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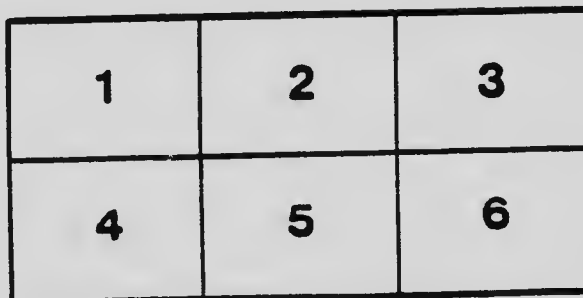
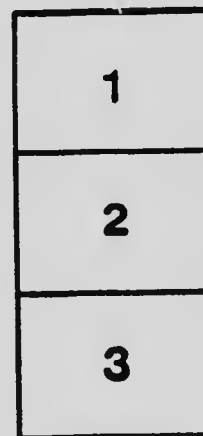
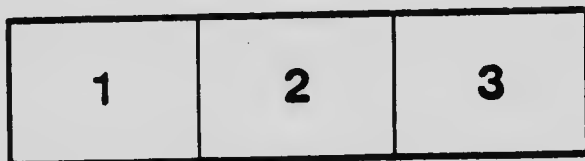
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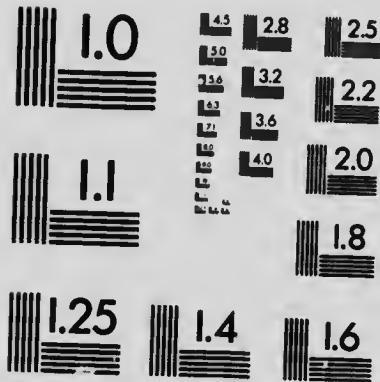
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TRADE AND THE EMPIRE.

Canadian Progress

AND

Preferential Trade.

A SPEECH

Delivered before the British Empire League, on February 17th, 1905,

BY THE

Right Hon. The Earl of Minto, G.C.M.G.,

Governor-General of Canada from 1898 to 1904.

BIRMINGHAM:

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CANADIAN PROGRESS AND PREFERENTIAL TRADE.

My Lords and Gentlemen,—Nothing is more welcome to one who has served his country in the King's dependencies beyond the seas than to realise on his return home that his career has been watched by his fellow-countrymen and that his work has been appreciated, and after the cordial terms in which your President has proposed the toast of my health, I am really hardly able to find words in which to respond.

But, gentlemen, what appeals to me most is the fact that I realise that the reception which I have met with to-night emanates from those who, whatever shade of political opinion they may represent, whatever difference of method they may recommend, are mutually proud of our British history, and are mutually devoted to one common cause—the welfare and maintenance of our great Imperial inheritance, a magnificent inheritance created by the national character of those who went forth from these British Islands of our to fight, to colonise, and to administrate, and the future welfare of whose descendants now so largely depends upon our ability to recognise their interests as common with our own. (Hear, hear.)

As Lord Derby has said, I went out to Canada in the “fall”—perhaps I ought to say autumn—(laughter)—of 1898 to take up the position of Governor-General, to which our beloved Queen Victoria had appointed me. The Dominion was not new to me, for I had served on the staff of my old friend and former chief, Lord Lansdowne. We had camped together on the prairies, and marched through the Rocky Mountains before the completion of the Canadian Pacific Railway, before the destruction of those magnificent forests, before the site of the present city of Vancouver had been cleared by the axe, and I had seen, too, the last of Indian warfare in the West. My correspondence with old friends had not ceased; I had always kept up my interest in the country, and I went back to get many a warm shake of the hand, and to pick up the threads of a life that was not new to me.

