free	
Blackberries, gooseberries, raspberries and strawberries, n.o.p.	Free	Free	Free	Free	Free	
All other edible fruits in their natural state, N.O.P.	1c. per lb.	1c. per lb.	2c. per lb.	1c.	1c. per quart.	
Dried apples.....	17 1/2 per cent.	22 1/2 per cent.	25 per cent.	Free or 25 p.c. Free	Free or 25 p.c. 25 per cent.	
Dried peaches, pears and apricots	17 1/2	22 1/2	25	2c. per lb.	2c. per lb.	
Butter.....	3c. per lb.	4c. per lb.	6c.	6c.	6c.	
Cheese.....	15 per cent.	17 1/2 per cent.	17 1/2 per cent.	2c. per gal.	2c. per gal.	
Fresh milk.....	2c. per dozen.	2 1/2 c. per doz.	5c. per doz.	5c.	5c. per doz.	
Fresh cream.....	2c. per lb.	2 1/2 c. per lb.	5c. per lb.	20c. per gal.	20c. per gal.	
Eggs.....	10 per cent.	10 per cent.	10 per cent.	from 15c. per bush. to 20c.	15c. per bush. 10 per cent. to 20c. per lb.	
Honey.....	7c.	10c.	10c.	Free.	Free.	
Garden.....	5	10	10	Free.	Free.	
Grass seed, field and other seeds not herein otherwise provided for, when in packages weighing over one pound each, not including flower seeds	5	10	10	Free.	Free.	
Flaxseed, including timothy and clover seed.	5	10	10	Free.	Free.	
Cotton seed and all other oil seed.	5	10	10	Free.	Free.	
Hay, per ton.....	\$1.65	\$1.75	\$2	Free.	Free.	
Straw, per ton.....	\$1.65	\$1.75	\$2	Free.	Free.	
Extract of hemlock bark.....	Free	Free	Free	\$4 (2,240 lbs.)	\$4 (2,240 lbs.)	
Glycerine, crude, not purified.....	Free	Free	Free	1c. per lb.	1c. per lb.	
Fish—						
Mackerel, fresh, pickled or salted, per pound.	30 cts.	30 cts.	30 cts.	Free	Free	
Herrings, fresh.....	30 cts.	30 cts.	30 cts.	Free	Free	
Pickled or salted.....	30 cts.	30 cts.	30 cts.	Free	Free	
Smoked or kippered, per pound.....	30 cts.	30 cts.	30 cts.	Free	Free	
Halibut and salmon, fresh, pickled or salted, per pound	30 cts.	30 cts.	30 cts.	Free	Free	
Cod, backlock, ling, pollock, fresh, salted or pickled, per pound.....	30 cts.	30 cts.	30 cts.	Free	Free	
Boneless, per pound.....	30 cts.	30 cts.	30 cts.	Free	Free	
Hois and smelts, fresh or frozen, per pound.....	30 cts.	30 cts.	30 cts.	Free	Free	
All other, fresh, pickled, or salted, per pound.....	30 cts.	30 cts.	30 cts.	Free	Free	

Salmon and all other fish, prepared preserved, n.o.p.	17½ per cent.	30 per cent.	30 per cent.	30 per cent.
If in packages containing less than half a barrel, United States (minimum 30 p.c.)				
<b>Oysters</b> —				
Shelled, in bulk, per gallon	7 cents	10 cents	Free	10 cents.
Shelled, in cans not over one pint, including the duty and cans, per can	2	3	Free	3
Shelled, in cans over one pint and not over one quart, including the duty on cans, per can	3	4	Free	5
Shell, in cans exceeding one quart in capacity, including 3 cents the duty on cans, per quart	3	4	Free	5
Lobsters, fresh	15 per cent.	20 per cent.	25 per cent.	25 per cent.
Fresh water fish	17½	27½	30	30
All other fish and produce of the fisheries	15	30	1 cent.	1 cent.
<b>Fish oil</b> —				
Coal liver oil				
Seal, herring, whale and other fish oil	12½	20	22½	15c. per gallon
Fish, crude, powdered or ground	12½	20	22½	8c.
Fluorespar	Free	Free	Free	20 p.c. (ground)
Mica, unmanufactured and rough trimmed, and mica, ground or bolted	Free	Free	Free	\$3 per ton.
Talc, ground, boiled, or precipitated, naturally or artificially, not for toilet use	15 per cent.	17½ per cent.	20 per cent.	20 per cent.
Plaster rock or gypsum, crude, not ground	Free	Free	Free	1c. per lb.
Salt, in bulk	Free	Free	Free	30c. per ton.
Salt, in bags, barrels and other coverings	4c. per 100 lbs.	5c. per 100 lbs.	7c. per 100 lbs.	7c. per 100 lbs.
Asbestos, not further manufactured than ground—				
Crude	15 p.c.	17½ p.c.	25 p.c.	11c.
Ground	15 p.c.	17½ p.c.	25 p.c.	11c.
Barbed fencing wire of iron or steel	Free	Free	Free	17½ per cent.
Brass in bars and rods, in coil or otherwise, not less than six feet in length, and brass in strips, sheets or plates, not polished, planished or coated. (For use in Canadian manufactures)	Free	Free	Free	Free
Bars	Free	Free	Free	Free
Balance of item	Free	Free	Free	Free
Carbon electrodes	Free	Free	Free	45 per cent.
Cream separators and parts for repairs	Free	Free	Free	30 per cent.
Rolled round iron rods in the coil, of iron or steel, not over three-eighths of an inch in diameter	Free	Free	Free	45
Rolled iron or steel sheets, or plates, number fourteen gauge or thinner, galvanized or coated with zinc, tin or other metal or not	Free	Free	Free	3-10c. per lb.
Wire, crucible cast steel, valued at not less than six cents per pound	Free	5 p.c.	5 p.c.	4c. per lb. to 5 per cent.
Galvanized iron or steel wire, curved or not, numbers nine, twelve and thirteen gauge	Free	5 p.c.	5 p.c.	1-2-10c. per lb. not less than 35 per cent.
Type-casting and type-setting machines and parts thereof adapted for use in printing offices	Free	Free	Free	per cent. not less than 35 per cent.
Coke	12½ p.c.	17½ p.c.	20 p.c.	30 per cent.
Cotton seed oil	Free	Free	Free	20
Mineral waters, natural, not in bottles or jugs	15 per cent.	17½ per cent.	17½ per cent.	20 per cent.
Soda ash	Free	Free	Free	8c. per gal.
Salt cake	Free	Free	Free	4c. per lb.
				\$1 per ton.

# RECIPROCAL TARIFF AGREEMENT BETWEEN THE UNITED STATES AND CANADA—Continued.

## STATEMENT of Articles and Duties Specified in Schedules A and B—Continued.

ARTICLES.	CANADIAN TARIFF				Rates now proposed for both United States and Canada.	Reduction by United States.	Reduction by Canada.
	Preferential.		General.				
	Intermediate.	General.	United States Tariff.				
Timber, bevn, sided or squared otherwise than by sawing, and round timber used for spars or in building wharfs, sawed boards, planks, deals and other lumber, not further manufactured than sawed.	Free	Free	Free	Free	1c. per cu. ft.		
Paving, posts, railroad ties, and telephones, trolley, electric light and telegraph poles of cedar and other woods, when staves of all kinds, not further manufactured than listed or jointed, and stave bolts.	Free	Free	Free	Free	\$1.25 per 1,000 ft. B.M.		
Pickets and palings.	Free	Free	Free	Free	10 "	Free and 20pc	
Meats, fresh or refrigerated, per pound.	Free	Free and 17½ pc	Free and 20 p.c.	Free	10 "	1½ cents.	
Bacon and hams, per pound.	1½	2 cents.	3 cents.	3 cents.	10 "	1½ cents.	
Pork, salted in barrels, per pound.	1½	1 "	2 "	2 "	2½ "	15 per cent.	
Meats, other salted.	1½	1 "	2 "	2 "	13 "	6 "	
Canned meats and canned poultry.	17½ p.c.	25 p.c.	27½ p.c.	27½ p.c.	5 "	7½ "	
Extract of meat, fluid or not.	17½	25	27½	27½	20 per cent.	7½ "	
Tallow.	15p.c.	17½ p.c.	20 p.c.	20 p.c.	1½ per cent.	7½ "	
Lard, and compounds thereof, cottolene, cotton stearine and animal searine, per pound.	1½ cents.	1½ cents.	2 cents.	2 cents.	40c. per 100 lb.	15 per cent.	
Tomatoes, and other vegetables, including corn and baked beans, in cans or other air-tight packages, including the weight of the package, per pound.	1 cent.	1½ cents.	2 cents.	2 cents.	1½ cents.	1 cent.	
Wheat flour, semolina and rye flour, per barrel of 196 lbs.	40 cents.	50 cents.	60 "	60 "	1½ cts. to 40 p.c.	1 cts. to 2 cts.	
Oatmeal and rolled oats, per 100 lbs.	20 p.c.	27½ p.c.	30 p.c.	30 p.c.	50 cents.	13 p.c. or 70c. 2 p.c., or 10c.	
Barley, pot, pearled and patent.	45c. per 100 lbs.	45c. per 100 lbs.	45c. per 100 lbs.	45c. per 100 lbs.	45c. per 100 lbs.	48 per cent.	
Buckwheat flour or meal.	35c. per 100 lbs.	45c. per 100 lbs.	50c. per 100 lbs.	50c. per 100 lbs.	37c. per 100 lbs.	14 per cent.	
Corn meal.	20c. per bbl.	22½c. per bbl.	25c. per bbl.	25c. per bbl.	10 per cent.	10 per cent.	
Split peas, dried.	10c. per bushel.	12½c. per bushel.	15c. per bushel.	15c. per bushel.	1½c. per 100 lbs.	10 per cent.	
Prepared cereal foods.	12½ p.c.	22½ p.c.	25 p.c.	25 p.c.	45c. per bush.	27½c. per 100 lbs.	
Do.	12½	17½	20	20	37½c. per bush.	7½c. per bush.	
Bran, middlings and other offals of grain, used for animal food.	15	17½	20	20	20 per cent.	5 per cent.	
Macaroni and vermicelli, per 100 lbs.	75 cents.	\$1.	17½ per cent.	17½ per cent.	12½ cents per 7½ per cent.	5 per cent.	
Biscuits, wafers and cakes, having added sweetening only.	17½ per cent.	25 per cent.	27½ per cent.	27½ per cent.	1 cent per lb.	1 cent	
					3 cents per lb.	25 per cent.	
					and 15 p.c.	2½ per cent.	
					or 50 p.c.	2½ per cent.	

Biscuits, wafers, cakes and other baked articles composed in whole or in part of eggs or any kind of flour or meal when combined with chocolate nuts, fruits, or confectionery also candied peel, candied popcorn, candied nuts, candied fruits, sugar candy and confectionery of all kinds.	17½ per cent.	\$1.25	27½ per cent.	35 per cent.	3 cents per lb. 32½ and 15 p.c. or 50 p.c.; or 1 cent per lb. and 3½ p.c. or 2 cents a or 4 cents	17½	1 cent per lb. 25 per cent. 2½ per cent.
Maple sugar and maple syrup.	15 per cent.	17½	20 per cent.	20 per cent.	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Canned fruits, including the weight of the package, per pound.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Peanuts, shelled, per pound.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Peanuts, unshelled, per pound.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Pickles, saucers and catsup.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Egg yolk, egg albumen and blood albumen.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Cherry juice and prune juice, or prune wine, and other fruit juices, packed in oil in tin boxes, the weight of the tin box to be included in the weight for duty.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
(a) When weighing over twenty ounces and not over thirty-six ounces each, per box.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
(b) When weighing over twelve ounces and not over twenty ounces each, per box.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
(c) When weighing over eight ounces and not over twelve ounces each, per box.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
(d) When weighing eight ounces each or less, per box.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Sardines, prepared in oil in boxes weighing over thirty-six ounces each.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Farm wagons, and complete parts thereof.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Ploughs.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Tooth and disc harrows.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Harvesters and reapers.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Agricultural drills and planters.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Mowers.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Horse rakes.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Cultivators.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Threshing Machines.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Windstackers, baggers, weighers, and self-feeders therefor and finished parts of the foregoing.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Portable engines with boilers, in combination with horse powers and traction engines, for farm purposes.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Hay loaders.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Potato diggers.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Fodder or feed cutters.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.
Grain crushers.	17½	20	20	20	4 cents a lb. 2 cents a lb. 1 cent a lb. 2 cents a lb. 1 cent. 1 cent. 1 cent.		1 cent per lb. 1 cent.

**RECIPROCAL TARIFF AGREEMENT BETWEEN THE UNITED STATES AND CANADA—Continued**  
**STATEMENT of Articles and Duties Specified in Schedules A and B—Continued.**

ARTICLES.	CANADIAN TARIFF.			United States Tariff.	Rates now proposed for both United States and Canada.	Reduction by United States.	Reduction by Canada.
	Preferential.	Intermediate.	General.				
Fanning mills.....	15 per cent.....	22½ per cent.....	25 per cent.....	According to material Wood	20 per cent.....	15 per cent.....	5 per cent.
Hay tedders.....	15 per cent.....	22½ per cent.....	25 per cent.....	According to material	20 " " " " " " " "	15 to 25 p.c.....	5 " "
Farm or field rollers.....	15 " " " " " "	22½ " " " " " "	25 " " " " " "	35 to 45 per c.	" " " " " "	25 per cent.....	5 " "
Manure spreaders.....	12½ " " " " " "	17½ " " " " " "	20 " " " " " "	According to material	" " " " " "	15 to 25 per c.	" " "
Weeders.....	12½ " " " " " "	17½ " " " " " "	20 " " " " " "	35 to 45 per c.	" " " " " "	25 per cent.....	5 " "
Windmills—except shafting.....	12½ " " " " " "	17½ " " " " " "	20 " " " " " "	According to material	" " " " " "	15 to 25 per c.	" " "
Windmills—finished parts of the foregoing, for repairs.....	12½ " " " " " "	17½ " " " " " "	20 " " " " " "	45 per cent.....	" " " " " "	25 per cent ( )	" " "
Cutlery, plated or not, viz., penknives, pocketknives, knives for household and other purposes and table steels.....	12½ " " " " " "	17½ " " " " " "	20 " " " " " "	45 per cent.....	" " " " " "	25 per cent.....	5 " "
Bells and gongs; brass corners and rules for printers.....	20 " " " " " "	27½ " " " " " "	30 " " " " " "	40 to 90 per c.	" " " " " "	12½ to 62½ p.c.	2½ per cent.
Bases, upright, and other plumbing fixtures of earthenware for bathtubs, and lavatories; baths, bath-tubs, sinks and laundry tubs of earthenware, stone, cement or clay, or of other materials.....	20 " " " " " "	27½ " " " " " "	30 " " " " " "	45 per cent.....	" " " " " "	17½ per cent.....	2½ " "
Brass band instruments.....	20 " " " " " "	30 " " " " " "	35 " " " " " "	According to material	" " " " " "	2½ to 12½ per c.	2½ " "
Grindstones of sandstone, not mounted, finished or not.....	15 " " " " " "	22½ " " " " " "	25 " " " " " "	35 to 45 per c.	" " " " " "	22½ per cent.....	2½ " "
Building or monumental stone of freestone, granite, sandstone or limestone unmanufactured, or not dressed, hewn, or polished.....	10 " " " " " "	12½ " " " " " "	15 " " " " " "	\$1.75 per ton.....	5c. per 100 lbs	75 cts. per ton.....	2½ " "
Roofing slate, per squares of 100 sq. ft.....	10 " " " " " "	12½ " " " " " "	15 " " " " " "	10 cts. per cu. ft.	12½ per cent.....	7½ per cent.....	2½ per cent.
Vitrified paving blocks not ornamented or decorated in any 12½ manner.....	50 cents.....	70 cents.....	75 cents.....	20 per cent.....	55 cents.....	5 per cent.....	4 per cent.
Paving blocks of stone.....	15 " " " " " "	17½ " " " " " "	20 " " " " " "	35 " " " " " "	17½ per cent.....	17½ per cent.....	5 " "
Clocks, watches, time recorders, clock and watch keys.....	20 per cent.....	27½ per cent.....	30 per cent.....	Dressed, 50 p.c.	17½ per cent.....	32½ per cent.....	2½ " "
Feathers in their natural state.....	10 " " " " " "	12½ " " " " " "	15 " " " " " "	40 per cent.....	27½ per cent.....	12½ per cent.....	2½ " "
Printers, wooden cases and cabinets for holding type.....	10 " " " " " "	12½ " " " " " "	15 " " " " " "	30 " " " " " "	12½ " " " " " "	7½ " " " " " "	2½ per cent.
Antiseptic surgical dressing, such as absorbent cotton, cotton wool, lint, lamb's wool, gauzes and catgut, prepared for use as surgical dressings, plain or medicated; surgical trusses, pessaries and suspensory bandages of all kinds.....	12½ " " " " " "	17½ " " " " " "	20 " " " " " "	35 " " " " " "	27½ " " " " " "	17½ " " " " " "	2½ " "
Printing ink.....	12½ " " " " " "	17½ " " " " " "	20 " " " " " "	25 " " " " " "	17½ " " " " " "	7½ " " " " " "	2½ " "
Essential oils.....	5 " " " " " "	10 " " " " " "	10 " " " " " "	25 " " " " " "	10 " " " " " "	7½ " " " " " "	2½ " "

Painting ink.....12 1/2  
Essential oils.....5

Plate glass, not bevelled, in sheets or panes exceeding seven 16 square feet each, and not exceeding twenty-five square feet each.....	20	25	17 1/2	25	17 1/2	45.26* per cent.	2 1/2
Oxide of iron as a colour.....	10	25	7 1/2	25	7 1/2	7 1/2 per cent.	5
Motor vehicles, other than railway and tramway and auto-22 1/2 mobiles and parts thereof, not including rubber tires.....	20	30	35	30	30	25 or 40 per cent	2 1/2
Asbestos, manufactures of or of which asbestos is the com-15 ponent of chief value.....	25	22 1/2	25	22 1/2	25	12 1/2 per cent.	2 1/2
Canoes and small boats of wood, not power boats.....	17 1/2	22 1/2	25	22 1/2	25	12 1/2 per cent.	2 1/2
Wood flour.....	17 1/2	22 1/2	25	22 1/2	25	17 1/2	2 1/2
Digesters of iron or steel for the manufacture of wood pulp.....	20	27 1/2	30	27 1/2	30	17 1/2	2 1/2
Grape-seberry, raspberry and current bushes.....	12 1/2	17 1/2	20	17 1/2	20	7 1/2	2 1/2
Miner-steel waters, in bottles or jugs.....	15	17 1/2	17 1/2	17 1/2	17 1/2	16	2 1/2
Musical instruments, cases, fancy cases or boxes, portfolios, 22 1/2 satchels, portfolios, card cases, purses, pocket books, fly books for artificial flies, all the foregoing composed wholly or in chief value of leather.....	30	35	35	35	35	7 1/2, 12 1/2 and 17 1/2 per cent.	2 1/2



RECIPROCAL TARIFF AGREEMENT BETWEEN THE UNITED STATES AND CANADA—Continued.

SCHEDULE C.

ARTICLES.	CANADIAN TARIFF			Rates now proposed for U.S.	Reduction by United States.	Reduction by Canada.
	Preferential.		General.			
	Intermediate					
Aluminum in crude form.	Free	Free	Free	7c. per lb.		
Aluminum in plates, sheets, bars and rods.	"	"	"	11c. per lb.	2c. per lb.	
Boards, planks, deals and other lumber, planed or finished on one side, per 1,000 feet board measure.	"	"	"	20c. per M.	10c. per M.	
Boards, planks, deals and other lumber, planed or finished on one side and tongued and grooved on two sides, per 1,000 feet board measure.	"	"	"	30c. per M.	20c. per M.	
Boards, planks, deals and other lumber, planed or finished on two sides, or planed or finished on three sides, or planed or finished on two sides and tongued and grooved, per 1,000 feet board measure.	17½ per cent.	22½ per cent.	25 per cent.	\$1.75 per M. ft.	50c. per M. ft.	\$1.25 per M. ft.
Boards, planks, deals and other lumber, planed or finished on two sides, or planed or finished on three sides, or planed or finished on two sides and tongued and grooved, per 1,000 feet board measure.	17½ "	22½ "	25 "	\$2.00 per M. ft.	75c. per M. ft.	\$1.25 per M. ft.
Boards, planks, deals and other lumber, planed or finished on two sides, or planed or finished on three sides, or planed or finished on two sides and tongued and grooved, per 1,000 feet board measure.	17½ "	22½ "	25 "	\$2.37½ per M. ft.	\$1.12½ per M. ft.	\$1.25 per M. ft.
Coal slack or culm, of all kinds, such as will pass through a half inch screen.	Free	Free	Free	\$2.75	\$1.50	\$1.25 per M. ft.
(This change is to admit washed slack into the United States at 15c. per ton of 2,240 pounds.)	10c. per ton.	12c. per ton.	14c. per ton.	15c. per ton.	10c. per ton.	\$1.25 per M. ft.
				22c. per ton of 2,240 lbs.		5c. per ton.

RECIPROCAL TARIFF AGREEMENT BETWEEN THE UNITED STATES AND CANADA—Continued.

SCHEDULE D.

ARTICLES	CANADIAN TARIFF.			United States now proposed for Canada.	Reduction by United States.	Reduction by Canada.
	Preferential.	Intermediate	General			
Cement, Portland, per 100 lbs.	8 cents	11 cents	12½ cents	8 cents		
Trees, viz.: Apple, cherry, peach, pear, plum, and quinces, of all kinds and small peach trees known as June buds, each.	2	24	3	\$2 per m. to 25 per cent.		1½ cent.
Condensed milk, the weight of the package to be included in the weight for duty.	2c. per lb.	3c. per lb.	3½c. per lb.	2c. per lb.		1½c. per lb.
Risemits without added sweeting.	15 per cent.	22½ per cent.	25 per cent.	20 per cent.		5 per cent.
Fruits in air tight cans or other air-tight packages, weight of cans or other packages to be included in weight for duty.	1½c. per lb.	2c. per lb.	2c. per lb.	2c. per lb.		1c. per lb.
Peanuts, shelled.	1½c. per lb.	2c. per lb.	2c. per lb.	1c. per lb.		1c. per lb.
Coal, bituminous, round and rim of mine, including bituminous coal such as will not pass through a three-quarter ter inch screen.	35c. per ton.	45c. per ton.	53c. per ton.	45c. per ton (of 2,000 lbs).		8c. per ton.

## The Minister of Agriculture.

House of Commons, Feb. 28, 1911.

Hon. SYDNEY FISHER (Minister of Agriculture). Mr. Chairman, I venture, before undertaking to present some facts and observations in regard to this reciprocity arrangement to say a few words of introduction in reply to my hon. friend from Brandon (Mr. Sifton). Let me at once accord to him my meed of praise for the manner in which he has presented his views to the House. It is only what we might expect from his experience, his ability and his position. I value political allegiance and party feeling as much as he does. I appreciate the fact that party feeling must not be allowed to carry one down to the point where, on important questions, one differs with one's party; and I say frankly to him that if he differs with the government on this question, it was not only his right but his duty to come before the House and the country and declare that difference. Sir, I am not myself in the same position, because I believe that, in this arrangement with the United States, the government of the day have continued and carried on that wise and careful administration of the tariff of Canada which has characterized their work since their first tariff legislation in 1897. But did I agree with my hon. friend from Brandon, I would leave the government of which I am a member—

Some hon. MEMBERS. Oh, oh.

Mr. FISHER. Hon. gentlemen opposite may laugh. I suppose they cannot conceive that a man would do such a thing. They have just been cheering the hon. member from Brandon for having left his party and joined them. Because I do not choose to leave my party on this question and join them, they jeer at me. But I venture to say that if I had followed the hon. member for Brandon, they would cheer me as they have cheered him.

Mr. TAYLOR (Leeds). You promised to. on the temperance question.

Mr. FISHER. I never found anybody on the other side of the House to follow on the temperance question. Mr. Chairman, there is no doubt of the importance of this question. There is no doubt that a change in the tariff, embracing a considerable number of items as this does, is a matter of importance, of sufficient importance for anybody to change his party allegiance upon it. But one or two things that my hon. friend said, I would like to refer to at once. Very early in his remarks, he said that there was no general demand in Canada for reciprocity in the last forty years.

I venture to take direct issue with him on that point. He acknowledged that the Liberal party had been in favour of reciprocity for many of those years. But he implied, though he did not say it, that the Liberal party, in that respect was alone in the country. But I am within the judgment of the House and the country when I say—and before I sit down, I propose to prove—that the Conservative party of Canada has always been in favour of reciprocity with the United States. Therefore, when my hon. friend from Brandon says the Liberal party have been in favour of it, it is idle for him to say that Canada has not been in favour of it.

My hon. friend speaks about comparative prices. I propose, in a few minutes, to give comparative prices in Canada and in the United States of things which are affected by this arrangement. But I am going at once to express my difference with him in his statement that the government of the day were not informed upon this question, and had not taken the utmost pains to inform themselves in regard to every detail of this arrangement. In the first place, this arrangement was in the hands of the Finance Minister (Mr. Fielding) and the Minister of Customs (Mr. Paterson) of Canada. It is well known that on two occasions especially, the government of Canada, through a committee of its members, held an exhaustive and careful examination into the tariff affairs of the country. Before the tariff of 1897 was brought down to the House, the government adopted the policy, which had never been adopted by our opponents, of taking the people into counsel, of going through the length and breadth of the country and affording every class and every interest an opportunity to come before them and give their opinions upon the question at issue. In 1905, before the last revision of the tariff took place, the same thing was done. I venture to say that in no way could men obtain a more complete grasp of the tariff conditions and tariff interests of Canada than by such means. And the Minister of Finance and the Minister of Customs took a leading part in both those investigations. In addition to that, year by year—I might say week by week—the Minister of Finance and the Minister of Customs receive representations, by delegation and otherwise, of industries which are interested in the tariff. That is a privilege which nobody else to the same extent can possibly enjoy, an advantage which they themselves possess; and it is infinitely superior to any information which can possibly be obtained by any other men

in the Dominion, I care not who they may be. It is true—my hon. friend (Mr. Sifton) has spoken of it—that certain manufacturing interests may know their own business and may come before the ministers and deal with those particular interests. It is true that the transportation companies know their own particular business as well as the Minister of Finance or the Minister of Customs. But not one of these people can know the whole interests of the country in anything like the degree that these are known by the ministers who have charge of these interests on behalf of the government and the country. There is this difference between responsible ministers of the Crown and those people who come here and make representations to them; the latter come, as is the fashion of business men, looking at the subject from their own particular standpoint; whereas responsible ministers of the Crown have to look at these things from all sides, and make comparisons and institute investigations as to what may be the incidence of each change in the tariff, not only upon a particular item but upon all the items, and all the interests of the country. That is the position of the gentlemen who negotiated this arrangement at Washington, a position which is not only absolutely defensible, but which is altogether unassailable.

The hon. member spoke about a reciprocity policy as having been abandoned by the government for many years back. That is very easily explained. My right hon. friend the leader of the government, after negotiations in Washington in 1898-9, came back having failed to obtain that fishery reciprocity from the American government and people who we had hoped for, and my right hon. friend said, wisely, I think, There will be no more pilgrimages to Washington. I think it may be said that the whole Canadian people were at his back in that stand. But that did not mean that the people of Canada would not be ready to accept overtures from Washington. My hon. friend from Brandon was a member of the government and one of the leaders of the Liberal party, when that government declared through its head that there would be no more pilgrimages to Washington, that Washington would have to come to Ottawa. It did not mean, if Washington came to Ottawa in a reasonable and friendly spirit that Ottawa would reject the offered hand, that Ottawa would not be glad to enter into an arrangement that would promote friendly sentiments and greater commercial intercourse between us and our great neighbours to the south. Sir, what has led up to this? My hon. friend seemed to say that we were entirely to blame for the initiation of this question. Nothing is further from the case. What was the condition of affairs last session between Canada and the United States? There was no question then of reciprocity. But we had this con-

dition of affairs, that the Payne-Aldrich tariff of the United States contained an article which empowered the president, nay which commended the president, in case other countries enacted tariff legislation discriminating against the United States, to proclaim against those countries a maximum tariff, a tariff which meant absolute non-intercourse with Canada. Now I would like to ask my hon. friends opposite, I would like to ask my hon. friend from Brandon, whether they think that this government, responsible to the people of Canada, would have been justified in allowing that non-intercourse to come into effect if it could be avoided, that they would have been justified in casting back into the teeth of the executive of the United States, the greatest commercial nation in the world, the invitation which was made to us to come to some arrangement which would avoid the necessity of proclaiming non-intercourse? Surely neither the leader of the opposition nor the member for Brandon would dare to take that position. I think they have not studied the effects that were sure to follow from such a course upon the prosperity and progress commercially of the people of Canada.

In this connection I may refer to another incident in our recent history, an incident which occurred some years ago at a time when the Conservative party ruled this country, and when a threat of non-intercourse was held over our heads then as there was last year. What was the action of the Conservative government on that occasion? Did they lightly defy the threat of non-intercourse? Did they say to the people of the United States: We do not care what you do? I have alluded to the condition of affairs in 1888 when, by reason of the seizures by American fishing vessels on our Atlantic coast, the government of Sir John A. Macdonald did not wait for overtures from the United States, but they appealed to the executive of that country to enter into negotiations which would obviate the imposition of a non-intercourse edict. What was that non-intercourse edict? I have it here. After covering a large number of points in regard to the fisheries, the edict went on to this effect:

"And also to deny the entry into any port or place of the United States of fresh fish or salt fish or any other product of the said Dominions or other countries coming from the said Dominions to the United States."

It was absolute prohibition. Now what was the conduct of the then Conservative government? I remember it well, I was in the House at that time, my hon. friend from East Grey (Mr. Spronle) was here also, the hon. member for North Toronto (Mr. Foster) was sitting on the government side of the House, as were also the hon. member for Lanark (Mr. Haggart),

and the hon. member for Leeds (Mr. Taylor). I remember well when Sir Charles Tupper, then Finance Minister, came back from Washington, and in his speech which I have under my hand, advised the House of Commons to accept what is known as the Chamberlain-Bayard Treaty in regard to the fisheries. They did not ignore the situation, on the contrary they sought to reach a comity between Canada and her great neighbour. Let me say a word or two about that. Sir Charles Tupper was joined in Washington by Mr. Chamberlain in the negotiation of the treaty. They had some difficulties, and as Sir Charles Tupper said, they had to make concessions, and they did make concessions. We have today in existence one of the concessions which they made, it is what is called the *modus vivendi*.

That was made not as a part of the treaty, but as an adjunct to it; so that, if by chance the treaty itself did not go into effect, the *modus vivendi* would continue for the purpose of removing friction between the two nations and of preventing a recurrence of the situation before 1888, with regard to the fisheries. Sir Charles Tupper went to Washington and this is what he says about the condition of affairs:

"After the statement of the President of the United States in his message of 1885, asking for a commission, after the letters which passed between Mr. Bayard and myself, you will readily understand that I went there expecting and looking forward to a settlement of this question on very much the same lines as those upon which it had been settled in 1854, and to some extent, in 1871."

You see that Sir Charles Tupper declares his intention of securing a fisheries and reciprocity treaty on the lines of the treaty of 1854.

"I am right in saying that the instructions with which I was charged by this government were to obtain, if it was possible, as near an approach to the Reciprocity Treaty of 1854 as I could obtain, that is, the policy of carrying out free exchange in the natural products of the two countries."

And yet my hon. friend (Mr. Sifton), a few minutes ago, said that Canada was not in favour, and had not been in favour of reciprocity. Here is the evidence of Sir Charles Tupper, that in 1888 he went to Washington for the purpose of getting reciprocity.

"I was to urge that policy, and I think you will have no doubt as to the course pursued by me after reading the proposition that I made in the conference on the 3rd December, 1887:

"Sir Charles Tupper begged leave to submit a note containing the following pro-

posal from the British plenipotentiary. That with a view of removing all causes of difference in connection with the fisheries it is proposed by Her Majesty's plenipotentiaries that the fishermen of both countries shall have all the privileges enjoyed during the existence of the fishery articles of the Treaty of Washington in consideration of mutual arrangement providing for greater freedom of commercial intercourse between the United States and Newfoundland."

I have proven up to the hilt that the condition of affairs in 1888 was just about what it was last winter, with the exception that in 1888 Canada went to Washington, whereas, last winter, Washington came to Canada. Sir Charles Tupper says again:

"He turned our attention to the means by which it could be averted—"

That is non-intercourse.

"—and those were the removal of the cause of irritation between the United States and Canada (for it was Canada rather than Great Britain that was referred to) and by removing those causes of irritation, and giving free scope to this policy to which they were committed, we believed that it would at a very early day give us every thing that we could desire in the way of greater freedom of commercial intercourse."

Now, Sir, I said a few minutes ago that last winter we were face to face with a situation involving the possibility, in fact almost the certainty of non-intercourse by reason of the maximum tariff of the Payne-Aldrich Bill being imposed upon Canada, if we did not give some excuse to the President for not proclaiming Canada as a country liable to have that part of the Bill applied to it. What was the condition in 1888? I have described it to you; it was practically the same. What did Sir Charles Tupper say when he came back and recommended the adoption of his treaty to this parliament of Canada? I do not think that I could as eloquently myself, describe what the results were—

Mr. HUGHES. Hear, hear.

Mr. FISHER. The hon. member for Victoria and Haliburton says 'hear, hear.' I am glad to agree with him. I sat for many years in this House with Sir Charles Tupper, and I recognized him as one of the greatest statesmen of Canada at that time, a man who took a statesmanlike view of public affairs, a man with a great gift of expression, a man who could express himself clearly, and I take no shame to myself in acknowledging that I cannot, myself, express what I desire to place before the House, as well as Sir Charles Tupper has expressed it in the words which I am about to read. These words, I hope, will carry conviction to my hon. friend from Hal-

burton (Mr. Hughes), and other hon. gentlemen on the other side of the House, who, perhaps would not be convinced by any words which I might utter:

"I have told you what position Canada stood in with regard to the United States of America before the initiation of these proceedings. I have told you that we stood face to face with an enactment which had been put on the statute-book by a unanimous vote of Congress, ratified by the President, providing for no-intercourse between the United States and Canada. I need not tell you that that Bill meant commercial war, that it meant not only the ordinary suspension of friendly feeling and intercourse between two countries, but that it involved much more than that. If that Bill had been brought into operation by the proclamation of the President of the United States, I have no hesitation in saying that we stood in the relation to that great country of commercial war, and the line is very narrow which separates a commercial war between two countries from an actual war. Speaking a year ago, I pointed out in my remarks, with a view to prevent the possibility of such an Act going into force, all the advantages that in our present position we could avail ourselves of to protect ourselves against such an unfriendly act on the part of the United States. I said then that it would be a mad Act. I say so now. No man who knows anything of the intimate commercial relations which exist between Canada and the United States could contemplate such an Act going into operation without feeling that it would tear up from the foundation those intimate social and commercial relations which exist between these two countries, which, in friendly commercial rivalry, are making rapid progress which has attracted the attention of the civilized world. It would produce a condition of things the end of which no man could foresee. If that Act had been adopted, we had no means of looking to any increased commercial intercourse between that great country and the Dominion of Canada. Under those circumstances, it behoved the government of Canada to adopt any means in its power to avert such a disaster, which, great as it would have been to Canada, would have been still greater to the United States. But it would be a very poor compensation for the injury which we would sustain, to know that we had a companion in misfortune suffering more than we suffered ourselves."

Those words, with some slight change, according to the circumstances and conditions, which might be applied absolutely to the state of affairs last winter as between the United States and Canada. I venture to think that "the Liberal-Conservative party to-day" do not appreciate and understand those words and are not imbued and

impressed by them, they have fallen far below the statesmen of the older generation, who led the great Conservative party of that time, and who, I grant fully and freely to-day, did good things and did great things for Canada, according to their lights and according to their policy. At the time that Sir Charles Tupper used those words, he was standing at the right hand of Sir John Macdonald—Sir John Macdonald, the great flag-waving First Minister of Canada, the man who, all through his career, said that he was a British subject horn and that he would die a British subject.

Some hon. MEMBERS. Hear, hear.

Mr. FISHER. Yes, hon. gentlemen say 'Hear, hear.'

Some hon. MEMBERS. Hear, hear.

Mr. FISHER. Yet, at the time when Sir Charles Tupper said that and when Sir John Macdonald himself, was waving that flag, both of them were trying to get from the United States just exactly the arrangement that we have got to-day. They were trying to get it by going on their knees to Washington, while we have Washington coming to us. They failed and we have succeeded. Probably that is one of the great causes of complaint. These hon. gentlemen opposite, are envious of our success and of the prosperity which it will bring to the country.

I have not finished yet with some words from Sir Charles Tupper. He didn't get his treaty but he did accomplish a friendly act with the administration at Washington, and this is what he said:

"That was the condition of things when I went down last Easter to see Mr. Bayard at Washington. If you compare the condition of things to-day with the condition of things that existed then, there is no man, I care not how partisan he may be, how friendly to this government he may be, who can judicially look at the position of this question then and now, without coming to the conclusion that we have emerged from midnight darkness into the light of day under the auspices of this treaty."

And that though they did not get a treaty. In regard to what was meant by that treaty, he says:

"We have made concessions, as I have said, but we have made them with the avowed object of placing all our people, not only the fishermen, but the agriculturist, the lumberman, every man in this country in a better relation with the United States than he was before."

Mr. TAYLOR (Leeds). The hon. gentleman (Mr. Fisher) referred to me as having been present in the House when Sir Charles Tupper made these remarks. I would like to ask him if he did not oppose Sir Charles Tupper at that time?

Mr. FISHER. Not upon that point. On that point the Liberal party in this House supported the then government. There were details of the treaty that we did criticize.

Mr. TAYLOR (Leeds). My hon. friend (Mr. Fisher) was here then?

Mr. FISHER. Yes.

Mr. TAYLOR (Leeds). I certainly understood that you opposed Sir Charles Tupper then.

Mr. FISHER. My hon. friend understands lots of things that are not so. My hon. friend is mistaken if he thinks that the Liberal party at that date in any way opposed such a reciprocal arrangement or the desire for reciprocity with the United States which was then professed by Sir John Macdonald and his government. At that time, Mr. Mills was chairman of the Ways and Means Committee of the House of Representatives, the Democrats being in power. Almost before the ink was dry on that treaty Mr. Mills proposed in the House of Representatives at Washington, and it was carried, a reduction of duties upon articles coming from Canada, and which reduction made a difference of something like \$1,800,000 on the duties collected on the volume of these articles then imported from Canada. Sir Charles Tupper glories in that and he says:

"The ink is barely dry upon this treaty before he, as the representative of the government and chairman of the Committee of Ways and Means, brings forward a measure to do what? Why, to make free articles that Canada sends into the United States, and upon which last year \$1,800,000 of duty was paid."

Later on:

"I do not intend to insult both the great political parties of this country who have since 1854 and long before maintained that the interests of Canada—the interests of British North America—were intimately bound up in obtaining free intercourse with the United States for our natural products—I do not intend to insult the two great political parties in this country by telling them that they were fools, that they did not know what they were doing. Down to the present hour we have adopted the policy on both sides of the House, and we have pledged ourselves to the people to do everything that lay in our power to obtain a free market for the natural products of our country with the United States, and I say you must answer me the question as to whether that was an act of supreme folly or whether it was wise statesmanship on the part of both parties in this country to adopt that policy."

I might ask the hon. member for Brandon (Mr. Sifton) if he still thinks it is an act

of supreme folly to obtain free entry for Canadian natural products into the greatest consuming market in the world.

Mr. GOODEVE. That was thirty years ago.

Mr. FISHER. What I am speaking about is as to the consistent policy of Canada in this respect. My hon. friend from Brandon said it was not reciprocity, and my hon. friend opposite said it was not reciprocity, but I will come in a few minutes to another proof that if in 1888 this was their policy, later on they still had the same policy and kept it up.

Mr. GOODEVE. No.

Mr. FISHER. Does my hon. friend say no?

Mr. GOODEVE. Give us any proof after 1891.

Mr. FISHER. I will give some proof in 1891.

Mr. GOODEVE. I said after 1891.

Mr. FISHER. I am glad my hon. friend has asked that because it gives me an opportunity of telling him a little something about 1891 that perhaps he doesn't know. I am afraid there are many young Conservative members a little fresh in this House, who to-day forget the traditions and the policy of their own party. They have come upon evil times in the last ten years for the Conservative party.

Mr. LENNOX. Evil government.

Mr. FISHER. I said evil times for their party; but not evil times for the country.

Mr. LENNOX. Will the minister allow me?

Mr. FISHER. Let me finish—hon. gentlemen opposite all through this debate have been saying that the country is very prosperous, and that we don't want reciprocity, and that there is no need of it, and that being so it must be a good time for the country but it obviously is an evil time for the Conservative party.

Mr. LENNOX. I did not say there were evil times for the country; I said there was an evil government for the country.

Mr. FISHER. Well, we will see about that in a moment or two. I have been invited to give a little later history of the Conservative party and I shall do so now. During this debate my hon. friends opposite have frequently said: Let well enough alone.

An hon. MEMBER. Hear, hear.

Mr. FISHER. 'Hear, hear,' says the hon. gentleman opposite, but I have a word to say in regard to that. Was it well enough to have an edict of non-intercourse with the great nation to the south hanging over

our heads? Was it well enough to possibly have a maximum tariff face us which would have shut out all the products of Canada from the markets of the United States? I say again, Sir, we were in a situation identical with that which Sir Charles Tupper described, and we took the same course as he did, with the one difference that he went to Washington, whereas Washington came to us. Sir, it is easy enough for people who are not responsible for the affairs of the country to say that they would lightly and recklessly reject the hand of fellowship and friendship from a great nation of nearly a hundred millions of people whose lands border ours for 4,000 miles and who, notwithstanding high tariffs on both sides of the line, constitute with us the greatest intertrading people on the whole earth. It is all very well for those not responsible for the government of the country to declare that the Canadian government should have said to the representatives of this great nation: We will have none of you; go back to Washington; we refuse your overtures; we reject you lock, stock and barrel. It is easy enough for irresponsible men who have not the destinies of the country on their shoulders to advise in that way, but I venture to say that had the Conservatives been in power to-day they would have tried to follow in the footsteps of their great former leaders, Sir John A. Macdonald and Sir Charles Tupper. It was said by somebody in the course of debate the other day: we cannot stand still, we have either to go forward or backward. And, Sir, when we had the offer, was it not infinitely the better and more sensible and more reasonable course to grasp the hand of fellowship than to reject it. Now, an hon. gentleman opposite asked me what was the condition of affairs in 1891, with respect to the policy of reciprocity. When the Postmaster General was speaking the other day he said that in 1891 the government of Sir John Macdonald went to the country to get a mandate from the people on the question of reciprocity, and my hon. friend from East Grey (Mr. Sproule) interrupted: We needed it then; we don't need it now.

An hon. MEMBER. Hear, hear.

Mr. FISHER. 'Hear, hear,' says my hon. friend, and he endorses the sentiment that we needed it then and do not need it now. What is the meaning of that? It means that at that time, when Canada was in a depression and comparatively weak and struggling, and when the bonds of empire, which hon. gentlemen opposite are so fond of talking about, were not so strong as they are to-day—

Mr. TAYLOR (Leeds). Much stronger.

Mr. FISHER. That is not the universal opinion of the country; that is not the evidence of the press or in accordance with the utterances of hon. gentlemen opposite

and everybody else in Canada. But the hon. member for East Grey says that at that time they needed this kind of reciprocity. They were willing then to risk the rupture of the empire; they were willing then to risk annexation and the diversion of trade from the mother country to the Union to the south of us. At a time when Canada was not so strong or so able to resist any blandishments from the United States, or so able to stand on her own feet, or to assert and maintain her own position, the hon. member for East Grey thought it would have been all right then, when a Conservative government was doing it; but he thinks it all wrong now, and leads to annexation and everything that is bad, because a Liberal government is doing it. Now, I have looked up with a good deal of interest what the platform was on which the Conservative party at that time went to the country. It is said by hon. gentlemen opposite that the Liberal party went to the country on the question of unrestricted reciprocity. So we did, and why? Because in the first place, we had full confidence in our own country, and did not believe that would lead to annexation; in the second place, the country was in a desperate plight, and we thought it required a desperate remedy. Our hon. friends opposite wanted, not an unrestricted reciprocity, but a restricted reciprocity, a reciprocity in natural products and as little else as they could get. Do hon. gentlemen opposite deny that? Do they contend that the Conservative government did not in 1891 go to the country on the question of reciprocity and ask for a mandate? I will prove to them what I have said. I have before me the address to his electors, written at that time by the then Minister of Finance, now the hon. member for North Toronto (Mr. Foster), and in that address he went on in this fashion:

"In its trade policy with the United States, the government have always favoured a fair and just measure of reciprocity, and has made repeated propositions looking in that direction. Until lately, however, the United States have made no favourable response.

"Now, however, in the course of diplomatic correspondence, the government of that country, through its Secretary of State, has intimated its willingness to enter into a conference upon this matter with the Dominion government, and has declared its readiness to commence this conference after March 4.

"The trade issue is the great issue in this contest, and it is of the utmost importance that each elector should have a clear idea of the points of difference between the two parties."

The President said that after the 4th of March, he would be ready to begin his negotiations; and what happened? The elec-



tions took place on the 5th of March, when Sir John Macdonald went to the country with the avowed object of getting a mandate to continue the negotiations. Mr. Foster in his address, goes on to denounce the unrestricted reciprocity proposals of the opposition, and then he explains the policy of the government in five items. This is the first item:

"To continue to develop home industries, and the agricultural, mineral and other resources of the country on the lines laid down since 1878."

We have been encouraging and looking after some home industries, and the agricultural, mineral and other resources of the country, not on the lines laid down in 1878, but on far better lines—on lines which were indicated in our tariff of 1897, on lines which received the endorsement of my hon. friend from Brandon this afternoon, on lines which we are continuing in the present arrangement, on lines which embodied, first of all, a considerable reduction in the tariff, largely on those materials which are needed by the labouring and agricultural classes, on lines which reduced the duties on raw materials to enable our industries to flourish, and on lines which introduced a British preference for our motherland in the markets of Canada. We substituted a better policy for the policy laid down by our hon. friends opposite in 1878, and I would point to the results as indicated in the different conditions of Canada to-day under our improved policy as contrasted with the condition of Canada in 1896, when the National Policy was done away with. I can speak by results; I need not go into details. Hon. gentlemen opposite and their press and everybody in the country, who is opposed to this reciprocity arrangement with the United States, are the best witnesses of the results of our policy. The industries of Canada to-day are flourishing; but they have only been prosperous since we changed the policy of 1878 and introduced our improved policy of 1897. I say, therefore, as far as that item of Mr. Foster's election address is concerned, we have not exactly followed, but we have improved upon, what they did. The second item he mentioned was:

"To keep in our own hands the power of framing our own tariff according to our own necessities."