My six years of office were years of prosperity for the Dominion—of advance in all directions. The great railway development, of the development of mine resources and illimitable water-power; whilst, more important than all these, the world seemed of a sudden to realise the enormous wheat-growing capabilities of the Canadian North-west. Realise is, perhaps, too strong a word, for I doubt if even yet a true conception of the vastness of Canada's wheat-growing area exists on this side of the Atlantic. I brought home with me some figures which, though I have no doubt later returns are to be had, may serve to give some idea of the future possibilities of the West.

If you will allow me, I will quote from the report of the Director of Experimental Farms (Professor Saunders) for 1903. He reckons that in Manitoba and the three provisional territories—Assiniboia, Saskatchewan, and Alberta—there are 171 million acres suitable for cultivation; still further, that in the Athabasca and Mackenzie districts there are respectively 155 and 340 million acres of land which has not yet been fully reported on agriculturally, but where considerable quantities of wheat have already been grown.

Of the 171 million acres of agricultural land referred to, only about 4 per cent. has yet been brought under crop; but supposing that one-fourth of this 171 million acres was under wheat crop annually, and taking the average production per acre of Manitoba for the last ten years, Professor Saunders estimates that the total wheat crop would be 855 million bushels annually, which would place Canada in the position of being much the largest wheat-producing country in the world. And these figures deal only with a portion of the West, and take no account of the wheat-growing areas in the Eastern provinces.

It is also interesting to note in the same report the difference between the average present wheat yield per acre of the United States and Canada. The average yield of the United States for the preceding ten years was 13.53 bushels per acre, whilst in Ontario and Manitoba, which were the only provinces from which Professor Saunders found available statistics, the average winter wheat crop for the last ten years was 21.52 bushels per acre, and spring wheat 16.64; and for the same period in Manitoba, where only spring wheat is grown, a little over 20 bushels per acre.

But perhaps the fairest way to make a comparison between the wheat-growing capabilities of the Western States of America and the Canadian North-West is to take the average yield for ten years of the States bordering on Manitoba, viz., Minnesota, 14.33; North Dakota, 12.87; South Dakota, 10.67,

as against 20 bushels per acre in Manitoba. Also—and this is, I think, very unimpressive—the total wheat crop of the United States for 1903 was 637,821,835 bushels, and was grown on less than 50 million acres. The wheat-growing lands of the United States are, we know, not what they were, and a comparison between the above 50 million acres and the enormous increase I quoted to you as the wheat-growing area in the Canadian North-west alone is very striking.

It is only a few months ago that I rode through much of this magnificent North-western country, now so rapidly becoming settled, from Edmonton in the extreme West some 400 miles across the prairies to Saskatoon on the South Saskatchewan—an undulating country sometimes covered with low bush, sometimes open prairie, but everywhere indescribably brilliant with the tints of autumn, the prairie still strewn with the bones of extinct buffalo herds. Into this country settlers are pouring from across the frontier and from the Motherland. The Canadian Pacific Railway is pushing on towards the Rockies; the survey parties of the Grand Trunk Pacific Railway are out; construction camps and long lines of transport are everywhere to be seen; and at least one other great railway will ere long share with the Canadian Pacific the trans-continental traffic of the Dominion. Settlement, comfort, prosperity follow the railways. When I went to Canada in 1898 the official returns showed only 31,900 immigrants; in 1904 the number was 130,329. And I could go on multiplying examples of increasing population and increasing wealth in all directions. (Cheers.)

But what has been the effect of all this advance and prosperity on the minds of the people of Canada? Naturally, a growing self-confidence, the belief that they are becoming a factor in the life of the world, a pride in the country they are building up, a strong and growing feeling of Canadian nationality; and yet at the bottom of every heart lies admiration for British history, the pride of sharing in that history and that love for the flag, the deep meaning of which may perhaps scarcely appeal to those unacquainted with our great Imperial outposts. (Cheers.)

Possibly this development might have proceeded almost unnoticed until some sudden awakening had come upon us, had not certain momentous circumstances accentuated everything affecting the relations of Canada to the Motherland—the war in South Africa, followed by Mr. Chamberlain's proposals for preferential tariffs. (Cheers.)