Does not this arrangement with the United States do that? In what way does it hamper us? Hon. gentlemen opposite before the arrangement was made, talked about a treaty and objected to a treaty. I remember my hon. friend from North Toronto, in the early days of the session, dilating at considerable length on the danger of tying ourselves down to a treaty. That was the burden of their song; but when they found that my hon. friend the Minister of Finance, had arranged what is not

a treaty, but an arrangement, under which we retain absolutely in our own hands the power of framing our own tariff, according to our own necessities, they threaten us with the danger that it is not permanent, and that it may be changed at any minute by the United States. It may be changed at any minute by us, too. We have just the same power to modify it that the United States have, and the same power to abrogate it. We retain by it absolutely in our own hands, the framing of our own tariff.

Some hon. MEMBERS. No.

Mr. FISHER. Hon. gentlemen say no. I know that they are appealing to that bogey, to that prejudice, but there is absolutely no foundation in fact for their appeals on that point as there is no foundation for most of their appeals on this question.

Sir, what is the third?

"Not to discriminate against Great Britain—our mother land and the great market for our products."

Sir, I read that with a great deal of gusto. I am very much pleased, indeed, to find that at that time that was the policy of that party, but I cannot help remembering that in 1897 when we brought down our tariff of preference the gentlemen on the other side of the House, headed by Sir Charles Tupper, then their leader, followed by the hon. member for North Toronto (Mr. Foster) then and for a while afterwards, until that county and that province rejected him, member for Kings, N.B., threw the burden of reproach on us, saying that we had given a preference to the mother land without demanding a quid pro quo, without bargaining, with forcing our mother land to do something which she did not want to do as the price of getting our preference in our market. Sir, we gave the preference without price, we gave the preference without bargaining.

Mr. TAYLOR (Leeds). To every country in the world as well as to Great Britain.

Mr. FISHER. To Great Britain and other countries as we chose.

Mr. TAYLOR (Leeds). You could not help it.

Mr. FISHER. My hon. friend talks about the German and Belgian treaties. He has forgotten that although for a moment the arrangement gave the benefits of the preference to Germany and Belgium we were influential enough in the councils of the empire to denounce the German and Belgian treaties, and we gave the preference to Great Britain alone or to such other countries as we chose to give it. We have chosen to give it to British countries.

Mr. TAYLOR (Leeds). The Argentine Republic.

Mr. FISHER. My hon. friend does not know what he is talking about, the British preference does not go to the Argentine Republic.

Mr. TAYLOR (Leeds). It goes to some twelve countries.

Mr. FISHER. No, it does not.

Mr. TAYLOR (Leeds). Yes, it does.

Mr. FISHER. The British preference goes nowhere except where it is to go, in British countries.

I go on to the next item of Mr. Foster's appeal:

"To raise our revenue by indirect taxation, on customs and excise and not by direct taxation."

That was brought in because they thought that with unrestricted reciprocity they would be obliged to have direct taxation. We have never proposed to have direct taxation and do not propose to do so to-day. The fifth item is the gist of it:

"To meet the United States in a friendly way, and negotiate with them for a reciprocity arrangement on lines that shall be just and equitable, and in accord with the honour and best interests of Canada, so far as it can be done without infringing upon the lines above laid down."

Again, I must plead guilty to my hon. friend, that I am not able myself to put the description of our reciprocity arrangement into as concise and complete a definition as was done at that time by the present member for North Toronto (Mr. Foster). That is an absolutely true description. We have made an arrangement which will—

"Be just and equitable, and in accord with the honour and best interests of Canada, so far as it can be done without infringing upon the lines above laid down."

The Minister of Finance (Mr. Fielding) when he brought down the arrangement declared distinctly that if in any way it interfered with the preference to Great Britain, we not only would not discriminate against Great Britain, but would see to it that there was still a substantial preference for Great Britain on every item where there was a customs duty.

"To keep in our own hands the power of framing our own tariff."

That is done by this arrangement absolutely, and if hon. gentlemen opposite undertake to maintain that it does not, they are simply undertaking to say that the people of Canada do not know how to manage their own affairs, at a time when Canada is prosperous, rich, progressive, at a time when Canada is receiving an influx of people from all over the world who think so much of Canada that they are eagerly rushing to her shores and are bound to become citi-

zens of this country. It is true that Canada with 8,000,000 of a population is face to face with a population of 90,000,000 or 100,000,000 south of the boundary, but that population of 90,000,000 or 100,000,000 to-day recognize and acknowledges the power, the strength, and the influence of Canada on this North American continent. Their views are voiced in the words of Mr. Taft in explaining the reason for this arrangement in Washington; he pointed out the advantages of friendship, amity and trade arrangements with Canada and gave us the best compliment our rising young nation has ever received in its history. My hon. friends opposite would not like to be asked what was their policy in 1891. What was their policy in 1891? It is well known that they went to the electors in 1891 and parenthetically, I am glad they did. But they went down to Washington, they opened negotiations with Washington in 1891 and tried to negotiate a treaty on the lines laid down by Mr. Foster. They failed again, they are envious because where they failed we have succeeded; that is the only difference.

I shall only add that the other day I was talking to a gentleman who was a friend of Sir John Macdonald in his lifetime. He made this remark to me. You have made the best trade arrangement that could possibly be conceived in the interests of Canada; I would like to see my old friend, Sir John Macdonald jump with both hands outspread at such an arrangement if he had ever got the chance. I believe that that gentleman, who was an intimate friend of Sir John in his lifetime, gauged him pretty correctly. To-day if Germany or France could make an arrangement of this kind with the United States, either of these great commercial nations would jump at it.

Sir WILFRID LAURIER. Hear, hear.

Mr. FISHER. We know that Germany was trying to secure better commercial relations with the United States. She has, to a certain limited extent, succeeded, but she has not succeeded half so well as we have, and we know that the disappointment at not having been able to go further in improving her trade relations with the United States is very acutely and keenly felt.

One word with regard to a matter brought up by the hon. member for Brandon (Mr. Sifton). It may be a taking argument, and I daresay some people in the country have been captivated by it. It is that we have no mandate to do this.

My hon. friend described the general mandate of the party and government in power. My hon. friend was a party to and endorsed the British preference of 1897. That legislation followed the election of 1897. I fail to remember a single statement on the part of the present leader of the government (Sir Wilfrid Laurier), or any member

of the party placing before the people of Canada the principle and details of the British preference brought down to this House in 1897. Did anybody at that time say that we had no mandate for that policy? I can remember well that when my hon. friend the Minister of Finance (Mr. Fielding) announced his British preference in this House, it was like a thunderclap to the House and to the people; nobody expected it; nobody dreamed of it. The secret was well kept, so that, with the exception of the men who sat at the council board of that day there was not a single individual in Canada who knew that we were going to bring down a proposal for a British preference on the lines that were announced. My hon. friend from Brandon was one who knew it, and he accepted the responsibility of that step without a mandate from the people, just as we to-day have brought down this arrangement, which he criticises on the ground that we have some mandate from the people for it. I think we may fairly say that we have some mandate from the people for this arrangement. Reciprocity with the United States has been a demand of the people of Canada for years. Everybody in Canada has said: Give us reciprocity in natural products if you can get it. But people thought we could not get reciprocity in natural products without sacrificing our industry, because the United States would not give us reciprocity in natural products unless we included also a large list of manufactured articles. But in this arrangement we have secured reciprocity in natural products without sacrificing a single interest of our manufacturing industry. (I will speak, a little later, of the packing houses and some other matters to which my hon. friend—Mr. Sifton—refers.) I say again, we have accomplished what the people of Canada have been asking for, but had almost given up hopes of. The propitious time arose in the conditions of the United States, and we should have been derelict in our duty if we had lost the opportunity to gain that for which the people of Canada have been seeking and hoping for for years. Again, we have a mandate in this: reciprocity has seemed to many people difficult, or impossible because it was said the Americans must come down to our range of duties before we can discuss things with them. The American tariff has been high; our tariff has been lower, but everybody in Canada was ready to trade with the Americans if they would come down to our range of duties. Under the present arrangement there is not an item in which the duties on the American side of the line are not made the same, or lower, than on the Canadian side. The Americans have come down to the Canadian range of duties, and we have taken the opportunity to fix them there and make an arrangement which is so favourable to us. There are

two items in which we have not even come down to their duties. The first is the item of cement. The duty on the American side is 8 cents and on the Canadian side 12½ cents. We reduced to 11 cents, but the American duty is still three cents lower than ours. In regard to coal, there is a slight discrimination—so slight that it is hardly worth going into. But the Americans have come down to our scale of duties, and we have elinched the bargain.

The hon. member for Brandon said we had no mandate, and that we had committed the country. Why, Mr. Chairman, the present debate, the hon. gentleman's own stand on the question—everything goes to prove that we have not committed the country. We have committed the country if the representatives of the people ratify our bargain, and only in that ease.

An hon. MEMBER. They won't do it.

Mr. FISHER. I do not intend to prophesy. My hon. friend from Brandon says he is obliged to leave his party on this question. We have a majority on this side of the House of about fifty, and even if the hon. member for Brandon votes against us we shall still have a majority of 48. I venture to say that the members on this side of the House are just as well able to gauge public opinion in this country as anybody on the other side of the House—

Mr. GOODEVE. Am I to understand by the remark the hon. minister has made that it is not the intention of the government to put this arrangement into force until after they have appealed to the people? Did he say it was to be ratified by the people before it should go into force?

Mr. FISHER. I said ratified by the representatives of the people.

Some hon. MEMBERS. Oh, oh.

Mr. FISHER. Is the hon. gentleman (Mr. Goodeve) a representative of the people?

An hon. MEMBER. He sure is.

Mr. FISHER. On what ground does he say so? I suppose, because he was elected to this House. Hon. members on this side were elected also and in larger numbers than hon. gentlemen opposite. If these hon. gentlemen opposite arrogate to themselves the honour of representing the people, then a majority in this House may fairly claim to represent the people.

Mr. GOODEVE. The hon. member for Brandon explained clearly that this question was not an issue in any previous election.

Mr. FISHER. And I have just pointed out to the committee that my hon. friend from Brandon himself was a party to putting through the British preference without any better mandate. It is true that,

throughout this country, there is being worked up an agitation against this arrangement. It is true that there is very considerable talk of it in the press. I have even seen the names of gentlemen connected with this agitation, who, when that fact came to be known, repudiated what had been attributed to them. I had a rather remarkable instance in Hamilton the other day, when at a meeting, the names of two gentlemen were used as moving and seconding a resolution against this reciprocity arrangement, and the next day both these gentlemen came out and stated over their own signatures that they were not present at the meeting, had not authorized the use of their names, and had not drawn up the resolution. Hamilton is rather favoured in that respect. We have been told that the industries which came over to Canada from the United States and established themselves here to supply the Canadian market would all disappear, and that their big buildings would be emptied and their workpeople left out of employment.

But we had a day or two afterwards a statement that the Oliver Plough Company which was one of those industries in Hamilton, was not only not going back, but was going to add a plant of \$600,000 to serve the increased demand by the Canadian market under the tariff which has just been arranged in regard to agricultural implements. I might mention many other instances, but I will not go into details. Hon. gentlemen opposite may quote newspaper paragraphs and statements of individuals, but I am content to rest on common sense and the intelligence of the electorate of Canada, and we know the side of the House that we represent on this question the men of Canada to-day who sent us here two years ago. Hon. gentlemen opposite say: Go to the country. We have heard that cry over and over again. There has not been a parliament since this government came into power when hon. gentlemen opposite have not called upon us to go to the country on the most trivial occasions. But, sir, we have some responsibility to the country, we have some responsibility to the electorate, and we do not propose to go to the country until we feel the need of a fresh appeal, or until this parliament ends. When we have gone to the country in the past, in election after election, this government has been endorsed by the people, and on the ground of its tariff policy perhaps more than on any other ground.

Mr. FISHER. Mr. Chairman, before dinner I dealt with some aspects of this question, and with some of the remarks of my hon. friend from Brandon (Mr. Sifton). Amongst other things he took exception to the manner in which this arrangement has been made, and gave it to be understood that the representatives of the government

of Canada had taken no care or pains to inform themselves as to the point at issue, and as to the details of the trade of the country which would be affected by this arrangement. I took direct issue with the hon. gentleman and I tell him, and I tell the country, that the government did consider these things, went into them carefully that my hon. friend the Minister of Finance (Mr. Fielding) and my hon. friend the Minister of Customs (Mr. Paterson) employed those advantages which, as ministers of their departments, they had to obtain information, that when they went to Washington and met the representatives of the United States, who were assisted by their tariff experts, they too had tariff experts from Canada in the person of Mr. McDougald who has now been for about twenty years, I think, deputy minister of customs, and therefore, has at his fingers ends every detail of the customs administration and all the incidents of the customs tariff, and in the person of Mr. Russell who is an expert in these matters, he having been also for many years in the Customs Department, and having been transferred, some years ago, to the Finance Department as a special expert and adviser of the department on the details connected with the tariff administration. Therefore, I say that the hon. member, in making this accusation against the government, did so without full knowledge or without thought and absolutely without foundation in fact.

The hon. member referred to my following him to-day, and said that no doubt as a farmer the Minister of Agriculture knew something about these things. I do not presume to say that I do; I prefer to leave it to the farmers of the country themselves to put their side of this question to the public at large. Hon. gentlemen who have approached this question on the floor of this House and elsewhere have been very willing and glad to accept the statements of various interests in the country as being the obiter dicta with regard to their particular interests, but they assume to themselves and to every body except the farmers to give information with respect to the interests of the farmers. Personally I prefer to let the farmers do that for themselves. We had her a little while ago a large demonstration of farmers.

It is the custom to say that they were solely representatives of the Northwest, but as a matter of fact of the 800 delegates, probably 200 were from Ontario, 100 from the Quebec and the eastern provinces, and 500 from the Northwest, and they were not merely individuals expressing their views but most of them represented organizations of farmers throughout the country and came to place before the government the resolutions of representative agricultural bodies. I believe that this great delegation truly represented the farmers of the country. I do not pretend to say it repre-

sented the manufacturers, I do not pretend to say it represented the transportation interests, but I can safely say that it represented the agricultural industry of this country, and its views and aspirations, far better than any man not engaged in agriculture himself, possibly could. The farmers of Canada have ever had the advantage of free entry for their goods into the British market, it is the glory of the motherland that she allows food products to enter her market without discrimination or customs duty. There is no good reason to believe that our farmers will in future lose that advantage in the British market because Britain has decided to keep to free trade, and even though she did resort to certain customs duties, those who advocate such a policy, at all events pretend that the products of the Dominions beyond the seas would still have free entry. Well, Sir, there is not in this arrangement a word or a line, and there is nothing in the spirit of it, that would tend in any way to cut us off from entering the British market under the same conditions as in the past. The hon. member from Brandon (Mr. Sifton), said in effect that we were throwing away the British market for the purpose of getting the American market, but that is an absolute misrepresentation of the fact. We are not throwing away the British market; we are simply adding to it the American market for the products of our farms, and, we have still the home Canadian market which nothing can take away from us. Again, there is strong evidence that in the near future, if not actually to-day, the American market will be, or is, the best market in the world for agricultural products. My view in this respect may be disputed, but having for some years investigated agricultural problems and the markets of the world, in respect thereto, I believe it is coming about slowly, but surely, that the market of the North American continent is the best market of all markets. The prices on the British market are not so superior as they used to be over the prices in our own market, and they are not in most instances as good as the prices obtained in the United States.

Mr. SEXSMITH. Is it not a fact that you are practically throwing open to the whole world, the home market which the farmer of Canada formerly possessed?

Mr. FISHER. I will deal with that in a moment. My hon. friend from Brandon, speaking of the province of Quebec, did me the honour of saying that I knew as much of the agriculture of that province as anybody else, but I may tell the hon. gentleman that the farmers of Quebec are quite well able to speak for themselves, and the farmers of Quebec are not objecting to the free entry of their hay and dairy and other products into the New England market; on the contrary, they are delighted

with the opportunity which this agreement gives them. My hon. friend from Brandon stated, as is quite true, that he has lived in the Northwest during a large portion of his life, that he knows the Northwest, and that he has been enthusiastic for its welfare. That may be, but I venture to say that he does not to-day so truly represent the feelings and opinions of the Northwest as he did, before he left there. For many years he lived in Ottawa, as a minister of the Crown, and since he left the government he has continued to live here, and I am inclined to think from the information I have received from the Northwest, and from the public expressions of opinion by western farmers, that the hon. gentleman has got out of touch with his people and that the views he expressed in his speech to-day, do not represent them as well as do the views of others whom I could name. I have in my hand an interview with Mr. James Bower, the first president of the Canadian National Council of Agriculture and of the United Farmers of Alberta. Mr. Bower was a member of the great delegation that came here some time ago, and he has come again to Ottawa to specially represent the farmers and to deal further with the government and parliament in regard to their interests. Mr. Bower said, among other things:

"The agreement is a good one and a wise one. By opening up new markets it will without question give a great impetus to the agricultural industry, particularly in western Canada, and will prove equally advantageous to the farmers of eastern Canada, especially in dairy products and hay.

"The speeches I have heard in the House of Commons during the past week by those who are opposed to reciprocity indicate to me that the speakers are either entirely ignorant of how the agreement will affect the farmers or they are trying to mislead the public. They appear to be very solicitous as to how it will affect the welfare of the farmers, but the farmers have a few ideas of their own about this matter. At any rate, the anti-reciprocity speakers are absolutely wrong as to how it will affect western farming conditions.

"But perhaps the greatest boon reciprocity will confer upon the farmer of the west will be its indirect results in reducing freight rates, which will mean increased production all along the line. This will, of course, mean a greater demand for manufactured articles in the west, and a greater ability to pay for them.

"As far as the agreement goes, it meets with the unqualified approval of the western farmers, but much dissatisfaction is expressed at the smallness of the reduction in the duty on agricultural implements.

"What do the western farmers think of the annexation talk?" Mr. Bower was asked.

"They think it is all nonsense. If there was any danger of any of the western farm-

are wanting to be annexed by the United States, it would be because they did not get what they wanted. We want reciprocity, and we shall not be any less loyal if we get it."

Mr. BRODER. Did the members of that deputation ask for reciprocity when they were here?

Mr. FISHER. Yes.

Mr. BRODER. I do not think they did.

Sir WILFRID LAURIER. Certainly they did; the largest measure of reciprocity.

Mr. FISHER. Now, with regard to the general situation of our agricultural products, my hon. friend from Brandon said to-day that we had not investigated these matters, and had given no facts to the House and the country. I will, if the House will be patient for a few moments, give some facts, and I think I shall be able to show that hon. gentleman, and the rest of the country that we have done this with our eyes open and for good and sound reasons. There is an effort being made at the present time my certain interests in Canada to influence the farmers against this arrangement. I do not wonder at it—why? Because this arrangement interferes with the control and monopoly which these people have over the purchasing of our agricultural products in Canada. By this arrangement there will be competition with them in their present preserve. They will have in future the competition of the American buyer, who will come in here and buy from the farmer what he has to sell if he can give a higher price for it, and these gentlemen will have to meet that higher price or go out of their business. I do not think, Sir, that the farmers of Canada will object to having two men coming to buy his products instead of one. My hon. friend from Brandon spoke particularly about wheat; he also spoke about the packers; he did not speak, but I will, about the dairymen and those who have to buy the dairy products of this country. With regard to wheat, I do not profess to be an expert; but I am going simply to meet what the people who oppose this arrangement say with regard to wheat, and am going to point out what I think to be the fallacy in their argument. I do not intend to dispute the facts which they put forward. My hon. friend from Brandon spoke about our wheat being in future taken across the line, and he quoted Mr. James Hill as saying that the duty has nothing to do with the higher price of wheat in the American market. Now, I would just like to ask that gentleman and those who think with him, why is it that the American Congress made arrangements for the Minneapolis millers to grind Canadian wheat in bond for export instead of bringing in the wheat, paying the duty on it, and grinding it in the ordinary way?

Because the duty is not only a deterrent and impediment, but an absolute prohibition of their getting the Canadian wheat and grinding it at Minneapolis, and mixing it with their own flour. If, as my hon. friend from Brandon and other opponents of this arrangement say, this is going to result in our northwestern farmers selling their wheat to the United States market, why will they do it? Simply because the price which the American miller will pay for it will be higher than the price which the Canadian miller has been willing to pay for it—I do not say able to pay for it, but willing to pay, in the present restricted market, in which the miller and his representatives in the grain exchange of Winnipeg have controlled the purchase of all the wheat in the northwest. What is the reason that the American millers will want our wheat and be willing to pay for it? The reason is, first, that it is a stronger wheat which they need to mix with their own weaker wheat. It is stronger in the protein qualities, and makes a better baker's flour. They have been buying it and grinding it in bond, at the Canadian price; but when the duty is removed, they will buy it at the American price; and if they do not, others will come in and buy it from the Canadian farmer at the American price. The price will become equalized in the northwestern states and in Canada. It is a fact that the price is higher in the United States than in Canada. If the duty has nothing to do with it the hon. member for Brandon gave an explanation of it. I have no doubt that the two-fold result will take place, that the price will go down a little in the northwestern states and come up a little to the Canadian producer, so that the prices on both sides of the line will be practically the same. If that is the case, I can quite understand that the millers of Canada object to have the competition of American buyers in their preserve, which, with all due deference to them, they have worked to their utmost capacity. A well known miller in Montreal, Mr. Meighen, has written to the press about this matter. Mr. Meighen heads his communication: "Preserve the integrity of the Empire." That is a very common prelude to a very poor argument. I would rather head it on the part of Mr. Meighen: "Preserve my desires for the benefit of Mr. Meighen." Mr. Meighen destroys his own argument, like some others. He says that the milling plants in Canada can mill for thirty million people. We are giving it an opportunity to mill for ninety million people. If the millers of Canada, who are well established in their business, who have modern up to date plants, as the Ogilvies and the Lake of the Woods and other milling companies have, they ought to be glad to get that market. They ought to be willing to compete, and they are, I believe, quite capable of holding their own

in that market. But, like many others, they are timid and do not desire to change. The change could come about in a moment without our intervention, because the United States Congress have the power and the right to take off the duty on wheat at any moment they choose. We are only getting something sure in return for a thing we might have had to face within a month or two—it looked much as if we should have it without compensation. Mr. Meighen says:

“This preaching of the doctrine that by taking down the bars the Canadian farmer would receive a higher market value for his wheat is entirely erroneous.”

That is a statement with which, I confess, I do not agree. It does not seem to me possible that if the farmer has two markets, one of them a market in which the price of wheat is higher than in his own, he is not going to get a higher price. Here is another thing Mr. Meighen says—and I suppose this is “preserving the integrity of the empire”:

“I again repeat that the governments of Great Britain and the colonies should grant to one another a substantial preference in duty, and that in so far as their respective revenues will permit the principle of free trade within the empire should prevail. If the Dominion of Canada takes a firm stand on that policy, we will yet see that system adopted in the near future.”

I would remind Mr. Meighen of the fate which met his resolution in the ultra-loyal, highly imperialistic Board of Trade of Montreal. Mr. Meighen is the gentleman who, with his friend, Mr. McFee, on a certain occasion, secured the passage of a resolution embodying the principle of free trade within the empire. Just two weeks afterwards, the board of trade held an emergency meeting, and those who shouted imperialism—but took precious good care not to do anything for it—rescinded Mr. Meighen's resolution for free trade within the empire. But Mr. Meighen is not discouraged. I admire his pluck—perhaps a little more than I do his judgment. He still harps on this idea, though it was beaten in the stronghold of his friends, the Tory, imperialistic Board of Trade of Montreal.

Mr. ARMSTRONG. May I ask the hon. minister a question?

Some hon. MEMBERS. Oh, oh.

Mr. ARMSTRONG. If the hon. gentleman does not wish—

Mr. FISHER. Yes.

Mr. ARMSTRONG. Would the minister tell us what the 300 small mills in Ontario will do under this arrangement, and whether the flour milled in the large mills in the United States will not come into competition with that of the smaller mills in the markets of the world?

Mr. FISHER. In the same way that the flour of Mr. Meighen and the other great millers of Canada comes into competition with that of the small mills, and just as the many small mills scattered throughout the United States live and flourish under the competition of Minneapolis.

Sir, we have and shall still have the English market. And let me point out that if this arrangement takes the duty off Canadian wheat going into the United States, it takes the duty off American wheat coming into Canada. Our mills can import American wheat and mill it, and they have the whole continent to draw from and to sell to, as well as the home market which will still be theirs as it has always been.

My hon. friend from Brandon spoke of the necessity of maintaining the purity of our wheat. He gave us credit for a Bill to improve the Inspection Act, an Act which has already been improved by this government. I cannot, for the life of me see why, if the Inspection Act is enforced in Canada, exactly the same conditions in regard to Canadian wheat, Canadian milling and Canadian flour will not continue as exists to-day. The hon. gentleman says our wheat will go to the United States and be mixed and deteriorated. If so, it will command in the market the price of deteriorated wheat. But, if the Canadian grower, dealer and miller choose they can still keep and maintain the quality of Canadian No. 1 hard, and can send it forward pure and unadulterated, and we propose to give them an Inspection Act by which they can maintain that purity. And that wheat should, more than ever, outsell American wheat and Canadian wheat that goes through these channels, and is deteriorating. That is another of the ad capitandum arguments by which the handlers of goods are trying to pull the wool over the eyes of our farmers and cause them to believe that their interests are being injuriously affected.

As I am on the cereal question, I should deal with the point in regard to Quaker Oats which the hon. member for Brandon brought forward. The present arrangement allows oats to go freely either way. There are oatmeal mills in Canada. Their complaint is not that they object to buying American oats, or that they object to the competition in the Canadian market for the purchase of Canadian oats, but that the offal of their mills, the by-products of their manufacture of oatmeal, is not allowed to enter the American market free. Well, while we think we got a most complete arrangement in the interests of Canada, we could not dictate to our great neighbours, every detail of the agreements. In some cases, we got all we asked for, and in some cases only part; while in some cases—very few—the Americans insisted upon what they wanted, which, had these been the only points at issue, we might not have

granted. They did not grant us the free entry of this offal into the United States. The plea is not that our people cannot make oatmeal as well as those of the United States, but that they will not have as good a market for the sale of their offal. I believe the duty is 12½ cents per one hundred. The American maker of oatmeal will be able to sell his offal to the American farmers, our rivals in stock feeding. I venture to say that there are no people in the American union who are as capable and successful stock feeders as the farmers of Canada. We have proved this over and over again when we have gone into competition with them in the great exhibitions of the world and have carried away prize after prize. It is true that there is not, at the present moment, as good a market for that offal as in the United States. But I venture to say that, if this arrangement goes through in its entirety, the encouragement to stock keeping in Canada will, within a year or two, develop as good a market for that offal in Canada as in the United States. Our people will want to feed ten, fifteen or twenty head of stock where to-day they feed one, and they will be able to consume all the offal of the mills in Canada, and will afford as good a market for this by-product of the mills as the American farmers afford for the similar product of the mills of the United States.

Mr. STAPLES. Why does not the minister apply that to hay and barley?

Mr. FISHER. Hon. gentlemen opposite are very anxious to make my argument for me, and to arrange it to suit themselves, but I propose to go through it in my own way.

To-day, Canada does not produce anything like the quantity of agricultural products, especially of wheat and other grains, that the United States does. But I wish to give a few figures to show what the development of our Northwest will lead to in a few years. In 1909—I have not the figures for last year—about 1,000,000 people in our three prairie provinces produced 147,000,000 bushels of wheat off 7,000,000 acres. In passing I may say that in comparison with other parts of the world, our production per acre was far ahead of any of them except the intensively cultivated countries of Europe. In round figures, we have in the hands of settlers 58,000,000 acres; last year something under 14,000,000 acres were cultivated—about one-quarter of the total in the hands of settlers. Then, we have 32,000,000 acres in the hands of railway and other corporations; and 39,000,000 acres surveyed and still owned by the government. Then we have, roughly speaking, about 84,000,000 acres unsurveyed within the area of possible wheat production. This makes a total acreage in our Northwest of 213,000,000 acres within the wheat producing area. I do not mean to say that all this land will

produce wheat, or will ever be under wheat, but I do not think it would be out of the way for me to say that, in the course of 15 or 20 years, one-quarter of that land, say 50,000,000 acres, will be producing wheat. Well, if 1,000,000 people in 1909, cultivating 7,000,000 acres of wheat, produced 147,000,000 bushels, what will the people of the Canadian Northwest produce when that country is fairly filled up and we have 5,000,000 or 6,000,000 between the Great Lakes and the Rocky mountains? That estimate of the future population of the Northwest is not an extravagant one, nor need we look very far ahead for these results. When that time comes, the Canadian Northwest will produce 1,000,000,000 bushels of wheat. I venture to say that the farmers will need not only the home country and the American market, but also the European market in which to sell that wheat. It is all very well for hon. gentlemen opposite to say: "Let well enough alone," because for to-day, and for the moment, we have markets for what we produce. But the acreage of Canada is capable of producing so enormously that we must see to it that we have every market of the world open to us for the sale of our surplus production. When that time comes, there is no doubt, there will be in the United States from 150,000,000 to 200,000,000 people, and they will need at least 250,000,000 to 300,000,000 bushels of wheat from us. Are we to forget the future? Are we to slap in the face that great nation, and tell them that we will have none of them and their market, when, in the not distant future, their market will be an essential to the consumption of our surplus production? In the last three years we have increased our population by 273,900, or 35 per cent. At the same rate in 10 years, we would increase by about 1,500,000 people. And our increase of crops has been commensurate with our increase of population.

Now, I wish to say a word about barley: Every body knows that before the McKinley Bill of 1890 barley had cheap entry into the United States and that our Ontario farmers were then growing barley with large profit and gratifying success. We have the report of the United States Department of Agriculture that the Canadian barley in quality was the best in the world with the possible exception of some grown in Bavaria. It is well known that the American brewers and malsters wanted our barley. The low duties imposed by the United States on barley enabled the farmers of Canada to send to that country in 17 years, from 1876 to 1892, inclusive, an aggregate of 135,250,000 bushels of barley, valued at \$90,000,000. But the high duties of the succeeding 17 years brought the aggregate export down to 7,000,000, valued at a little less than \$3,000,000. In the first period, the average price was 67 cents under a tariff



rate of 15 cents a bushel. But, in the second period, under duties varying from 30 cents a bushel to 30 per cent., the average price was 42 cents. Under this arrangement, we shall have free entry of Canadian barley into the United States market. The farmers of Ontario who were struck by that McKlahey Bill, with the pluck, energy, self-confidence and natural pride of a people whom I respect, and whom I consider to be the backbone of this country, took that blow—complained a little, I grant you—but buckled to and overcame the difficulty.

An hon. MEMBER. Hear, hear.

Mr. FISHER. My hon. friend says, hear, hear. But they have overcome it, and they are quite ready to take the advantage again, to reap the profit, and to make the immense sum of money they would have made in the past if free barley had never been taken away from them.

Mr. SPROULE. Do you think that nearly all the barley raised in Canada would not have been kept at home instead of exported?

Mr. FISHER. I think the farmer who raises barley knows enough to sell it to the best advantage for his pocket. If he finds that he can sell it best by malting it and buying American corn for his stock, he will do so. If he finds that it is more profitable to feed it to his stock instead of selling it for malting, he will feed it to his stock. But I want to give him an alternative, and I trust to his judgment to make use of the best alternative.

Now, I want to say a word about potatoes and fruit. In twelve years of high duties the United States accepted from Canada \$11,000,000 worth of potatoes more than they sent into Canada. Surely if we can get those potatoes into the States without duty, it will be to the advantage of our potato raisers. We sent a large quantity of fruit to Great Britain, which she accepted free, and as the United States had a heavy duty against it, the consequence was that we only sent to the United States \$3,000,000 worth of fruit. We imported from the United States two and a third million dollars worth of apples, and we sent her in the same time a much larger quantity.

I would like to contrast the condition of the market gardeners and fruit growers with that of barley growers. The market gardeners and fruit growers, in the last twenty-five years, increased their exports of these articles to the United States, in face of a high tariff, to the extent of \$70,000,000. The farmers in seventeen years lost \$90,000,000 on the one export of barley alone. I give this as an instance of what the two peoples suffer.

Now, I want to say a few words with regard to the meat trade. My hon. friend from Brandon says that the packing in-

dustry will be destroyed. I say emphatically, no. Why should it disappear? My hon. friend says that the meat trust of the United States will come in and control the packing industry of Canada. He forgets, or does not choose to realize, that while, I grant, the meat trust of the United States seems to be able to defy the courts of law, no trust in Canada can defy the courts of Canada. We have on our statute-book a Combines Act which forbids the operation of trusts like the meat trust of the United States. We have the machinery by which we can easily deal with them. I will give an instance of what it can do, and it is in regard to a United States organization. Just the other day a court in the city of Quebec declared that the United Shoe Machinery Company must submit to a decision of a board as to whether its actions as a trust are illegal. The United Shoe Machinery Company is one of the most powerful organizations in the United States, it controls the machinery which is used in the boot and shoe trade. They have patents, and a practical monopoly of certain machines. They do as they like in the United States. They came into Canada and tried to do as they liked here, but some of their victims appealed to the courts, and the courts of Canada have ordered them to show reason why they should not be compelled to deal fairly, and not as a trust, with the users of their machinery in Canada. This shows what the meat trust or any other trust in Canada will have to contend with in the future. I can only say to my hon. friend that if the meat trust of the United States undertakes to come into Canada and to act as trusts are generally supposed to act, they will be hauled up short by the Act. The courts of Canada will see to it that they do not carry on the nefarious practices which they are said to carry on in the United States.

Mr. AMES. Is it not a fact that the United Shoe Machinery Company is a Canadian corporation, and that it is against a Canadian company that these proceedings are taken?

Mr. FISHER. Yes, but they are an offshoot in a way of the American company.

Mr. AMES. They have absolutely nothing to do with the American company, so far as their business in Canada is concerned.

Mr. FISHER. But so far as their patents and their machinery are concerned, they are all one. It is their operations in Canada, which are the exact counterfeit of their operations in the United States, of which the courts are taking cognizance, operations of which the American courts do not take cognizance and do not control.

Mr. AMES. Does the minister imagine that the beef trust will come into Canada and be incorporated so that it can be reached by the Canadian courts?

Mr. FISHER. When they do come into Canada and operate, they will be subject to the laws of Canada.

Mr. SPROULE. What about the Standard Oil trust that has been carrying on operations here for years?

Mr. FISHER. The Act I refer to was only passed last year. I said a moment ago that the packing houses would not disappear. I think my hon. friend had in mind particularly the packing houses in Winnipeg. I have heard it said that the packing houses in Winnipeg would disappear, because Chieng would swamp them when the whole west is thrown open and made subservient to the Chicago market. What is the condition of affairs to-day in the United States. Does the Chicago packing business swamp the packing houses in Kansas City, in Omaha or in South St. Paul? We know, if the hon. gentleman does not know, that these cities are doing a large packing-house business. I have here some figures to show what that business is in comparison with the packing-houses of Winnipeg. In Kansas City last year the local killings of cattle were 1,284,000; of sheep, 1,186,000; of hogs, 1,900,000. The local packing and abattoir establishments of Kansas City showed, of cattle, 773,000; of sheep, 1,256,000; of hogs, \$1,656,000. In South St. Paul, the local killings were 169,000 cattle, 207,000 sheep, and 823,000 hogs.

Compare Winnipeg:

Cattle—80,000; half of those in St. Paul; one-tenth about of those in Omaha; one-fifteenth of those in Kansas City.

Sheep—30,000; one-seventh of those in St. Paul; one-fortieth of those in Omaha; one-thirty-fifth of those in Kansas City.

Hogs—91,000; one-ninth of those in St. Paul; one-twentieth of those in Omaha; one-twentieth of those in Kansas City.

Sir, I believe that with the same price and with the same opportunity of supply, the Winnipeg packers can do as well as the Kansas City, Omaha, or St. Paul packers. I believe they can compete with Chicago just as well as these others can, and I see no reason to suggest that our Winnipeg men are not quite the equals of the business men of these three great American western cities. Why are these cities able to do so well? Because they have a tremendous field to draw upon, because they have the cattle ranges of the whole western states. Our Winnipeg men to-day have only the ranges and farms of our own northwest, and their supply is limited and small. With the opening of the American market, one of two things will happen. Either the price of the western cattle to

these killers in these cities will be higher and the Winnipeg men will have to come up and pay a higher price, or if it is not higher, the Winnipeg men, with this arrangement, can go across the line, compete there, and draw cattle from there to Winnipeg just as well as they can be drawn to St. Paul or anywhere else. Our Winnipeg packers are flourishing in a local way. Practically the whole of the 80,000 head of cattle in Winnipeg are slaughtered for local consumption. There is no export of meat from the Winnipeg packing houses. The whole is for local consumption, and the reason why they are not able to do an export business, the reason why they are not able to increase their work, is because of the short supply of cattle in our own northwest. I will deal with that in a few minutes. But, with this arrangement there is no reason whatever why Winnipeg, instead of staying where she is, away down in the list of those cities west of Chicago, should not be able to keep up and range herself with them. Chicago is and will be probably forever the great centre of the trade of the middle of this continent. Her geographical position, her start and everything else have taken her far ahead of the other American western cities, and there is no doubt that she will stay there. But the fact that Chicago is at the head of this great business is not inimical to the chances of a great number of other cities doing well, flourishing and advancing. I believe that Winnipeg and the Canadians in Winnipeg and other cities in Canada are quite as well able to do that as those cities which I have named.

Mr. SPROULE. Would the minister be good enough to tell us the profits made by these American firms last year. They are given in their annual reports.

Mr. FISHER. You mean in those American cities?

Mr. SPROULE. Yes.

Mr. FISHER. No, I have not got that.

Mr. SPROULE. I notice that in some cases they made 25 per cent.

Mr. ARMSTRONG. Mr. Chairman, may I ask the hon. gentleman a question?

Some hon. MEMBERS. Order.

Mr. DEPUTY SPEAKER. Order. As the hon. the minister has not permitted the question. I cannot allow it.

Mr. FISHER. My hon. friend (Mr. Sproule) talks about the profits they make. With a greater market and with more competition their profits might probably be a little less. I grant with regard to these different interests that are objecting to the farmers getting competition from buyers from the United States that they may have to raise their prices, and, therefore, the farmers of Canada will get the benefit of it.

I do not wish to set class against class, but I think the farmers have as much right to a free show and a good opportunity of selling in any market in which they can get more, as the people have who wish to buy from them, and who claim a monopoly of purchase.

Mr. ARMSTRONG. Mr. Chairman, do I understand you to object to me asking the minister a question?

Mr. FISHER. I will allow you.

Mr. ARMSTRONG. I merely want to ask the minister if it is not a fact that these large meat packing firms in Kansas City, Omaha and St. Paul are a part of the meat trust. I have visited these cities frequently and I know what I am talking about.

Mr. FISHER. If my hon. friend says that he knows they are I will not dispute it. I do not know that they are, and I, therefore, will not say whether they are or not. But that does not make any difference. They exist outside of Chicago, and it is the Chicago market that hon. gentlemen are holding up as our bogey. My hon. friend from Grey, earlier in the session, spoke about our live stock trade going down. We have the Canadian and the British market. We have had a great many conditions favourable to our development otherwise, and yet the hon. gentleman made a long speech to prove that the Canadian live stock trade was going down. If that is the case I think the Canadian live stock trade might very well answer hon. gentleman opposite when they say: "Let well enough alone," by saying: It is not well enough. My hon. friend, when he says that the Canadian live stock trade is going down, says that it is not well enough. We want to give them another market, we want to give them a better opportunity, we want to give them competition for the things they have to sell, and this arrangement does that. If my hon. friend is correct in saying that the live stock trade is going down then I say it is well that we should help those engaged in that trade in this way.

Mr. ARMSTRONG. The minister says that he proposes to give them another market. Is he aware of the fact that \$160,000,000 worth of meat products are shipped out of the United States annually?

Mr. FISHER. I am sorry, but I am afraid that I will have to refuse to respond to these interruptions. I do not object to being asked a pertinent question, but when they are foreign to what I am talking about I cannot allow myself to be interrupted any more. The farmers of the northwest will sell to the American buyer, if he will give them a better price than the Canadian buyer will, otherwise they will not. They will sell to the Canadian buyer if he gives them a fair and just price—the best price

they can get—and he will sell to whoever else will give him that price. The hon. member for Brandon (Mr. Sifton) said that the only good market was the British market, that it was a stable and free market. I grant that it is a stable and free market. We have had it. The hon. member for Grey (Mr. Sproule) says that our live stock business is going down, notwithstanding our possession of that market. I want to give the farmers something that will bring that trade up, and I believe the American market will do it.

Now, Sir, I am going to speak a little bit about the province of Ontario. The hon. member for Brandon said that in Ontario the prices were as good as in the United States. I take direct issue with him. Prices in the United States are higher than they have been in Ontario for the last year on these subjects that I have been talking about. The hon. member for Brandon reproached us because we had not given statistics, because we had not carefully compared the prices. I beg to tell him that we did compare the prices, that when we made this arrangement we knew what the prices were in the American market, and here, and that is why we wanted to get free entry for agricultural products into the United States. I will give some prices. I have here a few statements. I have a statement with regard to the cattle slaughtered in the west. I have a statement of market quotations for live cattle in Buffalo and Montreal each fortnight from January 5, 1910, to December 2, 1910:

I shall not read each price, but I may say that between January 5 and December 2, 1910, the market quotations in Buffalo every week were higher than in Montreal. It was not an occasional quotation, but taking the whole trade of the whole year, every week the quotations in Buffalo were materially higher for live cattle than were the Montreal quotations. I have another statement here which I need not trouble the House to read, but I will send into "Hansard," which gives the market quotations for live hogs in Buffalo and Toronto and Chicago and Montreal. Taking the price of live hogs from January 19 to December 2, for every week in the year with three single exceptions the prices were higher in Buffalo than in Toronto; and then the difference was very small in favour of Toronto. On January 26 the Buffalo price was \$8.75 to \$8.85, and in Toronto it was \$8.90; on February 2, the Buffalo price was \$8.50 to \$8.70, and in Toronto \$8.65; on June 1 the Buffalo price was \$9.75 to \$9.85, and the Toronto price \$10. Only on these three occasions during the whole year was the price of live hogs as high in Toronto as in Buffalo, and these figures, which I believe to be absolutely correct, and which are taken carefully from the market reports, contradict the statement of the hon. gentleman that the price of these is

higher in Ontario than in the United States.

Mr. WRIGHT (Muskoka). Before the hon. gentleman leaves that point I want to ask a question.

Mr. DEPUTY SPEAKER. The hon. member who has the floor has been interrupted very frequently. I have allowed these interruptions because there was no indication on his part that he objected, but since he has objected I cannot allow the hon. member to be interrupted.

Mr. ARMSTRONG. I rise to a point of order.

Mr. WRIGHT (Muskoka). I want to make an explanation.

Mr. DEPUTY SPEAKER. The hon. gentleman must resume his seat when the chairman of the committee rises.

Mr. ARMSTRONG. I wish to ask whether it is proper to put in "Hansard" tables of figures that are not read to us and on which we have no idea what they are like. The Minister of Agriculture has tables there which he says he will send into "Hansard."

Mr. DEPUTY SPEAKER. I have no control over what may be published in "Hansard," but I understand "Hansard" does report what is said in the House.

Mr. FISHER. I suggested that these figures might be printed in "Hansard" without my reading them so as to save time, but since the hon. member (Mr. Armstrong) does not wish to know them, I will not ask that they be put in "Hansard." One feature of the live stock trade is worthy of note, and it is that in recent years there has been a large decrease in the numbers of live stock in proportion to the numbers of people occupying the land. That is a very serious situation. There is more live stock in Canada at the present time than there was ten years ago, but after careful investigation, I have no doubt that there are now fewer animals in Canada in proportion to the population than there were then. The English authorities on the question point continuously to the fact that the supplies from America are decreasing and they are looking more to Argentina and to Australia and to New Zealand for their supplies of meat. Still, America, and the United States especially, send them large supplies. The reason for the falling off in the cattle export from America is that the continent of America affords to-day a better market than does the old country for these products. It is therefore, very important for us to see to it that the whole market of the whole continent of North America is open to our farmers, and if we do not do that we shall be face to face with the fact that our farmers will be flooding the English market

with these supplies and knocking down the price of these products below what is perhaps a living price. Here is another statement which I have no doubt is absolutely correct:

"The high prices prevailing during the last two years have evidently not been determined by the prices obtainable for export bullocks but rather by the strong and growing local demand. Packers and butchers have given expression to this conclusion in different ways and it is a fact that with prices in Great Britain no higher than they are at present there remains no particular temptation to shippers and exporters to direct their purchases across the Atlantic. On the other hand, packers in the east have found a very profitable outlet of late for their cured and fresh meat products in the growing markets of the Canadian west."

Sir, I shall now refer to another matter which affects particularly the province of Quebec, and to a large extent Ontario as well. The hon. gentleman from Brandon (Mr. Sifton) stated that in the province of Quebec there was some good farming, a great deal of bad farming, and some middling farming, but, I know the province of Quebec better than he does, and I may tell him that the fact that the farmers of Quebec export large quantities of hay is no proof at all that they are not good farmers. This may seem paradoxical because it is generally speaking true that the hay should be fed to stock on the farm, and in this way the fertility of the soil maintained, but, the hon. gentleman (Mr. Sifton) is not aware of the fact that there are areas of land in the province of Quebec from which hay has been sold to the American and the English market for from 50 to 75 years steadily, and the crop of hay on these lands is just as abundant and as excellent in quality as it was half a century ago. These hay growing lands are lands which are frequently flooded, and on which there is a constant succession of alluvial deposits, and the land is in that way specially adapted for the growing of hay. That hay has hitherto been shut out of the American market by a duty of \$4 per ton, and every one knows that the Quebec farmer, when he did send hay into the United States had to pay a large proportion of that duty, depending on the demand whether he paid more or less. I read in a newspaper a short time ago that a New England farmer told a newspaper reporter that if this arrangement were carried into effect he and his sons would be driven out of their farming in New England because the Quebec hay would undersell them and secure the market in the New England towns. So, in New Brunswick and some parts of Nova Scotia on the dyke lands around the Bay of Fundy, hay has been grown for I do not know how many years.

Mr. BLACK. Two hundred years.