The rush to arms of our dependencies to the assistance of the old country was at the time a purely sentimental assistance, given in answer to no pledge, inspired only by blood relation-

ship—a manifestation to the world of the strength of Imperial kinsmanship; but the long strain of war, sufferings, and losses have sown throughout the Empire the seeds for a recognition of the necessity for some scheme of common defensive action, some acceptance of joint naval and military responsibility and expenditure throughout our self-governing possessions; whilst Mr. Chamberlain's eloquence, even his opponents may admit, has encouraged us to think Imperially, and has taught some of us to wonder whether, in view of our present trade relations with foreign Powers, in view of the vastly increasing production of our Colonies especially in foodstuffs and the enormous Imperial interest involved in our Colonial trade, in view also of the possible future trade relations of our Colonies with foreign Powers, it may not be wise for us to listen to the sentiment which would direct our commercial interests into one common channel. (Hear, hear.)

I am not going to trespass upon the domain of politics; I am dealing only with facts. We all know the whole question is bristling with difficulties of every sort—difficulties as to different systems of revenue, objections that may be raised by conflicting interests, prophecies as regards the possible effect on present market prices; but, at the same time, I do think I am justified, after six years in the Dominion—in constant intercourse with its leading public men, with the Canadian Press and official reports constantly before me, and not having kept myself shut up, as officials are often accused of doing, but, having mixed with everybody that I could—I think I am justified in attempting to remove the misleading impressions which have been so unfortunately encouraged in this country, and which have emanated entirely, I believe, from the publication of the hasty conclusions of visitors to the Dominion—some of them distinguished public men—the majority of whom entertained strongly preconceived ideas as to the impossibility of closer relations, and who invariably spent a considerable portion of their very few days in the country in consultation with the only anti-Imperial oracle in Canada. I do not think I should be worth my salt, having just retired from the position of Governor-General, if I did not do my best to contradict them. (Hear, hear.)

I have gathered from such sources that Canada is lukewarm on the question of Imperial preference, that this question played no part at the recent general election, that her wisest men fear that her independence and right of self-government may be adversely affected by tariff bonds, that she has made nothing approaching an offer for preferential trade, that if she is seeking preferential advantages it is for her own selfish ends, that to assume that relations may be drawn closer by the

interests of trade is to insinuate a wish to purchase Canadian loyalty, whilst the possible result of the influence of the United States on Canadian policy in the future receives scant consideration.

Notwithstanding the certainty with which such opinions have been sown broadcast by fleeting visitors to the Dominion, I can only say that I, personally, have found nothing more difficult during my period of six years' office than to form direct conclusions on Canadian public opinion. The country is so vast, local interests are so absorbing, that as soon as some question assumes a controversial form it is difficult to arrive at the feelings of the country. In non-controversial questions, therefore, I have assumed—I think correctly—that if the opinions of the leading Canadian statesmen of both political parties agree, they can be accepted as fairly representing the opinion of the people. On this question of Imperial preferential trade they do absolutely agree.

Neither have I found, during my intimacy with the wisest men in Canada—if I may take Sir Wilfrid Laurier and Mr. Fielding as their representatives—the very slightest nervousness as to the dangerous consequences to be apprehended from tariff bonds. Both of them Free Traders at heart, the position they have invariably put before me has been that, recognising the impossibility of inter-Imperial Free Trade owing to their own system of revenue, and the necessity in the creation of a new country of to some extent guarding certain industries, they are convinced of the possibility of preferential trade arrangements which will foster Imperial sentiment and consolidate the trade and interests of the Empire. (Cheers.)

The present Imperial position is of too vast an importance to allow the unjustifiable conclusions I have referred to to go unchallenged. I will put aside entirely any opinions I may myself have formed. I will rely entirely on Canadian action, on the speeches of leading Canadian statesmen, and on extracts from the Canadian Press. If I am speaking at unwarrantable length for an after-dinner speech, I hope that the importance of present circumstances may be my excuse, even though I feel compelled to repeat much which everyone ought to know already.