Mr. FISHER. Quite so; these lands are periodically inundated by the overflow of the sea, and consequently with respect to these particular farms it is good farming, and not bad farming, to grow and sell the hay. Hon. gentlemen from the northwest will tell you that the northwest farmer would be foolish if he did not grow wheat after wheat and wheat after wheat and sell it, and so, in the case of the hay-growing lands I have mentioned it would be foolish for those who cultivate them not to grow and sell a crop of hay. If the farmer in the northwest were to manure the land the wheat would grow and grow and keep green, and would not ripen, and that would be bad farming, and in like manner it would be useless to manure the hay-growing lands in Quebec and the lower provinces because the hay would lodge, it would not cure as well, and the farmer would not get as good a price for it as he does now. Good farming is to avail of the natural conditions of the particular soil you are tilling to the best advantage, and what would be good farming in some localities might be very bad farming in others. Therefore, that is one point in which the member for Brandon maligned the farmers of the province of Quebec. He spoke as a lawyer about farming and not understanding the business he was unable to deal with it intelligently. Again, I want to tell my hon. friend from Brandon who was born and bred in Ontario and lives there now, and seems to identify himself with that province, that in the dairying business the province of Quebec has made more advance than any other part of the Dominion of Canada in fifteen years. The production of butter and cheese has increased more rapidly than in any other part of Canada, and the quality of Quebec butter and cheese stands at the top of the markets of the world. Dairying is very prosperous in the Province of Quebec and in dairying I include the production of milk and cream as well as the manufacture of butter and cheese. And why is dairying in the province of Quebec extremely prosperous? It is because for the last two seasons the farmers living along the border—and this is true also of our counties in eastern Ontario which lie along the St. Lawrence river—have been selling cream to the American market, and not as formerly making it into butter and sending it to England. The farmers of the eastern townships were visited the other day by some gentlemen from the city of Montreal, Messrs. Price, and MacLagan and others, who handle the goods of the dairy farmers, and they told them how bad it would be if American buyers should come across the line and dispute with Messrs. Price and MacLagan the purchase of dairy products in the eastern townships. Well, the farm-

ers of the eastern townships know their business well enough to know why these gentlemen came to tell them that, and the farmers of the eastern townships know their business well enough to appreciate the advantage of having somebody besides the dealers of Montreal in the market to purchase their products. We have been making butter and cheese in the province of Quebec for many years, and a good deal of it was sold in the home market and the bulk of it was sent to England, but for the last two years American dealers have been coming across the line, and purchasing the cream from our farmers, and taking it to the northern parts of New Hampshire and Vermont, and from Eastern Ontario into New York state, and making it into butter for the American market. Now, our farmers who sold that cream had full and free access to the market of Great Britain for their butter, but they found it more profitable to dispose of their cream in this way. These gentlemen opposite will tell you that our market in Great Britain is the great market for Canadian produce. True, it has been, but during this year the price of butter in the New England and New York markets is so high that they could afford to take Canadian cream across the line, pay five cents a gallon duty on it, then make it into butter and pay our farmers a higher price per 100 pounds for their milk than they could get by making it into butter at home, and selling it to these gentlemen in Montreal who forwarded it to the English market. The farmers in the eastern townships do not need any complation as to the difference in prices on each side of the line to tell them what the truth is. They can see that with their own eyes: they are selling their goods and pocketing the profits even though these goods have to pay a duty going to the American markets, and by this arrangement they will have free entry to the American market, and they will reap a larger profit. If cream can be bought in Canada and five cents a gallon duty paid on it, and made into butter in the United States, and sold in the great eastern cities, why cannot butter be made in the eastern townships, and eastern Ontario, and all over Canada and sold in these same markets at the same price if there is no duty on either cream or butter? There, the hon. member for Brandon has the answer of the farmers of the province of Quebec as to how they can look after their own interests. Last year there was sent from Canada to the United States \$1,677,600 worth of cream, and we sent also a few thousand dollars worth of cheese, and a few thousand dollars worth of butter. The average value of the cream was about one dollar a gallon, and a gallon of cream made about four pounds of butter. The United States have for several years past, imported of dairy products, butter, cheese and cream, to the following extent—in 1907 they

Imported \$6,000,000 worth, in 1908 \$5,000,000 worth, in 1909 \$6,000,000, and for the 11 months of the last fiscal year \$8,500,000 worth, which increase was largely accounted for by the importation of Canadian cream.

Cheese will now be put upon the free list. The United States last year imported nearly \$7,000,000 worth of cheese. Now, I want to be perfectly fair. Most of that cheese was brought from Europe; most of it was what is called fancy cheese. But I am glad to say that the dairymen of Canada are rising to the occasion, and are making to-day a very fair quantity of fancy cheese; and under this arrangement they can expand and increase that product, which is the most profitable way to utilize their milk product, and there is no market in the world equal to that of New York, Boston and other large cities of the United States Atlantic seaboard for these fancy cheeses. They are dainty, appetizing things which the rich people want, and will pay fancy prices for; and, while I do not say that the whole of our dairy output can be turned into these products, there will be many opportunities for our scientific farmers to enter into that business, and, instead of being confined, as they are to-day, by a severe duty on cheese to our own markets of Montreal, Ottawa and Toronto, they will have the cities of New York, Boston, Philadelphia and other large American cities to cater to, and the record of our Canadian dairymen which is writ broad on this continent, shows that they can carry on that higher kind of farming better than the Americans can, and heat them in their own markets, if we have a free entry into them.

My hon. friend from Brandon intimated that the prices of butter and cheese were better in Canada than in the United States. I have here quotations of the prices of butter taken on the same day in every month, from January to December, 1910, in Boston, New York, Chicago, Montreal, and Toronto, and in every month of the year in every one of these three American markets, butter was materially higher than it was on the same day in either Montreal or Toronto. The hon. member for Brandon wants statistics and information. Here again are the prices of cheese on the same day in every month in Boston, New York, Chicago, Montreal and Toronto, and in every month the prices in Boston, New York and Chicago were higher than they were on the same day in either Montreal or Toronto. I took also eggs, and here our hon. friends opposite may get a little comfort. The egg prices vary. In January they were higher in the three American markets; in February they were a shade higher in Montreal and Toronto; in April, they were about the same; in May the price in Boston was higher than in the Canadian market, but Montreal and Toronto were both a little higher than New

York and Chicago; in June and July the Canadian markets were a shade higher; in August, Montreal was a little higher, but Toronto a little lower than the American market; in September, they were practically the same; in October, Montreal was a little higher and Toronto equal; in November and December, all three American markets were higher than either of the Canadian markets. I also inquired as to dressed poultry, taking Montreal, Toronto and New York, and I found that in every month of the year dressed poultry was higher from one cent to five cents per pound, than it was in either Montreal or Toronto. I will not go into further details. I think I have given some information and statistics. I think I have been able to show that we did not enter into this thing with our eyes shut, but were able to find a justification in the advantages to the Canadian farmer of a free entry into the American market.

The hon. member for St. Anne, and I think the hon. member for Brandon, said: Oh, but you do not say anything about the Americans coming in here. Well, I think I have disposed pretty well of the idea of the Americans coming in here, by showing that their own market is higher than ours. The Americans are shrewd, and are not going to send goods into Canada and knock down the Canadian prices, when they can get higher prices at home. But the hon. member from Brandon says: You allow goods to come to Canada from Argentina, Australia and New Zealand and other countries. Quite true, we do. But I would like to point out that for many years, in that free and stable market of the home land we had the competition of Argentina, Australia and New Zealand, under conditions that were less favourable to us and more favourable to them, than they would have in attempting to sell their products in Canada, and we have been able to hold our own with them in the English market. We have been able, as a general rule, with the exception of live cattle, to command higher prices than Argentina has—why? Because our products are better in quality, and I venture to say that in the future, as in the past, the Canadian farmer, educated, informed, clean-living, sensible, will be able to produce a better article than the Italian or the Spanish or the Portuguese or others farming in the Argentine. History has told us that we need not fear competition, and I do not think that we need fear it in the future. But my hon. friend from Brandon says they will dump their products on the Canadian market. Well, Buenos Ayres is nearer to London than to Canada, and it has with England, a large trade established, with a return freight, and it can take its goods and put them on the English market much cheaper than it can on the Canadian market. The Canadian has to send his goods to compete with them

In England, where the price is regulated by the price of goods in the open stable market of England, and not where they are produced, and we have been able to meet the competition of these people there.

With a market at our own doors, does any person say that these countries can beat the Canadian farmer in his home market? It is absurd on the face of it. Hon. gentlemen opposite are simply raising a hogey to frighten the farmers into thinking that this arrangement is a bad one for their business. So far as cattle are concerned, the Argentine, for many years, has suffered, like ourselves, from an embargo on cattle going into Great Britain. It was put on in 1900, but in February, 1903, a change was made under which Argentina cattle were allowed to enter, but had to be slaughtered at the port of entry. In consequence of disease being found, the embargo was reimposed in May, 1903, three months after its partial removal. Now, I would like to point out that this reciprocity arrangement does not interfere — no trade arrangement does — with quarantine. Under our quarantine regulations, Argentina cattle will be shut out of Canada as well as out of England. We cannot allow diseased cattle to come in alive — in England, they do not allow Argentina cattle even to enter to be slaughtered at the port of entry as Canadian and American cattle are. For the three months of which I have spoken, they did allow Argentina cattle, as they allow ours, to be entered and slaughtered at the port of entry. But they had to give that up, and at the present day, not a head of Argentina cattle is allowed to land on the quay in Britain. And I can tell my hon. friends opposite that, until the Argentine can show a cleaner bill of health than they have been able to show for some time, cattle from that country will not be allowed to land in Canada. Not because my duty as administering the quarantine laws calls upon me to interfere with markets or trade arrangements, but because it is my duty to see to it that the flocks and herds of Canada are not contaminated by disease from any outside country.

Mr. AMES. Does the minister —

Mr. DEPUTY SPEAKER. The hon. minister (Mr. Fisher) has objected to interruptions.

Mr. SPROULE. I rise to a question of order. Mr. Chairman, is a member of parliament not allowed to make any observation when a gentleman is speaking? I wish to know what are a member's rights?

Mr. DEPUTY SPEAKER. The hon. gentleman has the right to rise to a point of order, but not to discuss it.

Mr. SPROULE. I have the right to make an observation, and I distinctly refuse to be controlled by anybody.

Mr. DEPUTY SPEAKER. The Minister of Agriculture (Mr. Fisher) has the floor, and no other member has the right to speak while he has the floor. He has been interrupted very frequently. I have told the committee that I allowed these interruptions because the minister did not himself object to them. But when he objected, it became my duty to prevent any interruption. No member except the hon. gentleman who has the floor has the right to speak. The point of order raised is not a sound one.

Mr. LENNOX. May I ask a question of the Chair? Are we to understand that a member of parliament has not the privilege of asking a minister of the Crown a question while he is addressing the House?

Mr. DEPUTY SPEAKER. A member has not the right to ask the minister a question while he is addressing the House unless he has the permission of the minister. The minister has distinctly refused to be interrupted, and no member has the right to interrupt him.

Mr. SPROULE. May I ask —

Mr. DEPUTY SPEAKER. Order. There is no point of order before the Chair. The Minister of Agriculture has the floor. Unless a point of order is brought before the Chair, the minister must be allowed to continue his address.

Mr. LENNOX. Mr. Chairman —

Mr. DEPUTY CHAIRMAN. Unless the hon. gentleman (Mr. Lennox) arises to a point of order, I cannot hear him.

Mr. LENNOX. I rise to a point of order. I want information for my guidance. I have no question to ask the minister at this time —

Mr. DEPUTY SPEAKER. Unless the hon. gentleman has a distinct point of order to raise, he is not in order in speaking.

Mr. LENNOX. It is a distinct point of order. I want your ruling distinctly. Am I to understand that, if I have a question to ask the minister, I am not at liberty to ask it?

Mr. DEPUTY SPEAKER. While the minister is addressing the committee, no member has the right to interfere with question or interruption. With the permission of the member addressing the House, it may be done, but, the hon. member having distinctly stated that he desires no more interruptions, it is my duty to see to it that he is not interrupted.

Mr. FISHER. I think I was patient under interruptions. I would be glad to answer questions, but, on several occasions, questions have been put to me almost in the middle of a sentence, and in a way to interrupt the thread of my remarks —

questions sometimes entirely irrelevant. Therefore, I feel I must decline to be interrupted. I do not desire to appear discourteous, but I am afraid I shall have to maintain that position.

Adding to what I was saying with regard to quarantine, I may point out that we have dairy laws for this country which have the same effect as quarantine. I do not know that anybody has raised the point in the House, but in different places it has been raised that, in consequence of the free entry of American butter into our markets, oleomargarine, butterine and other things of that kind may be introduced into the country. I have only to say that the Canadian laws which forbid the manufacture, importation or sale of these articles in Canada are as much in force and will be as much in force after this arrangement goes into effect as they are now and have been for years past.

My hon. friend from Brandon (Mr. Sifton) did not say much about conservation, but the question has been raised by some hon. members opposite on several occasions. Conservation at the moment is an attractive and rather popular appeal. We are all anxious to preserve the natural resources of Canada. I think I may say that I have been as prominent in that respect as anybody in this country. I was one of those, with my hon. friend from Brandon, who attended the international conference at Washington called by President Roosevelt to discuss the question. It was I who introduced and put through the Bill for the creation of the Commission of Conservation, and have encouraged, and am a member of, that commission. As I said a moment ago about our animals and dairy products, so the question of conservation is a question of regulation and administration within our own country of our own resources. Conservation is the preservation of our resources from waste, the utilization of our resources under wise and proper management. My hon. friend from Red Deer (Mr. Clark) gave a very good illustration of conservation when he talked about the steers and 'what we have we'll hold'. Conservation of forest resources, for instance, does not mean to forbid the cutting of any tree in Canada; it means the cutting of the trees that are ripe to be cut and the proper preservation of those that are not yet ready for cutting from the destructive influences of fire, insects and other enemies of our forests. If conservation means that we are to stop lumbering operations in this country, if it means that we are to keep our trees until they fall from age and rot upon the ground where they will be a hiding place and breeding place of insects injurious to the forests and a means of spreading fire, then, conservation means putting an end to the utilization of our forest resources. It does not mean anything of the kind. Conservation means

that we shall so regulate the cutting of our trees that no tree too small to be cut shall be cut, that no tree when it is cut shall destroy other trees around it, that when the tops and the debris of the trees which are cut are left in the forest, they shall be taken care of so that fire may not spread among them, and thereby generate those destructive fires which are the worst enemies of our forest resources. Conservation means that we shall see to it that the insect pests that infect our forests and trees shall be fought and combatted, that fires shall not be allowed to spread, whether originating by settlers, or by hunters, or by trappers, or by railroads. Forest conservation means that forest areas shall be set apart as forest reserves, to protect the sources of our water supply, the sources of our streams, in order that water may be procured for agricultural and manufacturing operations and kept at a continuous flow. Sir, we have done all that. We have set apart large forest reserves. My hon. friend at Quebec the other day, in a conservation meeting, praised this government for the fact that the Minister of the Interior this very session is introducing a Bill to make statutory what was done last year by order in council, namely, setting apart the whole eastern slope of the Rocky mountains as a forest reserve, which will be the greatest on the continent of North America. I think we know fairly well how to conserve our natural resources. The regulation of all these things remains in the hands of the parliament of Canada, and it is only by parliament becoming recreant to its duty in this regard that our natural resources can be depleted.

Hon. gentlemen opposite say, Oh, but these horrible Americans will come in here and eat up our natural resources. I do not know but that to-day a good many Americans own many of our forest reserves, I do not know but that they own some of our mines and some of our water-powers. I am quite sure that a Canadian who owns any one of these resources in fee simple, if an American came along and offered him a higher price for it than he could get from anybody else, he would sell it to him. I think that perhaps our hon. friends opposite would do just like any of the rest of us in that respect. But if an American has bought a natural resource of Canada he is just as much subject to the rules and regulations of Canada, and to any safeguards we may establish for their conservation and utilization, as any Canadian, or any Englishman, or anybody else in the world. When Americans come in here to invest in our natural resources and to operate them they will be controlled by the laws and regulations of Canada just the same as anybody else. This is the meaning of conservation, and this arrangement has no effect upon conservation at all.

In speaking upon fruits and vegetables,



the hon. member for Brandon said that the hon. member for Yale-Cariboo (Mr. Burrell) had presented an argument in that respect which was unanswerable. I am afraid I must differ with him a little in that. That argument of the hon. member for Yale-Cariboo, like a great many others, is the argument of a man interested in that business alone. I am not going to attribute any selfish motive to the member for Yale-Cariboo, he is entirely in his right in what he is doing. He spoke of his own interest as a fruit grower, and he spoke of the interests of a majority probably of his constituents. Now I am going to say frankly that it is possible that the fruit growers of the dry belt of British Columbia may suffer by this arrangement a little more than any other interest that I know of. They are to-day growing fruit in the dry belt, somewhat similar to the dry belts of Washington and Oregon to the south. They are starting out on a large scale in an industry which has been well tested and well established on a small scale, and they are probably at a stage when for the moment keen and superior competition may stagger them. But I do not believe it will knock them down. I do not believe for a moment that my hon. friend from Yale-Cariboo himself is going to sell out his orchards and leave the business. I think he and his friends will continue to grow fruit. They have exactly the same opportunity under this tariff arrangement that their competitors to the south of them have. They are not at the moment quite so well established in business, but I am glad to say that they are becoming established. I am glad to see that for a year or two back they have adopted the best methods of packing that are known, and have been getting a good repute for their fruit, just as good a repute as the people to the south of them. The Okanagan Valley fruit has just as good a record as the fruits of Washington. They can grow just as good fruit, and probably a little better, and they can grow as much of it to the acre. They have not had so many acres under fruit as their competitors to the south, and for the moment that competition may be felt. But I have confidence enough to believe that the people of that region, like other Canadians in the east, like the people of the west who have to compete on wheat, will hold up their head and enter into the fight, and show the same results that other people have been able to show in competition between Canada and other countries. I observe that some gentlemen in the fruit business take the same view as themselves. A little while ago I read an article in regard to the fruit growers of that country, and I think the Minister of Customs has read it. It is taken from the Vernon 'Okanagan,' which I understand is a Liberal paper. The article is written by a Mr. Lee. Mr. Lee, this paper says in another num-

ber, is the secretary of the Okanagan Farmers' Institute. A few weeks ago he supported a resolution at the annual meeting of the central institute which strongly advocated that not only should the duty on fruit be retained, but that the duty should be raised to a parity with the United States tariff. Mr. Lee spoke warmly in favour of that resolution, which was carried unanimously and forwarded to Ottawa. They go on to say that he ought to be consistent. Mr. Lee, I think, is consistent, and I think he occupies about the position many other people occupy in this country. When he moved that resolution he did not know the terms of the arrangement. When he moved that resolution for keeping the duties on a parity, he meant to raise the Canadian duty to the American duty. While the American duty existed that perhaps appealed to a good many people.

But we have put the duties on a parity, they have disappeared and, to-day there is no duty on our fruit going into the United States any more than there is on the fruit of the Americans coming in here. But Mr. Lee writes an article of a page and a half, in which he points out the advantages of the American market to the Okanagan fruit grower. He says that he understands and knows the details of this arrangement and that he believes it is in the interests of the Okanagan fruit grower. That is the spirit of the Okanagan fruit grower, which I anticipated and hoped for, and which I am glad to find in Mr. Lee, although we did not find it in the hon. member for Yale-Cariboo (Mr. Burrell). Sir, we have in eastern Canada too, fruit growers who seem to be a little afraid. I will only speak in very general terms, but I will say this, that if anybody in the world can raise fruit and succeed in open competition with anybody in a good market, it ought to be the Niagara and Lake Shore fruit growers in Ontario. They have every advantage which their competitors to the south have. They have the advantage of teaching from the Department of Agriculture in Ontario, and the Department of Agriculture here, which is superior to anything that there is in the United States. They have quantity of production, they have every opportunity of co-operation and organization, and am glad to know that to-day the fruit growers of the province of Ontario are organized and are able to put their fruits on the markets either of the United States or Canada equally well, with the fruit of any other producers. Hitherto they have had the Canadian market alone. The Americans had to pay duty to come in here, and our people had to pay duty to go into the United States. Notwithstanding that duty, our people have sent hundreds of thousands of dollars worth of fruit into the United States markets of Buffalo, and places across the line every year. With a free market, with the oppor-

tunity of sending their fruit into Buffalo, down to New York and to other big cities south of the line, they will have an abundant market that will stimulate fruit growing in the Niagara peninsula. I have no doubt that it will do so, and that the result will be an immense increase in the business of fruit growing in this province. We have another fruit growing district in the Annapolis and Cornwallis valleys of Nova Scotia. They send out every year hundreds of thousands of barrels of apples. They have been looking with longing eyes to the New England market, but they have been forced by the United States duties to send all those apples across the Atlantic to the London and other English markets. They can do so still, but they will have in addition, frequently to this great market in the New England States. We know that the quality of Ontario and Nova Scotia fruit, especially apples, is superior to that of the United States producers, and that our apples, even with the duty, are sought for there, as being the daintiest, prettiest and the most tasteful of any apples that are put upon the American market.

The hon. member for Brandon stated that prices in the United States were lower than they were in Canada. He referred to the tables which have been published by the Labour Department as being most excellent. I thought I had a general table of the prices of products in Great Britain, United States and Canada, but I am not able at this moment to put my hand upon it. The table shows very clearly that the general trend of prices in Canada and the United States, while varying occasionally, is the same, but that as a general rule, the prices of the articles of ordinary life, are higher in the United States than they are in Canada. It is a truth which I wish to impress, that the continental market is better in the United States than it is in Canada, and that if we can get entry into that market we have a better continental market than we have to-day. The same table shows that the general trend of prices of the same articles is lower in Great Britain than it is in the United States and that, therefore, the American market is one that we will be likely to cater for in the future. We will cater for it, because it is the best paying market and for no other reason.

This brings me naturally to the last thing that I am going to say. Hon. gentlemen opposite and their press especially, have talked about this as being a movement which is going to lead to annexation. Perhaps what I have just said with regard to a continental market here, the American market and the English market, may confirm them in that: I have yet to believe that the people of any country are bound to their allegiance, to their King, or to their flag, by any feeling or influences of commercial ties. I do not believe it. I

believe that Canada is loyal to herself, to the empire and to the King, from feelings of sentiment, of attachment to the institutions of this country and to the empire, and inspiration from the traditions of the empire, and consequently the people of Canada are proof against any relaxation with regard to their enthusiasm, loyalty or patriotism which might occur, because of any change in commercial relations. I do not believe it, and I do not think that anybody else believes it. They raise this cry and they ave the flag because they think it is going to bring some votes. I cannot imagine for a moment that the hon. member for Brandon thinks that, because a man in the Northwest, or in Ontario, or in Quebec, gets a little higher price from a Yankee for the goods that he sells him, he is going to want to join that Yankee. On the contrary, the free entrance of commerce into the United States market removes the only possible inducement to annexation. If we were going to be influenced by commercial reasons, the fact that we were shut out from the American market which we find to be the best market, might induce us to ask for annexation, but when we get free entry into that market, without annexation, in the name of goodness, why should we think of annexation? Hon. gentlemen opposite did not think of annexation, or at any rate, they pretended that they did not think of it, and they continued to wave the flag when they were asking for reciprocity. They they did not think it meant annexation. I did not think it would mean annexation then and I do not think that it means annexation now. They have changed their minds, while we have consistently and continuously maintained our confidence in the loyalty and patriotism of the Canadian people.

Mr. TAYLOR (Leeds). What did Edward Blake say?

Mr. FISHER. Edward Blake; I have deal with that and I am not going to go back to it now. My hon. friend from Brandon was not so afraid of the Americans a few years ago. Perhaps, if there is one thing more than another that is striking in his political and public career it is the magnificent inauguration and carrying out of the immigration policy into the Canadian northwest. I give him all credit for it. I have always admired what he did, and I know he did it in the true interests of the country, and with an eye to the advancement of Canada. He succeeded beyond expectation, but the striking part of his immigration policy was the campaign in the United States, and the effort directed to bring Americans into our northwest. It was carried on against great obstacles but with magnificent success, and to-day we have in the northwest hundreds of thousands of American-born citizens the great majority of whom, being here only a few years, have

sworn allegiance to our King and our institutions, and are to-day good British subjects. That is the kind of annexation we want, and I venture to think that when those former American citizens, knowing that the only difficulty they experienced in settling in our country was exclusion from their old market, and that the barriers are thrown down, they will be followed by tens of thousands of their former friends, and in a few years we will have our northwest more and more filled by that class of immigrants which the member for Brandon over and over again has admitted were the most progressive and intelligent settlers. And why should they not come to Canada? They tell us they have higher priced lands in the United States; they say they have harder conditions under which to live; they say that their labour there costs them more; they say their transportation rates are higher, they say they cannot grow as good crops there; they come to Canada and henceforward they will have the same market exactly as they had before they left their own country. We are removing the last obstacle to the immigration of Americans into our northwest. I suppose some of our friends on the other side of the House may say that the immigration of Americans into the northwest is dangerous, that it is disloyal, that it is improper. I ask them to take the view of their friend the hon. member for Brandon as to that. He has often told us that the American is the best settler in the northwest, because he comes there ready to go to work at once, and he is able to immediately add to the production of the country.

Mr. TAYLOR (Leeds). Nobody has ever said anything to the contrary.

Mr. FISHER. No. In that respect I say that this agreement will bring about greater progress, greater trade, greater earnings for the people and consequently greater earnings for our railroads and transportation routes. For a long time we have been developing the St. Lawrence trade route and we have made every endeavour to direct the trade of our own northwest to Montreal and other Canadian ports. Will the lowering of the duty on either side of the line tend to interfere with that? On the contrary I venture to say it will facilitate it, and that in the future the St. Lawrence route will have more of the trade of the northwestern states than ever before. In addition to that, if we get settlers into the northwest who will produce and produce, we will have a great deal more to carry by the St. Lawrence route. I believe that the great St. Lawrence highway is the best route for trade; I am not afraid that any competition will injure it. Our railroads are not afraid. Have we had a scream from the Canadian Pacific Railway? No. I saw the other day a paragraph in a paper in which an officer of the Canadian

Pacific Railway was reported to have said that this arrangement would stimulate immigration into the northwest and increase the value of the land. We all know the Canadian Pacific Railway Company has great quantities of land, and we all know that Canadian Pacific Railway stock has been going up lately, possibly because of the expected increase in the value of these lands. Sir Donald Mann says he is not afraid of it; the Grand Trunk Pacific is not afraid of it. Mr. Smithers, the president of the Grand Trunk Railway in England says he approves of the arrangement and believes it to be a good thing for Canada. And yet, these gentlemen opposite pretend to be very solicitous about the railroad interests of the country. The hon. member for Brandon said that Sir John Macdonald built the Canadian Pacific Railway round the north shore of Lake Superior so as to be able to carry Canadian goods through Canada without touching the United States, but the Canadian Pacific Railway was built in 1882, 1883, 1884, and 1885, and in 1891 Sir John Macdonald sent to Washington to ask for reciprocity. He evidently thought that the building of the Canadian Pacific Railway round the north shore of Lake Superior was no impediment to reciprocity. Sir, we have in this country national aspirations, and the policy of the Liberal party has always been directed towards building the country up. The Liberal government commenced with the British preference in 1897, and we have consistently ever since tried to develop feelings of loyalty to our common country. And, how has this been done? Simply by removing restrictions from the trade, and the enterprise, and the business of our people so that they may develop to the best advantage, so that they may reap all the possible advantages in any market in any country in respect to their outward trade and in their internal trade. A contented people is a loyal people; a prosperous people is a patriotic people. We do not believe for a moment that our patriotism and our loyalty would not stand a strain, but at the same time I would prefer not to put a strain upon it. If we can make the world believe that Canada is a good country to live in, that Canada within the empire is prosperous and successful, we will be doing what is best for the empire and best for ourselves. Does trade interfere with loyalty? These gentlemen opposite say they speak for the manufacturers of Canada, but let me ask what class of our community does the most trade with the United States. Is it the farmers? No. I have here a list of the main items of our imports from the United States and I find among them, anthracite coal, \$14,300,000 worth, and products of the forest \$7,900,000 worth. Is it disloyal, is it leading to annexation that our manufacturers and railroad people in Ontario should buy their coal from Pittsburg in-

stead of going to Nova Scotia or British Columbia for it?

I do not think so. I think they are quite right in their trade to buy where they can get it best and cheapest. Indian corn, \$1,600,000. Our farmers buy that chiefly to feed to their stock. We cannot raise Indian corn for grain to advantage in this country, and our farmers go to the United States and buy that large quantity. Are they disloyal, or tending to annexation by doing that? Nothing of the kind. If trade leads to annexation and inspires to disloyalty, they must be disloyal. We know they are not. Tobacco, unmanufactured, \$3,000,000. Are all the smokers of Canada disloyal? I am not a smoker myself, and, therefore, I am not going to boast about it, but Sir William Macdonald, in Montreal, I believe, imports from the United States nearly all the tobacco he manufactures. He is not a disloyal man. Cotton wool and raw cotton, \$9,361,000. Are all our cotton manufacturers in Canada disloyal and tending to annexation, because they buy their raw cotton in the United States instead of going to India and Egypt and buying it from the cotton producers of the empire? I do not think they are disloyal, but, according to the argument of hon. gentlemen opposite, they are. Copper, \$2,300,000; wire, \$1,250,000; gutta percha, \$3,500,000; settlers' effects, \$7,300,000. Are we disloyal because we allow settlers to come into the country? Is that tending to annexation in any way, shape or form? My hon. friend from Brandon, through the whole of his administration, exerted his splendid powers to bring all the immigrants into the country he possibly could, and he did not then at any rate believe it tended to annexation. No, Sir; annexation does not follow trade; loyalty does not depend on trade.

Look a little at England's trade. In the last six years she imported from us an average of £18,000,000 and exported to us an average of £15,000,000. As we are a part of the empire, her trade with us no doubt was loyal and anti-annexation, but what did she do with the United States? She imported from the United States £127,000,000, or nearly seven times as much as she did from us, and exported to the United States £47,000,000, or over three times as much as she exported to us. Again, take Germany. Great Britain imported from Germany £55,000,000, or three times what she did from us, and exported to Germany £50,000,000, or three and a quarter times as much as she did to us. Is there any danger that Great Britain is going to be annexed to Germany? Is there any danger that she is going to annex the United States because she trades with them? It is not any accusation of disloyalty against the British merchant and British shipper that he does this enormous trade with Germany and with the United States. Nor is it against

us in Canada, equal citizens in the British Empire with the British shipper and merchant—citizens the same as the men of Wales, or Scotland, or Ireland, or England. It is an insult to the Canadian people to say that they will be influenced by the trade of the United States, when our fellow-citizens in the mother land trade with the United States to ten times the amount that we do, and yet are not disloyal and have a tendency to annexation.

My hon. friend says this is not a good enough arrangement for him. I can tell him that it is a good enough arrangement for the government of Canada. It is a good enough arrangement for the people of Canada. It is more than that. The government of the motherland have declared not only that Canada has the right to do this, but that she is wise to do it, and that if it is in her interest, as they seem to believe it is, the better it is for the interest of the whole empire. The government of the motherland represents the motherland. Some hon. gentlemen opposite may question that; some of their friends in England may question that, but I can only say that in the last few years the present government of England has three times appealed to the people of Great Britain and has been sustained by a large majority, and certainly represents the public opinion of the mother country.

I regret that this question has been dragged into the party politics of the motherland by the opposition there, because I think that each part of the empire ought to deal with its own fiscal and other questions on its own merits and in its own way. I want to leave the people of Great Britain to decide what they will do with their tariff and their other fiscal arrangements as they see fit. I want Canada to do the same. That is the opinion of every man in public life in Canada to-day, and the man who undertook to deny it would go down and out of public life in a very short time. The same is true of Australia, and it is inimical to the best interests of the empire that the arrangements with regard to the domestic concerns of one part of the empire should be dragged into the party politics of another part of the empire.

Sir, I have detained the House at considerable length. I have been obliged, however, partly by the course of the debate, partly by the vast interests that are concerned, and partly by the very widespread effect which this arrangement is going to have on the destinies of the country. I agree that it is an important question. I want to say that it was approached on the part of the government with the utmost care and consideration, viewed from all sides and on all details. There is not one single item in the arrangement the effect of the introduction of which it was not considered with a judicial mind and with reference to all other cognate interests in

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the country, by the Minister of Finance and the Minister of Customs. It was an international arrangement. As Sir Charles Tupper said in 1888, we may have had to make some concessions. We did make a few concessions. I confess that my only surprise is that we did not have to make many more to get the free entry of Canadian agricultural products into the great market to the south of us. The reasons, however, are obvious—I will not detain the House with them.

Sir, I appreciate that on a question of this kind it is quite within the judgment of any man to leave his party and divorce himself from his political friends. I believe this arrangement is in exact accord with the general policy of the Liberal party of Canada, that it is in full accord with the Liberal principles which have actuated us in our administration of the affairs of this country. I believe that this arrangement does not in any way materially hurt or injure any class or any industry in the country. I believe that it does give an enormous boon to the agricultural class of the country; and, as it helps them and gives them more markets and more riches, it will affect favourably every interest in Canada. I appreciate, Sir, that my hon. friend from Brandon does not view this arrangement in the same way. He has stated that in consequence of it he is obliged to cut himself off from his former colleagues and friends. Nobody regrets that more than I do. I had anticipated from him the ablest possible statement of the views of those who are opposed to this arrangement.

I have no doubt that we heard that this afternoon. I know the hon. member for Bradon well enough to know that there is no man in the Conservative party who can put a case better, abler, more intelligently and more clearly. We have seen what he has done. I can only say that I do not agree with him that any of the arguments or any of the facts that he has put forward called upon him in any way to divorce himself from his former associates and from the party with which he has worked for many years. The thing that we are doing is not in any way antagonistic, but, on the contrary, falls in exactly with the principles in which he has been brought up and which he has followed for many years in his public life—the principles of Liberalism, the principles of freedom, the principles of seeing to the interests of the masses of the community, and at the same time trying and I think succeeding, in doing no injury to any of the classes or interests in the country, and if the arguments which he has put forward, the details which he has given, have been sufficient to justify him in the course he has taken. I think they will not justify him in the eyes of the great mass of the people of the country, who do not see eye to eye with him and will not follow him in that course.

Mr. GERMAN moved that the committee rise, report progress and ask leave to sit again.

Motion agreed to, and progress reported.

On motion of Sir Wilfrid Laurier, House adjourned at 10.43 p.m.

## Right Hon. Sir Wilfred Laurier

House of Commons,

Tuesday, March 14, 1911.

Sir WILFRID LAURIER (Prime Minister). Mr. Chairman, it is now a full month and more since my hon. friend the Minister of Finance (Mr. Fielding) laid upon the table of the House an agreement which he and my hon. friend and colleague the Minister of Customs (Mr. Paterson) had concluded with the President of the United States, for the improvement of the commercial relations which have long existed between us and our neighbours. From that date to this that agreement has been reviewed, discussed and canvassed, in the press of the country, in meetings of public bodies, and in parliament; and unless I greatly misapprehend the trend of public opinion, unless I fail to read aright the signs of the times, I think I can venture the assertion that the policy which is therein involved has met with the approbation, nay, with the enthusiastic approbation of a majority of the Canadian people.

Some hon. MEMBERS. Oh, oh. Hear, hear.

Sir WILFRID LAURIER. Against this statement of mine I understand that I hear some protest. I shall not stop, Mr. Chairman, to discuss the merits of the respective opinions on that point which we on this side and our friends on the other side of the House entertain. No word of mine, I am sure, would change their views, and I know full well that they will persevere in their views until the evening of the next polling day. I am perfectly aware that the policy has not been universally accepted, that it has met in some quarters, and I may say rather unexpected quarters, rather stuhhorn opposition. It is a well known fact that at present an organization has been created in the cities of Montreal and Toronto for the purpose of fighting this agreement. To this I have no exception to take, those who do this are perfectly within their rights. Neither will I underestimate the importance of such a movement, and still less the importance of the men who have placed themselves at the head of it. But even whilst fully recognizing the importance of that movement, I do not thin there is any serious cause for alarm in the agreement. General Grant in his Memoirs narrates that during the Mexican war he was in the army of the United States as a young lieutenant. He was riding towards the front in company with a friend, when all of a sudden they heard in front of them a most unearthly howling of

wolves. His friend asked him how many he thought there were in the pack, and not wishing to exaggerate, he said he thought there must be at least 20. His friend smiled and said nothing. In a few minutes they came in sight of the wolves and there were just two, which had made all that noise. General Grant observes that he thought of this incident in after life when he heard the noise made by some disappointed men, and he adds they were always more numerous before they were counted. I believe that what is true of the United States is also true of this country. Of the objections that we have heard to this agreement some there are which seem to me to lack singularly in force or appositeness; others on the contrary are worthy of consideration, not from any inherent strength, but from the circumstances that they are inspired by a strange misconception as to what would be the result and the consequences of the agreement which is now before us. The wonder to me is that there should be any objections at all. Who can deny that we have now reached a stage in our relations with our neighbours which all parties in this House have been seeking for the last 40 years? Who can deny that if, 40 years ago, in the early days of this confederation, if 30 years ago, or 20 years ago, or even 14 years ago, when we took office, it had been possible to obtain such an abatement in the American tariff as is embodied in this agreement, there would have been rejoicing in this country. The fact, Sir, cannot be denied, the evidence of it is to be found in the fact that the two parties into which the people of this country are divided, apart on all other questions, were always agreed in the opinion that the relations which existed between us and our neighbours, were a blot on our common civilization. There is further proof of this fact in this that these two parties in succession, wore a good deal of shoe leather travelling from Ottawa to Washington in order to obtain, if possible, an improvement in these relations. Still better evidence of the fact is to be found in this that when Sir John Macdonald introduced the National Policy in 1878 in this House he did it as a means to an end, with a view of obtaining ultimately reciprocity of trade with our neighbours. The other day I listened with pleasure to my hon. friend the member for Peel (Mr. Blain) narrating the manner in which the National Policy had been brought into the world. He dilated upon everything, he stated everything except this thing, the last of all, that this was, in the mind of Sir John

Macdonald, to be a means to the end of obtaining reciprocity of trade which up to that time had been denied to us. My hon. friend's memory was short. upon this, the memory of his friends is also short and perhaps it would not be amiss if I read him and his friends the motion of Sir John A. Macdonald, if only to show him the immensity of the distance which now separates him and his party and its leaders, from that party and its leaders of that day. This was Sir John Macdonald's motion:

"That this House is of opinion that the welfare of Canada requires the adoption of a national policy, which, by a judicious readjustment of the tariff, will benefit and foster the agricultural, the mining, the manufacturing and other interests of the Dominion; that such a policy will retain in Canada thousands of our fellow countrymen now obliged to expatriate themselves in search of the employment denied them at home; that it will restore prosperity to our struggling industries, now so badly depressed, will prevent Canada from being made a sacrifice market, will encourage and develop an inter-provincial trade and moving—as it ought to do—in the direction of a reciprocity of tariffs with our neighbours, so far as the varied interests of Canada may demand, will greatly tend to procure for this country, eventually, a reciprocity of trade."

Here was the policy laid down by the party in 1878 and carried into effect the following year, in 1879, when the Conservative party had been placed in office upon that very identical policy. In the Act bringing that policy into effect, section 6, of the Tariff Act, 1879, was embodied the following permanent offer of reciprocity:

"Any or all of the following articles, that is to say: animals of all kinds, green fruit, hay, straw, bran, seeds of all kinds, vegetables (including potatoes and other roots), plants, trees and shrubs, coal and coke, salt, hops, wheat, peas and beans, barley, rye, oats, Indian corn, buckwheat and all other grain, flour of wheat and flour of rye, Indian meal and oatmeal, and flour of meal of any other grain, butter, cheese, fish (salted or smoked), lard, tallow, meats (fresh, salted or smoked), and lumber, may be imported into Canada free of duty, or at a less rate of duty than is provided by this Act, upon proclamation of the Governor in Council, which may be issued whenever it appears to his satisfaction that similar articles from Canada may be imported into the United States free of duty."

That was in 1879, and we are now in 1911. And what was sought for in 1879 we now have, and yet men there are who doubt and hesitate and falter and who would erase thirty years of our past history from the

book. Pages after pages could be quoted from speeches delivered by members of the Conservative party in which the American tariff was denounced as unjust, as unfair, as hostile, and now that it is in our power to remove the injustice, the unfairness, and the hostility, men there are who rise against us and tell us Stop, proceed no farther, let the injustice remain, let the hostility remain because upon injustice and hostility the Canadian confederation depends for its existence.

It may be asked: What is the cause of this change of attitude, and how is it that men who all their lives have been in favour of the policy which we now propose to parliament are all of a sudden found to be against it? The other day my hon. friend from North Toronto (Mr. Foster), in his address to this House said: that the Conservative party had in 1891 said good-bye to reciprocity. I must confess that I was staggered at that statement coming from the hon. gentleman, because my reading of history is that the Conservative government of which my hon. friend (Mr. Foster) was a member, and an important member, when they went out of office in 1896, were just as much in favour of reciprocity as they had been at any period of their lives. I must say that the memory of my hon. friend (Mr. Foster) is not always uniformly good—it is good sometimes, but not so good at other times—and I hope my hon. friend will not be offended if I tell him that his memory on this point is singularly treacherous. Shall I review with him the history of his past career upon this point, but before I do so it would be better if I should give to the House the very language he made use of a few days ago:

"In 1891 the Liberal-Conservative party made its last endeavour for reciprocity with the United States of America, and after the negotiations were ended and we returned home to Canada, the Liberal-Conservative party declared itself as done with reciprocity from the United States of America, and that henceforth its duty was to develop Canada on the lines of its own self-dependence, and to look to the British market as the great, steady, stable market for our products. The old heresy had not yet been quite purged from the Liberal party, which pursued the quest until 1897. They went to Washington; they tried their efforts; they failed. They came back, and they made declaration in this House of Commons and elsewhere, that as far as they, as a party, were concerned, they were done with reciprocity negotiations with the United States of America."

Now, Sir, let us review the history of the hon. gentleman (Mr. Foster), upon this question. He is aware, as everybody is aware, and no doubt he remembers it very well, that in 1891 parliament was dissolved by the government of the day, of which

my hon. friend was a member, for the purpose of placing before the Canadian people the doctrine of reciprocity—not unrestricted reciprocity, as was contended by the Liberal party, but a limited reciprocity, a renewal of the treaty of 1854. The Conservatives carried the elections upon that policy, and as soon as the elections were over my hon. friend (Mr. Foster) and his government made a bee-line for Washington to interview Mr. James G. Blaine, who was then Secretary of State for the United States. But the excursion of my hon. friend on that occasion was not a happy one. Julius Caesar said: I came, I saw, I conquered; but my hon. friend (Mr. Foster) might have said after his trip to Washington: I came, I went, I was seen, and I came back; he was ushered in and shown out. But the following year—not abashed at all, not at all discouraged by the cool reception of the previous year, the following year, in 1892, the hon. gentleman made another trip to Washington, and though he was more cordially received on that occasion, still the results were no better. Then, I suppose it is that my hon. friend would have us believe that the Conservative party and the Conservative government, after this last trip to Washington, abandoned forever the doctrine of reciprocity. On that I take issue with the hon. member (Mr. Foster), and I will show him how treacherous his memory is. In 1894 Sir John Thompson, then Prime Minister, made this statement on the floor of the House, speaking from the very place I now occupy:

“I may say, Mr. Chairman, that communications were indirectly made with the United States government to the effect that Canada would be glad to know of any desire or willingness on the part of the United States government to take measures towards the extension of trade between the two countries, and that Canada would be willing to reciprocate with due regard to the interests and industries of Canada, and with due regard to the revenue which would be necessary to Canada. At a subsequent stage an officer of this government went to Washington for the purpose of seeing whether it was the desire of the United States government or of the committee then having charge of the subject in the House of Representatives, to enter into communication with the government of Canada on the subject of tariff concessions on either side of the line.”

Remember, that was in 1894. And, my hon. friend (Mr. Foster) also spoke in that debate. I may say that the occasion of the debate was a charge against the Conservative party by Mr. Charlton, then a prominent member of the Liberal party, that the Conservative government was insincere in its efforts to obtain reciprocity. And, the hon. member (Mr. Foster) spoke for about one hour to convince the House

that the charge of Mr. Charlton was unjust to him, that he was perfectly sincere to have reciprocity with our neighbours, and, though I cannot quote the whole speech, I may with propriety cite a few sentences of his peroration:

“When they, the people of the United States, look over the items in our tariff as it shall have passed this House, they will find that line after line, article after article, grade after grade, we have given them a better chance to get into our market than they have given us to get into their market; consequently legislative reciprocity so far as trade is concerned, shines out from the propositions that the government put before the House to-day in a far greater degree than it does out of the legislation which they have proposed, and which is in progress through their Congress.”

Now, Mr. Speaker, you will see at once how treacherous is the memory of my hon. friend (Mr. Foster). He told us the other day that the Conservative party had said good-bye to reciprocity in 1891, but in 1894 he was proposing to this House resolutions from which, to quote his own words: reciprocity shines out brightly before the eyes of the American public. Then, in 1894, my hon. friend (Mr. Foster) introduced a revision of the tariff, and I have here the Act entitled ‘The Customs Tariff of 1894.’ It is quite true, and I must give my hon. friend this credit, that in that last Tariff Act which he submitted to this House he removed from it the old standing offer of reciprocity which had been introduced in 1879, but that old section of the Act which I have read to the House and which was introduced in 1879 was not not put aside but was simply reproduced by the hon. gentleman (Mr. Foster) in another form, in section 7 of the Act which my hon. friend’s government passed in 1894:

“The whole or part of the duties hereby imposed upon fish and other products of the fisheries may be remitted as respects either the United States or Newfoundland, or both, upon proclamation of the Governor in Council, which may be issued when ever it appears to his satisfaction that the governments of the United States and Newfoundland, or of either of them, have made changes in their tariffs of duties imposed upon articles imported from Canada, in reduction or repeal of the duties in force in the said countries respectively.”

Here, then, in the tariff of 1894, is an offer to the United States of reciprocity in fish and fish products. Here are other offers in the same Act: Section 8—eggs to be free, when free in the United States; section 10—shingles and pulp wood to be free in Canada when free in the United States; section 11—green or ripe apples, beans, buckwheat, pease, potatoes, rye, rye



flour, hay and other vegetables to be free in Canada when free in the United States; section 12—barley and Indian corn to be free in Canada when free in the United States. Sir, this is the way my hon. friend turned his back upon reciprocity in 1894. This is from the statutes of 1894; and in 1896, when my hon. friend's government went out of office, that was the policy of himself and his party.

My hon. friend was also good enough to review our career, and he stated that in 1897, when we came into office, the old heresy of reciprocity had not been rubbed out of ourselves. It had not been rubbed out of his own composition either. But when he said that we abandoned the policy of reciprocity in 1897, I take issue with him altogether. We did not abandon our policy of reciprocity in 1897. We made application to the United States, but when we found that we had been rebuked, that our advances had not been received as favourably as we thought they should have been, then we thought it was consistent with our dignity not to make any further efforts to obtain reciprocity; and I stated then, speaking for the government, not that we had changed our views on this subject, not that we had ceased to believe that it would be in the interest of the country to have reciprocity, but that we would make no more advances to our neighbours to gain that boon, but that if it came, it would come from them, and not from us. This is the explanation of the change we have had—no change of principle or policy, but simply a position which we thought to be more consistent with our own dignity.

Why, Sir, do I state these facts? Is it simply for the purpose of showing my hon. friend that his memory is at fault? No, Sir. I state these facts to show that the position taken by my hon. friend, that we have no mandate to negotiate with our neighbours, had no foundation whatever. My hon. friend tried to show, from certain words of mine, in my speech at the last conference in 1907; that we had abandoned our position on reciprocity. The words which we quoted were as follows:

"There was at one time wanted reciprocity with them (the United States), but our efforts and our offers were negatived and put aside, and we have said good-bye to that trade, and we have put all our hopes upon the British trade now."

My hon. friend concluded from these words that there was an abandonment of our policy; but my hon. friend did not do me justice in quoting simply part of a sentence. No one knows better than my hon. friend that it is hardly fair to a man to extract a sentence from a whole passage and quote simply that. I will quote the whole passage, and then the House can draw its own conclusion. This is what I said at the conference:

"Between the preferential tariff and the general tariff we have now an intermediate tariff. The object of this intermediate tariff is to enter into negotiations with other communities to have trade arrangements with them. It has been supposed that this was to hit our American neighbours. With our American neighbours we should be too glad to trade on a better footing than at the present time. We are next door neighbours and in many things we can be their best market, as in many things they can be our best market. We should be glad to trade with them, but it never was intended, nor thought at the time, that this intermediate tariff could apply to the United States. There was at one time wanted reciprocity with them, but our efforts and our offers were negatived and put aside, and we have said good-bye to that trade, and we have put all our hopes upon the British trade now."

Sir, there is a different meaning in the words which I uttered at the conference from the meaning sought to be conveyed by my hon. friend. I was not surprised, however, at the attitude taken by my hon. friend on that occasion. He and I have sat opposite one another for a long time; he knows me and I know him. But I must say that I was more than astonished when I heard my hon. friend from Brandon (Mr. Sifton) the other day take exactly the same position. My hon. friend from Brandon, in the course of an able speech, for which everybody will give him his due, said that reciprocity, that he had begun to doubt about it as far back as the campaign of 1891. I believe that my hon. friend's conversion has not been so gradual. It has been more sudden than he thinks of himself, because my hon. friend was at the liberal convention of 1893, and he agreed to this resolution which was adopted as part of the policy of the party to which he then belonged:

"That a fair and liberal reciprocity treaty would develop the great natural resources of Canada, would enormously increase the trade and commerce between the two countries, would tend to encourage friendly relations between the two peoples, would remove many causes which have in the past provoked irritation and trouble to the governments of both countries, and would promote those kindly relations between the empire and the republic which afford the best guarantee for peace and prosperity.

"That the Liberal party is prepared to enter into negotiations with a view to obtaining such a treaty, including a well considered list of manufactured articles, and we are satisfied that any treaty so arranged will receive the assent of Her Majesty's government, without whose approval no treaty can be made."

My hon. friend from Brandon, like my hon. friend from North Toronto (Mr. Fos-

ter), has asserted that we have abandoned that policy. I am not conscious of it. It has been dormant, I admit, because we had taken the ground that we would make no more efforts to obtain from our neighbours what had been refused to us. But I deny altogether that there was ever any change by the Liberal party of the policy they laid down in 1893. My hon. friend from Brandon also took the ground, as my hon. friend from North Toronto had done before him, that we had no mandate on this subject from the people, in the last general election. It is true that in 1900, 1904 and 1908 the question of reciprocity was not an issue at all because at that time there was no difference of opinion between the Liberal party and the Conservative party upon that question. There was none so far as I knew, and so far as everybody knew.

I take issue with my hon. friend from North Toronto (Mr. Foster) and my hon. friend from Brandon (Mr. Sifton) when they tell us that the parliament of Canada is debarred from dealing with any question which has not been discussed at the previous general election. That is not in accord with the constitutional history of Great Britain or of Canada either, as I have read it. Let me ask my hon. friends what mandate had the government of Lord Elgin in 1853 when it went to Washington to obtain reciprocity? Had that question ever been put before the people? Had it been an issue the last time the people's representatives had gone before them? Not at all. Let me ask, further, what mandate had the government of 1864 to put through parliament the resolution which proposed confederation? Had the question of confederation ever been put before the people of united Canada? No, not a word about it had ever been heard. The only question then raised was that of representation by population. Yet the government of Sir John Macdonald and the Hon. Geo. Brown—because the two men were united on that occasion—brought in a resolution which was nothing more nor less than a complete transformation of our then condition. When Canada assented, in 1871, to the fishery stipulations in the Washington treaty of that year, had that question ever been put before the people? No, it was unknown to them. It never had been debated before. In the face, therefore, of these precedents, it is childish for any man to challenge the right of this government to follow the course it is doing.

But, again, I ask what is the cause of the change of attitude which we see on the other side of the House? That cause cannot but be flattering to this government. The only reason given is that Canada today is prosperous as she never was before. If Canada were still in the position in which we found it when we took office in 1896, with its vast fertile lands still unoc-

cupied and untilled, with its natural resources dormant as they had been since the early days of creation, with its transportation facilities still in the most rudimentary stage, with industry stagnant, with agriculture unremunerative—were Canada still in that position, I have no doubt that today the policy we are proposing would be received with favour and the empyrean would resound with exultation. But instead of being in that condition the country is prosperous, extraordinarily prosperous, and we are told by hon. gentlemen opposite: Do not go any further, fold your arms and let well enough alone. Well, what is this country? What are we? Is this Canada, or is this China?

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. The Chinese have left well enough alone for 4,000 years. 4,000 years ago they were probably the first nation on earth, and so satisfied were they that they refused to move. They let well enough alone for 4,000 years. If a reformer showed his head among them he was ruthlessly put down and told to let well enough alone. It is said—and I believe it is historically true—that gunpowder was invented by an ingenious Chinaman, but the people of China never used gunpowder for the defence of their territory, though often exposed to invasion. They depended on the great dragon to sweep off their enemies from the face of the earth by the fire from his eyes. They let well enough alone. It was an ingenious Chinaman who invented the compass, but they never used it for navigation, and for 4,000 years their little junks navigated around their shores, never getting away from the land. They let well enough alone.

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. And we are asked to adopt this Chinese policy. But, Sir, this is Canada, and we shall have to go on whether hon. gentlemen opposite will follow or not. We will drag them on, even against their will.

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. That is our policy. We must go on. Some years ago a young lady showed me her album, which, as a young girl, she had shown to Sir John Macdonald, and asked him to write in it the motto of his life. And he wrote on it his motto: Hope on, hope ever. How far the Conservative party is from that motto today.

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. But we shall go on with our policy. Our policy is 'advance,' and if it be wrong we shall submit willingly to the judgment of the Canadian people, and to the punishment which ought to be given every man who brings in a

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wrong policy. But this is our policy. Our policy has been, is, and will be, so long as the Canadian people continue to place in us the confidence they have shown us during 15 years—and that policy is to seek markets wherever markets are to be found. We are above all an agricultural people, our chief wealth is the growth of those products of the temperate zone, fruits, cereals and vegetables, and it is our boast—not an idle boast, but a boast founded on actual experience—that in cereals, vegetables and fruits we can, without exaggeration, beat the world.

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. At the northern extremity of the temperate zone, our cereals have more strength, our fruit has better flavour, our vegetables have more delicacy than similar productions from other parts of the world, and under free competition, not barred in any way by tariff legislation, they will displace all other products on the tables of the wealthy. Our object to-day is to open the door of the American market, to open the door of a nation of 90,000,000, which has been closed to us for the last 50 years, and when we are now on the eve of reaching that long sought object, we are met by objection after objection, we are deluged by a plethora of sophistry, we are told that if such an arrangement is to go into effect and Canadian vegetables, cereals, and fruits can cross the boundary line and be eaten free of duty by the American people it will be all over with the Canadian confederation, and even the British Empire will reel and rock upon its foundations.

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. Sir, let us discard these freaks of unreasoning panic, let us approach this question from the point of view of common sense, from the basis of first principles.

Some hon. MEMBERS. Hear, hear.

Some hon. MEMBERS. Oh, oh.

Sir WILFRID LAURIER. Let us, I say, approach the question from the point of view of common sense—and I am glad that my remarks on that point evoke some response from the other side; we will see how far they will go. If, Sir, I were to state to my hon. friends on the other side that amongst civilized mankind, all those who work, work with the object of disposing of the product of their labour, I should be told, this is a truism that is running in the street. If I were to add that the man who works has the legitimate ambition of getting the greatest possible remuneration for his labour, I should be told, this is a mere truism. If I were to say that the man who works, will be better remunerated the more

clients he has, seeking the products of his labour, I should be told, this is a truism. And yet, this is the very thing, this very truism, which is embodied in the proposition now before you. All that we ask under these resolutions is to obtain for the man who works in the fields, the best possible remuneration for his labour. And does that proposition require any defence? Is it not simply on the line of common sense? Is it not the first of all principles? How, then, is it that it is not accepted at once? I will give the reasons. But, before I proceed further, I must say that it seems to me that the House of Commons and the Canadian people at large, owe a debt of gratitude to my hon. friend the Minister of Finance (Mr. Fielding) and my hon. friend the Minister of Customs (Mr. Paterson) for having obtained from our neighbours, such an advantageous arrangement, and having obtained it without the sacrifice of any Canadian interest. Mr. Chairman, before I proceed further, perhaps I may be permitted to say that, in my opinion, the discussion which has taken place up to this time, has been carried on upon a high level. Of course, I do not agree with my hon. friends on the other side who have taken part in this discussion, but I pay them the tribute, one and all, of having carried on the discussion in a fair manner, in a manner which, I think, deserves acknowledgement on our part, and reflects credit upon themselves. I am sorry that to this I have to make an exception in the person of my hon. friend from North Toronto (Mr. Foster). My hon. friend from North Toronto was not satisfied to criticise the arrangement, in which, indeed, he would have been within his right, but he was unduly unfair, in my judgment at all events, in trying to depreciate not only the agreement, but those who had made it. He spoke of my hon. friend the Minister of Finance, and my hon. friend the Minister of Customs, as being very ordinary men. He referred to that two or three times, speaking of my hon. friend the Minister of Finance. Well, if my hon. friend from North Toronto has not learned it yet, he may learn it now, that if he had to his credit one-half the achievements of my hon. friend the Minister of Finance, he would have reason to be more proud of his career than he can be. Then, he went over the members of the cabinet, this one and that one, and at last he came to my poor humble self; and of my poor humble self he spoke as follows:

"Men of such fine financial mind and business acumen as the right hon. gentleman who leads the government and the party."

I have never posed as a man of fine financial mind or of business acumen; but when I see the pretensions put up by some men who dabble in finance and business, I

am surprised at my modesty. If I had dabbled in finance and business, I am prepared to admit, I should have made a sad mess of it. But I could not have been worse than my hon. friend. If, after having posed as a business man and financier, I had nothing to show but a record of failure, I would go and hide myself for very shame, and be very chury to throw stones into other people's gardens, for fear they should be returned to me with compound interest.

I stated a moment ago that the agreement we made, is simply to get better prices for the product of the Canadian farmers. This is a proposition so obvious that I am surprised it should have received the treatment it has received on the part of our friends opposite. But the objections made to this agreement are not to be found within the four corners of the same; they are all based upon extraneous grounds. The opposition, the Conservative party, are against this agreement because, as they tell us, it will produce consequences which will be deplorable for this country. I have listened with some care to nearly all the speeches that have been delivered in this House on this question, and those which I had not the opportunity to hear, I have read with equal care; and I think I am fair in stating that the objections made to this arrangement are fourfold. The first objection is that the effect will be to deflect the carrying trade from Canadian channels to American channels. The second is that it will destroy our natural resources. The third is that it will imperil our industries. And the fourth—and certainly not the least—is that it will dissolve our autonomy and land us ultimately in the American Republic. I think I have there fairly stated what are the objections of hon. gentlemen on the other side; and the House will perhaps permit me to discuss them. Let us take the first—the objection that this arrangement is going to deflect trade from Canadian channels into American channels. This question is to be discussed from two points of view; from the point of view of the goods going from Canada into the United States for the purpose of being carried over to Great Britain, and the goods going from Canada to the United States for consumption in the United States. Now, regarding the first, those goods sent from Canada to the United States, to be carried to Great Britain, in what way does this arrangement undo the system now in existence? It does not affect it one iota. At the present time goods go from Canada to be shipped from Boston, New York or any American port without paying duty. In the same way, American goods come to Canada to be shipped out by Montreal, Halifax, or St. John without paying duty. A cargo of wheat can leave Winnipeg for New York, and there be discharged and put on board ship without duty being demanded. A cargo of grain can leave Minneapolis to be taken to

Montreal and shipped thence without paying duty. This is by virtue of the bonding privilege which has been given by each government to the other, for the purposes of transportation. It has been in existence for something like sixty years, and I have never heard a complaint that it was unfair to one party or to the other. There was a time when I felt nervous on reflecting that the bonding privilege was simply an act of good will on the part of the United States towards us. That was the time when we had no communication of our own to the sea. But now that we have a continuous communication on Canadian soil from sea to sea, we feel that the United States can remove the bonding privilege at any time they please, and if they do so they will suffer more than we shall. But, Sir, our condition in that respect is absolutely safe, whether this treaty passes or not.

Now, Sir, it does not follow that for my part I am opposed to the policy of retaining in our own channels Canadian trade; on the contrary, I am very solicitous in that respect, and I think I can show by the records of this government that we have favoured the building of lines through Canadian territory from east to west with the intent of keeping trade in our own channels. But I may say this to the hon. member for North Toronto (Mr. Foster), to the leader of the opposition (Mr. Borden), and to the member for Brandon (Mr. Sifton) especially, that if they expect to keep trade within Canadian channels by legislative enactment, by trade impediments, they make the greatest of all mistakes a mistake which was tried once and had to be abandoned. Sir, when the Canadian Pacific railway was created in 1881 it was with the avowed policy of creating a channel of communication between east and west; the policy was to keep, so far as legislation could do it, Canadian trade in Canadian channels. Now my hon. friend from North Toronto commented upon this rather severely, and with great force of language, as to the results upon the credit of Canada, upon those who had invested their money in these enterprises, when they learned that by this legislation the lines east and west could be tapped at any place, and trade could be diverted from channels running east and west to channels running north and south. This is the language which the hon. member for North Toronto made use of on that occasion, and I quote it in view of what I shall say a few minutes later:

"Take the capital invested in your east and west lines of communication: Was it ever dreamed in Britain, Sir, that the time would come when a change of policy would be inaugurated by the men who petitioned for the money, who pled for the investment of capital and got it at long last? Was it ever dreamed that when this capital was severely fixed and invested, the long lateral

lines of railway should be tapped every few miles by communication to draw off the trade intended for them to southern routes and do away with the long haul of the east and west lines?"

My hon. friend had in his mind perhaps when he spoke that way the circumstance that in the contract with the Canadian Pacific Railway Company precautions had been taken to keep the trade flowing east and west. In that contract with the Canadian Pacific Railway Company the following clause was inserted as clause 15:

"For twenty years from the date hereof no line of railway shall be authorized by the Dominion parliament to be constructed south of the Canadian Pacific Railway from any point at or near the Canadian Pacific Railway, except such line as shall run south-west or to the westward of southward, not to within fifteen miles of latitude 49."

Mark the words. The men who invested their money in that enterprise had this inducement, that the Canadian government would not permit any railway to be built south of the line of the Canadian Pacific railway, and that for fifteen miles south of the boundary line there should be absolutely no railway at all. Therefore, under those circumstances, trade could not be diverted from Canadian to American channels, there could be no possible communication. That was the extreme precaution which was taken by the government of that day, that was a restriction upon the energy, upon the enterprise of the people of the west which was to last for twenty years. Under that restriction the capitalists of the world were invited to put their money into the enterprise, and they did it, upon the faith of the Canadian government. How long did this restriction last? Did it last twenty years? Sir, it lasted just six years, and at last, after six years, the Canadian government had to recall that legislation. And how did it occur? This is one of the most dramatic pages of the history of our country, and no one knows it better than my hon. friend from Brandon. I do not know if he was then in the legislature, but I know he was a young politician, and he could not have been indifferent to what was taking place. There was a restriction put upon the energy, upon the enterprise of the people of the west, and of the province of Manitoba in particular. The people of Manitoba wanted power to trade north and south, they wanted to trade with their neighbours, the American people, they wanted to have railway communication with them. But there was a statute, there was an Act of parliament, there was the authority of the Canadian government which prevented them from trading with their neighbours to the south, and the Canadian government attempted for six years to keep that legislation in force. The legislature

of Manitoba passed Acts chartering railways, allowing them to cross that zone of territory which the government was attempting to reserve from civilization and from the benefits thereof. The legislature of Manitoba wanted railways to communicate north and south, they chartered railways to that effect, and these charters were disallowed one after another, disallowed in 1881, disallowed in 1882, disallowed in 1883, disallowed in 1884, disallowed in 1885, disallowed in 1886, disallowed in 1887. Year after year the legislature of Manitoba petitioned this government, petitioned parliament, to do away with this restriction, and year after year that prayer was denied. At last in 1887, after this restriction put upon their energy, the government of Manitoba, with the assent of the whole people of Manitoba, passed another Act authorizing a railway to run from Winnipeg to the boundary line where it could reach the American system of railways, and this Act was disallowed. The province passed beyond that disallowance, and proceeded to build the railway, though there was no legislation empowering them to do so. It was practically an act of rebellion. My hon. friends from Manitoba, my hon. friend from Brandon, remembers that on a certain day in the month of October, 1887, when the Canadian Pacific Railway Company challenged the right of the province to cross their line towards the south, 200 citizens from the city of Winnipeg, members of the government, members of the legislature, financial men, professional men, merchants, bankers, went in a body to the point of crossing and repelled force by force, to allow the crossing of the Canadian Pacific railway by the provincial line. Then, Sir, the Canadian government came down, and at the following session the privilege was repealed, a privilege that had to be bought back by the Canadian government from the Canadian Pacific railway. Now I ask the hon. member for North Toronto, what became then of those investors who had put their money into the Canadian Pacific railway upon the faith of the Canadian government. Were they ruined by it? What became of this turgid rhetoric of my hon. friend which I read a moment ago:

"Take the capital invested in your east and west lines of communication: Was it ever dreamed in England, Sir, that the time would come when a change of policy would be inaugurated by the men who petitioned for the money, who pled for the investment of capital and got it at long last?"

No, they did not dream of it, but it was done all the same, and the result was that their stock, which was worth at that time 30, has now reached 213. I repeat, if you attempt to prevent the people from trading in natural channels, no amount of legislation will accomplish that object, but let

nature alone, and then the trade will be carried on on Canadian lines. Why? Because we have the interior and the shorter and the better lines. Take the condition of things to-day; Winnipeg can trade with Europe by way of the United States, it can trade with Europe by way of Canada. The line of railway from Winnipeg to Montreal is 1,414 miles, and from Montreal to Liverpool 2,760 miles, a total of 4,174 miles. From Winnipeg to New York by way of Minneapolis, Chicago and the American lines, the distance is 1,790 miles, and from New York to Liverpool 3,026 miles, a total distance of 4,826 miles. The American line is 4,826 miles, the Canadian line 4,174 miles, a difference in favour of the Canadian line of 652 miles. Do you require any legislation, I want to know, to compel trade to choose the Canadian channel? Is it not obvious that for very self-interest trade will always take the Canadian line, because it is the shorter one? Well, Sir, that is not all. We have had experience as to what has happened, and our experience has been that our trade over the Canadian channels has increased by leaps and bounds as against the trade by the American channels. In 1900 the total amount of Canadian wheat exported from Montreal was 4,000,000 bushels; in 1910 it had increased from four million bushels to 14,140,000 bushels. Of American wheat the total number of bushels exported from Montreal in 1900 was 5,000,000 bushels, and in 1910 that had increased to 10,000,000 bushels. So, therefore, there is no doubt on this point, the Canadian line must have the preference, because the Canadian line is the best and the shortest. But, Sir, the question now has to be examined from the point of view of goods which are exported from Canada to the United States with a view to consumption in that country. My hon. friend the leader of the opposition (Mr. Borden, Halifax), when he spoke upon this subject, stated that our policy ought to be to favour interprovincial trade. To this, Sir, everybody agrees; we all favour interprovincial trade in preference to trade with other nations, and I am prepared to admit with my hon. friend that the home market is the best for all kinds of products. But I have to observe to my hon. friend that this agreement concerns only natural products, and my hon. friend will not contend that the Canadian people can consume the whole production of our natural products. My hon. friend from Brandon (Mr. Sifton) the other day stated that the home market would require about 80 per cent. of our products. It is difficult to secure reliable statistics upon this point, so as to arrive at a satisfactory conclusion how much of meat, of eggs and of fruit is consumed by a population. This depends much on the means and wealth of the population, but it is possible to obtain not only satisfactory, but conclusive evidence and statistics as

to the amount of wheat which is consumed by a population, and it is far less than 80 per cent. Thirty years ago, or thereabouts, the opinion was held that the consumption of wheat was about five bushels per head, and to-day I am satisfied it is much larger. I discussed the matter some few weeks ago with a prominent miller, and his opinion is that at the present time the consumption of wheat is between 6 bushels and 7 bushels per head. If that be the case, the Canadian consumption of wheat, assuming a population of 8,000,000, would be about 50,000,000 bushels. If that be the proportion of the consumption to the production of Canada, then Canada consumes only 50 per cent. of her production of wheat. Where is the balance to go? My hon. friend will tell me we have the English market. So we have, the English market is quite ample enough to take the surplus production of wheat in this country, for many years to come, although we are sure the production will increase tenfold by and by.

But, Sir, there are other products than wheat, which the British market cannot absorb, or cannot absorb with the same convenience as the American market can. The hon. member for Brandon (Mr. Sifton) spoke of hay in Quebec, and rather hinted, although he did not say so, that the sending abroad of hay is bad business for the farmer. I can tell my hon. friend from Brandon (Mr. Sifton) that no hay will be exported from the hillsides of the eastern townships of the province of Quebec, but as the Minister of Agriculture reminded my hon. friend from Brandon, we have in the province of Quebec natural meadows, which require no tillage, and upon which the best of timothy has been grown, not for 50 years, but for 100 years. Along the two shores of Lake St. Peter there are natural meadows a few inches only above the level of the water, which are yearly flooded, and which, to the knowledge of every one in the province, have been for a hundred years or more growing hay and nothing else. The counties of Berthier, Montmagny and St. Maurice, on the north shore, and the counties of Nicolet, Yamaska and Richelieu on the south, are so situated that they have a population of, perhaps, 1,000, who are growers of hay and for whom this treaty, if it becomes law, will be the most positive boon. To-day they cannot sell any hay in the United States because there is a duty of \$4 a ton. Let the duty be removed and immediately there will be an immense trade in that section of the community, as there was some thirty years ago. The same thing applies in the case of eggs, poultry and mining products. For this reason it is to our advantage that we should have not only the British market, but the American market also. The hon. member for Brandon (Mr. Sifton) made the argument that if you were to adopt this arrangement our present facilities for transportation to

Great Britain would become useless. I differ from him altogether. The trade will go on just the same, but we will raise more of those commodities than we raised before.

Then there is the cattle trade. Years ago we had a cattle trade with Great Britain. We have some yet, but it is not as large as it ought to be, because everybody knows that it has been constantly retarded by the embargo put on it some 20 years ago or so, and, therefore, if we are not able to sell all the cattle we can raise in Great Britain there is a ready market in the United States.

Now, I come to a very important point. It has been stated in this discussion, and repeated in the press; indeed, the statement has been alluded to in Great Britain, that by this arrangement we were putting an end to every possibility of mutual preferential trade with Great Britain. My hon. friend from Brandon made that argument, and I have heard it from the other side of the House. I take positive issue with that statement, and I say more: that statement does not bear criticism; it has only to be analysed for its falseness to be shown. Sir, we on this side of the House have never taken part, we have refused to take part, in the controversy which has been long going on in England on the question of mutual preferential trade. We would not take any part in the contest between the tariff reformers and the free traders. We thought it would not be dignified, we thought it would not be any part of our business, we thought it would be an act of impudence for us to take part in this controversy, whether on the one side of the question or the other, and we preferred to remain silent upon that point, having laid our policy before the English people. And what was our policy? Our policy was set forth by the Canadian ministers in Great Britain at the conference of 1902, and it was in these words:

"The Canadian ministers stated that if they could be assured that the imperial government would accept the principle of preferential trade generally, and particularly grant to the food products of Canada in the United Kingdom exemption from duties now levied or hereafter imposed, they (the Canadian ministers) would be prepared to go further into the subject and endeavour to give to the British manufacturer some increased advantage over his foreign competitors in the markets of Canada."

This was our policy laid down at the Imperial Conference of 1902. This is our policy in this year 1911 at the conference which is soon to take place. We have been told by the other side of the House that the action we have taken with regard to this agreement has made it impossible to implement the policy thus laid down. How can that be argued seriously? The Cana-

dian ministers at the conference in 1902, stated that they were prepared to give to Great Britain a preference on manufactured goods in our market if Great Britain would give us preference on our natural products in her market. Great Britain does not export many natural products; on the contrary she is a large importer of natural products. We are exporters not of manufactured products, but of natural products, and we are large importers of manufactured products, and we have given to the Americans a free entrance to our markets only for their natural products as they have given us a free entrance to their market for our natural products and how can that affect the British Islands? Surely in no way at all can it affect our trade with Britain. The United States can enter our market with their natural products, but it is certain that England will never send a hushel of any kind of grain to Canada. However, England can give us a preference in her market for our natural products if she chooses to change her policy, and then we are prepared to give her upon her manufactured products a corresponding advantage. Sir, the policy of Canada is just the same as it was three months ago when this arrangement was made; nay, it is the same to-day as it has been for the last 12 years and it will be the policy of the Canadian government at the next Imperial Conference which will open in May next. What then of all the shrieks and lamentations and imprecations we have heard from all sides upon this point? Surely the question has not been properly thought out for if it were it would have answered itself. Perhaps it is just as well now, since I am reviewing all the objections to this agreement, that I should take up another point which has been made against it and which has drawn many a tear from the eyes of some gentlemen sitting on the other side. I refer to the consequences of the agreement on what are known as the Most Favoured Nation Treaties. There are in existence certain old treaties between England and other countries in which it is provided that if England or any of her colonies should give a preference to any country in the world the same treatment shall be given to certain nations with which England has these old treaties. These treaties were in the past of so little consequence that we never troubled about them, but when in 1896 we found in our way the treaty with Germany and the treaty with Belgium we asked for the renunciation of these treaties. Similar treaties with other countries were not in our way, and, therefore, we did not trouble about them. However, all of a sudden these treaties have assumed enormous magnitude in the eyes of some, and a few days ago heard a gentleman on the other side of the House say that we were practically opening our doors to the whole world. Well, the whole world is a big phrase, but

let us examine in detail what it is composed of in this case. The whole world in detail, so far as these treaties are concerned comprises, Venezuela, Switzerland, Sweden, Spain, Russia, Japan, Denmark, Colombia, Bolivia (and who ever heard of any trade with Bolivia), Austria-Hungary, and the Argentine Republic. Let us see what our trade is with these nations. All told last year we exported to Venezuela \$14,000 worth and we actually imported from Venezuela \$53,000 worth, a trade which would probably supply the next corner grocery. And, in this \$53,000 worth of trade of Venezuela there is not included any of the natural products we mention in our agreement with the United States. Then from Switzerland we imported \$2,633,000 worth and we exported to Switzerland \$10,000 worth, and our imports from Switzerland were chiefly silks and cottons and manufactures of silks and cottons. Sweden, our exports last year were \$111,000, and our imports \$207,000, and there was not a dollar's worth of anything included in the agreement. We exported to Spain last year \$51,000 worth and imported from Spain \$1,040,000 worth, and our imports included fruits, but they were oranges and tropical fruits of that character such as are not provided for in the agreement at all. With Russia, our exports were \$59,000 last year and our imports \$138,000 and I cannot find among them a single article which would come within the scope of the agreement. To Norway and Sweden our exports were \$487,000 and our imports \$168,000, and amongst these there are some fish, and Norway would have the benefit of free fish under this agreement and that is the first item we find which is at all affected. Then, we have some trade with Japan, but does any one imagine that Japan will send us wheat or butter or cereals? With Denmark we had some trade, but not very extensive, our exports being \$425,000 and our imports \$86,000, and while Denmark is a butter exporting country not a pound of butter came to Canada from Denmark. Then, with the State of Colombia our exports were \$42,000 and our imports \$28,000, but they included nothing mentioned in the arrangement. Bolivia — we have not any trade with it; we do not import anything from it or export anything to it. Austria-Hungary—our imports are \$1,410,000 and our exports \$60,000; the imports are chiefly laces and things of that kind. Then I come to the last—the Argentine Republic; our total exports are \$2,869,000, and our total imports \$2,181,000; but I find that we have not imported from the Argentine a single article that is included in this agreement. The Argentine, however, is a wheat-growing country, and it exports wheat; but if ever the Argentine Republic sends wheat to Canada, there is no reason why Canada should not send wheat to the Argentine, so that objection is wholly exploded and

may be dismissed without further reference.

Another objection which has been taken to this agreement is that it will destroy our natural resources. My hon. friend from North Toronto was particularly indignant on this point. He grew eloquent and asked us what we meant by establishing a Conservation Commission for the preservation of our natural resources and then proceeding with ruthless hands to destroy their work. I have to say to my hon. friend that the Commission for the preservation of our natural resources was intended to deal not at all with questions of political economy, but with questions of physical science. My hon. friend told us that we should preserve our natural resources for our children and for our children's children; but I ask my hon. friend, what is the object of these natural resources? Soil, water, forests, minerals, have been given to man by the Creator for the use of man, and all civilized nations have acted accordingly. Why did our ancestors leave their respective lands and come to this country and take it from the Indians if it was not for the purpose of taking hold of the natural resources of the country and using them for their benefit? The Indians were men after the heart of my hon. friend from North Toronto—they were great preservers of natural resources. They kept them not for themselves, but for their children and the children of their children. They never used them to any great extent. The territory they inhabited contained many minerals; but when our ancestors came here, they found the Indians using implements made of wood and stone. They never cultivated the soil; they lived on fish and game. They were in the midst of immense forests, but they never felled a tree to build a house. They lived beside the most noble streams in the world, but they did not use them to turn a wheel; they never even used water to wash. They were people after the heart of my hon. friend from North Toronto. Our ancestors who came here, came to enjoy the natural resources of the land. Unfortunately, they not only used, but also abused them. It is the reproach of the white settler that if he has used these natural resources, he has been imprudent, and has destroyed them much more wantonly than he has consumed them for his own benefit. It is charged to-day against the Canadian farmer that he is not cultivating the soil, but mining it, and taking all the fertility out of it. It is charged against the Canadian lumberman that he is not only cropping the lumber, as he should, but in his operations, is destroying much more than he uses. I think it is admitted that in this valley of the Ottawa, where timber has been cut for the last one hundred years, the lumbermen have destroyed more timber than they have ever carried away. Sir, the object of the Conservation



Commission is simply to instruct the farmers, the lumbermen and others, how to use the natural resources of the country. But if that be the case, the Commission, which is ably presided over by my hon. friend Brandon, will do an immense service in showing all our people how to use these resources with prudence, so that they will be preserved for our children and our children's children.

But, Sir, what has this to do with this agreement? My hon. friend says that our resources will be taken by the Americans. Well, the Americans will take them if they pay for them; but whether they take them or not, whether this agreement goes into force or not, the natural resources of the country will be made use of, and I hope in a more prudent manner than they are at the present time. My hon. friend from North Toronto need have no more apprehension on that point.

I pass to a more important objection, really the only objection of any consequence that I know of. That objection is that this agreement will imperil our industries. How will it imperil our industries? This agreement is concerned chiefly with natural products. There are no manufactured products dealt with in it, except agricultural implements. In negotiating this agreement we have adhered strictly to the terms of the resolution which was adopted at the Liberal Convention of 1893, in which the Liberal party declared for a treaty of reciprocity in natural products and a carefully-considered list of manufactured products. Why did we put this restriction in our resolution? Why did we state in so many words that the reciprocity which we would negotiate, if it ever became our lot to do so, would be general for natural products, and would be confined to a carefully prepared list of manufactured products? Because, Sir, there is a vast difference between reciprocity in natural products and reciprocity in manufactured goods. This is the reason we have acted with this prudence. I do not know who was present at the Conference which took place between our two friends beside me and Mr. Knox; but it is not a great effort of imagination to suppose that the Americans were far more concerned about obtaining reciprocity in manufactured products than in natural products; but our negotiators would not consent to any reciprocity in manufactured products, but insisted on limiting the agreement simply to such manufactured products as agricultural implements.

Well, we limited our negotiations to that, and in doing this, I know that we have not gone as far as certain sections of the community wanted us to go. A certain section wanted free implements altogether, but we did not think it prudent or advisable to go that far. And why? The reason is that the men on the treasury benches, who are responsible, recognize in tariff matters the

wide difference between manufactured and natural products. It is easy enough to put up a customs duty or enact a protective duty, but it is always a difficult task to decrease or remove such a duty. The reason is well known. It is obvious that if you raise the customs duty or impose a protective duty you create at once a fictitious temperature; and if the industries established under that tariff and under that temperature and condition, have to face suddenly a removal of the duty, you might annihilate in the course of one night millions of capital and reduce to non-employment thousands of operatives. That is why we have acted as we have done. We have gone very timidly, with great care into this agreement. When we came into office in 1896, we had the same problem before us, and we took the utmost possible precaution—whilst giving, as we were bound to do, to the consuming public an abatement of the tariff—we took every precaution in so doing not to injure any existing industry, and I think we have been successful.

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. Although it was part of our policy to obtain reciprocity with the United States, we have acted carefully in so doing and have not injured any industry. The only industry affected is that of agricultural implements, on some of which the duty has been reduced from 17½ per cent. to 15 and on others from 20 per cent. to 15 per cent. It would have been pleasing for myself at all events to have gone beyond that, but we considered that if we did, we would perhaps not do justice to the large number who have invested money in these establishments.

This government does not exist for the farmers alone or the manufacturers alone or for any one class, but for the manufacturers and farmers and for all the classes which compose our nation.

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. I do not admit that there should be any antagonism between class and class. I do not admit that there should be any antagonism between the manufacturer and the farmer. The manufacturer is the best friend of the farmer, and the farmer is the best friend of the manufacturer. Let them walk hand in hand, let each profit; but so far as we are concerned, for 14 years we have administered the government of this country on these lines, trying to do away with class, trying to keep ahead of others, keeping always in mind the motto: Freedom for all and privileges for none. That has been our policy and that policy we shall continue. There are men who believe that we are going to recklessly ruin industry and capital. Capital is timid under all circumstances and the man who is at the head of affairs and

the ministers who assist him, would not be worthy of the public confidence if they were not always careful to see that capital will be safe whenever it is invested in any industry in this country.

Mr. BURRELL. Would my right hon. friend permit me one question? Does not the very argument he has put up on behalf of the manufacturers apply with crushing force to the fruit industry?

Sir WILFRID LAURIER. Not in the least. My hon. friend will observe that we have not obtained for the manufacturers a free market on the other side of the line, but we have obtained a free market for the fruit growers.

Mr. BORDEN (Halifax). Might I ask a question?

Sir WILFRID LAURIER. One is enough, I think.

Mr. BORDEN (Halifax). I think so, too.

Sir WILFRID LAURIER. I do not object to interruptions, but when a man has been on his feet for some time and is anxious to get through, he does not care to enter into a controversy with some one who interrupts. But I may say to my hon. friend that when in committee, I shall be very happy to answer all these questions.

Mr. CURRIE (Simcoe). I understand that under the rules, when a matter is being discussed in committee, a minister of the Crown, if he is asked a question, is bound to answer, and has not the right to dispute the right of any member to ask a question. I have never heard of such a thing; it is an innovation.

Mr. DEPUTY SPEAKER. There is no such rule. The hon. member who has the floor is the only one who has the right to speak to the question. No other member has the right to interrupt either with a remark or a question. Such interruptions are permitted frequently, and parliamentarians have said that they are the spice of debate, but they are entirely limited to such interruptions or questions as the speaker who has the floor at the moment will allow. There is no distinction in that respect between a minister and an ordinary member.

Mr. CURRIE (Simcoe). I am quite willing, Mr. Chairman, to bow to your ruling, but I say that it is an innovation in parliamentary practice.

Mr. DEPUTY SPEAKER. If the hon. gentleman does not accept the ruling of the chair, he is at liberty to appeal to the House, but not to discuss the ruling.

Sir WILFRID LAURIER. I may say to my hon. friend that it is not an innovation and that of course a minister is bound to answer questions, but there is a time to

answer them and when that time comes, I shall be happy to reply. Before I depart from this subject, let me say that to carry out this agreement, everything has been done, we were careful of all the interests and followed in the line established in 1896, namely, that stability of tariff is one of the elements of success in all enterprises.

I now come to the last of the objections raised against us. Hon. gentlemen opposite find within the four corners of this agreement the latent, the insipient destruction of our industries, but it is still more difficult to find therein the fatal germ which is to dissolve our autonomy finally landing it into the American Republic Autonomy! They speak of autonomy. Why, it was only last year we heard the same men rebuke us because we paid too much attention to autonomy.

But, whether they approve of autonomy, or whether they combat it, they show clearly, in one instance as in the other, that they never understood or appreciated the true meaning of the word. This new-born zeal for autonomy, when reduced to actual exposition, is generally expressed somewhat in this way: There may be, perhaps, no danger to our autonomy in this agreement itself; but this is only a first step that will be followed by others. This, they tell us, is a trade agreement confined to natural products; another time the agreement will be extended to manufactured products; this will be followed by commercial union and lastly by political union. Such logic, Sir, will carry you any distance, in any direction, to any conclusion which hope, fear or any other passion may suggest. With such logic the world has long been familiar. Was there ever, in any land, at any time, a reform proposed which was not immediately denounced as revolution by the forces of reaction? With this logic we have been particularly familiar in this country ever since the first days of responsible government. Open the records of our own old discussions, and you will find that when the reformers of that day were asking for responsible government, all the Tories denounced the idea as being the first step towards annexation. It is not, therefore, to be wondered at that, if, upon this occasion, the whole Conservative party have been moved by the old instincts of Toryism. But the manner in which this reform which we now bring forward is opposed, to my mind, will be seen by anybody who examines the question to be an insult to the intelligence and character of the Canadian people. What are the arguments we hear against this agreement to justify the position which is taken that this is a first step towards the dissolution of our autonomy? We are told that this agreement may, perhaps, lead to certain satisfactory results for some time, but that later it may be removed, and if removed, may be followed by a high protectionist tariff, and under

such circumstances the Canadian people would not have the stamina to resist the dislocation of trade but would be forced to seek refuge in the American union. This is the argument which we have heard from the leader of the opposition (Mr. Borden, Halifax); this is the argument of my hon. friend from North Toronto (Mr. Foster). Nay, this is even the argument we have heard from my hon. friend from Brandon (Mr. Sifton), who, on this occasion of all occasions, has deserted the principles of Liberalism to join the principles of Conservatism. Let me refer to the resolutions of the Board of Trade of Toronto,—I take these because they contain in condensed form all the arguments with which we have been deluged in this House. The third resolution says:

"3. That any present benefit to any section of Canada or to any interest therein which might accrue from said agreement would be more than offset by the loss and injury to other sections and interests."

There is an admission that in this agreement there will be a benefit at least to some sections of the community. It may be qualified, but it is there all the same. And the fourth and fifth resolutions read:

"4. That the proposed agreement would weaken the ties which bind Canada to the empire."

"5. That to avoid the disruption of trade which after some years under said agreement would result were said agreement herminated and a protective tariff against Canada established by the United States. Canada would be forced to closer trade relations with them, which would still further weaken those ties and make it more difficult to avert political union with the United States.

Mark those words—"Can we be forced to closer trade relations." Well, Sir, if Canada would be forced, what would force it? Nations there have been which, in the face of a great emergency, a great national calamity, would rise to the occasion, and even the women throw their jewels and ornaments into the common fund for the protection of the country. But we are told here by Canadian Tories that if a crisis, an economic crisis, were to arise in which their pockets would be liable to suffer, they would hesitate between the pockets and their loyalty.

But, Sir, the Tories of fifty years ago were made of sterner stuff. In 1854, the treaty which was negotiated by Lord Elgin, with Francis Hincks as his Prime Minister, resulted in immediate abundance of prosperity. Ten years afterwards the treaty was repealed, and a high protective tariff substituted for it. At that time, did Canadians falter? Did they hesitate? Were they forced into closer relations with the United

States? Did they seek a refuge in political union? No, in the face of that action they conceived and organized the Canadian federation.

The treaty of 1854 as negotiated by Lord Elgin, when, as I have said, he had as his first minister Francis Hincks. It was ratified in 1854 by the first Liberal-Conservative administration as presided over by that staunch, stalwart Tory, Sir Allan Maenab, and one of its members was the young man, John A. Macdonald. Did Sir Allan Maenab, or did John A. Macdonald falter? Did they say to Lord Elgin that they would not advise the ratification of the treaty for fear that, if it were afterwards abolished, the Canadian people would be forced into closer relations with the United States? On the contrary, their advice to Lord Elgin was to ratify the treaty. It never occurred to them that, even if the treaty could be repealed, as it was repealed ten years later, there would be a single Canadian who would be led by the dislocation of trade to seek to change his country's allegiance. But imagine what would have been the colloquy between Lord Elgin and his advisers, if, instead of being advised by such men as Sir Allan Maenab and John A. Macdonald, he had been advised by the present leaders of the opposition, my hon. friend Mr. Borden and my hon. friend George Eulas Foster. 'Sir,' they would have said, 'do not ratify this treaty.' Lord Elgin would ask them, 'Why; will not the treaty be a cause of satisfaction to the people?' 'It would,' they would answer; 'but that is the very thing we dread. It may bring us prosperity. But, after prosperity comes, the treaty may be repealed and replaced by a high tariff and we are not sure that our knees would be firm enough and our spines strong enough to resist the aggression of the Americans.'

We reject the advice of the timorous-hearted men of to-day; we stand by the advice of the stout-hearted men of fifty years ago. Reviewing the situation as it is placed before us, far from sharing the forebodings, the lugubrious forebodings, uttered concerning what is to follow the application, not of a new principle but of an old policy, it seems to me there are evidences many that we are now entering upon a new era in our relations with our neighbours, that we can see already whitening on the horizon the dawn of a better day. One thing is certain, one thing cannot be denied, that the relations which have existed between the two countries for the last fifty years, especially for the last twenty years, still more for the last twelve years, and which almost came to a crisis a year ago—those relations have been a blot upon the civilization of the two countries. They have amounted practically to a proclamation of noncommercial intercourse between the two countries, so far as legislation could bring that about. Another thing

cannot be denied, that the man who raised the Conservative party to the highest pitch of power and influence, the man whose name is still revered, though his example is not followed, Sir John A. Macdonald, deprecated and dreaded that situation. He did all that man could do to change and improve it. To that end he made his last appeal to the Canadian people.

One other thing cannot be denied, that at this moment, amongst the thoughtful men of the American union, the feeling is growing up that the policy which they have pursued towards us for the last fifty years has been wrong, that it has been injurious to themselves as well as to us, that it is selfish and narrow; and they are prepared to retrace their steps and to enter with us into a mutually profitable commercial intercourse. Now, when we reach that stage, it is inconceivable that we in Canada should be told that this retrograde policy, long followed by the United States, and which they are now on the eve of abandoning, should become the Canadian policy, and that we should follow a policy of non-commercial intercourse with them. It is incredible, and yet we have heard that idea proclaimed again and again in this House. We are told that unless this retrograde policy is maintained Canada is exposed to danger, and we are threatened that unless this policy of non-intercourse is maintained we are doomed to annexation. Annexation! Annexation! There was at one time a pretty strong annexationist movement in this country, and it received its first check when Lord Elgin brought back from Washington the reciprocity treaty of 1856. From that day to this the desire of annexation has dwindled and dwindled, until there is not a vestige of it left in any part of this country.

Once upon a time—this is also a matter of history—the conviction of every American citizen was that the Canadian confederation should become a part of the American union. Recent events have shown that there are still men in the United States who harbour that hope. But there are also men who are beginning to perceive that the republic, though its career has been glorious, has yet many questions to solve and many dangers to face; and many of them are beginning to recognize that the solution of their difficult problems would be seriously complicated, perhaps fatally impaired, if, in the territory of the republic, was to be included another territory as large as their

own, with a people not yet as numerous, but destined to be as numerous as their own, with problems of their own also to solve, and whose union with the United States would only add to the complications of their own that the American people have to meet. If my poor voice could be heard throughout the length and breadth of this country, and if, without any presumption, it could be heard also beyond the frontier, I would say to our American neighbours that, flattering as may be to their pride, the idea that the territory of the republic should extend over the whole continent from the waters of the Gulf of Mexico to the waters of the Arctic Ocean, remember that we Canadians were born under the same flag as were our ancestors, a flag under which perhaps they may have suffered some oppression, but which to us has been, and is more than ever, the emblem of freedom. Remember that if you have founded a nation upon a separation from the motherland, we Canadians have set our hearts upon building up a nation without separation; that in this task we are already far advanced, with our institutions, with our national entity as a people, and with everything that constitutes a nation, to which we are just as devoted as you are to yours. Remember that the blood which flows in our veins is just as good as your own, and that if you are a proud people, though we have not your numbers, we are just as part with our national existence, we would proud as you are, and that, rather than part with our lives. If my voice could be heard that far, I would presume to say to our American friends: There may be a spectacle perhaps nobler yet than the spectacle of a united continent, a spectacle which would astound the world by its novelty and grandeur, the spectacle of two people living in amity side by side for a distance of 4,000 miles, a line which is hardly visible in many quarters, with not a cannon, with fortress on either side, with no armament one against another, but living in harmony, in mutual confidence, and with no other rivalry than a generous emulation in commerce and the arts of peace. To the Canadian people I would say that if it is possible for us to obtain such relations between these two young and growing nations, Canada will have rendered to old England, the mother of nations, nay, to the whole British Empire, a service unequalled in its present effect, and still more in its far-reaching consequences.