As you are aware, the Dominion has already given a preference of 33½ per cent. on British imports. It is unnecessary, I think, to refer to opinions expressed at Colonial Conferences prior to that of 1902: but on that occasion the representatives of the Government of Canada brought forward a resolution, which was unanimously carried, the text of which has always been available to the British public, but which, emanating as it did from a great popular leader, and repre-

sensing as it did the official opinion of a particularly strong Canadian Government, has always seemed to me to have been strangely lost sight of in this country. That resolution was an official declaration that, whilst it was not at present practicable to adopt a general system of Free Trade between the Mother Country and her dependencies, the recognition of "the principle of preferential trade between the United Kingdom and His Majesty's dominions beyond the seas would stimulate and facilitate mutual commercial intercourse, and would, by promoting the development of the resources and industries of the several parts, strengthen the Empire." And the Canadian representatives also placed on record at this Conference that they were ready to recommend their Parliament to continue the present 33½ preference, and to give an additional preference on lists of selected articles: (a) by further reducing the duties in favour of the United Kingdom; (b) by raising the duties against foreign imports; (c) by imposing duties on certain foreign imports now on the free list. Well, gentlemen, I cannot see the use of splitting hairs as to whether these recorded minutes constituted an official offer or an official proposal, but they at any rate gave an official illustration of what the Canadian Government was prepared to recommend to the Canadian people; and, if the Canadian press represents Canadian public opinion, I can only tell you that the newspapers representing both political parties have practically unanimously supported the principles embodied in the resolution, often referring to the temptation at Canada's elbow of a possible admittance to the markets of the United States, and regretting, often very sarcastically, the slowness of the Motherland to understand Canadian sentiment or the commercial position of the Dominion in respect to her great neighbour. (Hear, hear.)

As to this, I very much doubt if a small pamphlet published during the Presidential campaign is at all generally known in this country. It is called *The Campaign Text Book of the Democratic Platform*. Its author fully recognises the result of a policy intended to close the door in the face of Canadian trade, whilst signs were not wanting, during the Presidential election of a Republican inclination, to take a leaf out of the text book of their opponents, and a chapter is devoted to Canada, so full of meaning, that I will venture to read some extracts from it:—

"First, regarding reciprocity with Canada. This great country on our northern border, one of the largest and finest on the globe, has a land area slightly larger than that of the United States, and perhaps little inferior to it in the vast variety and value of its resources. It is sur-

rounded and indented by seas that teem—to a degree beyond all others anywhere—with the wealth of ocean, and they, in conjunction with its mighty system of internal transportation, afford a splendid basis for maritime and commercial enterprise. Its population, now rapidly increasing, is practically identical in origin, customs, religion, institutions, customs' requirements, with our own. Only a political boundary, an imaginary barrier, separates this Imperial domain, this land of inestimable promise, from us and ours."

Then :

"From a decrease of 60 per cent. from 1873 to 1897, the preference tariff has aided British merchants and manufacturers to sell more than 100 per cent. more goods in Canada in 1904 than they sold in 1897. In the three years ending in 1903 the sum of \$8,464,596 in duties has been saved to British sellers by the operation of the preference. Says Mr. George Johnson, the able chief statistician of the Dominion: 'The conclusion I feel warranted in drawing from these figures is that the preferential tariff has saved a business which before the adoption of that tariff was rapidly dwindling, and has, in fact, so greatly increased it that there is a reasonably sure prospect that the palmiest period of the trade in the past thirty years will be overshadowed in the near future.' Increases like this were made, of course, chiefly at the expense of the United States."

Here is another :

"Great Britain has not been unmindful of the change in Canadian sentiment with respect to the United States, and the so-called Chamberlain plan, first promulgated in February, 1903, has entered as another element threatening closer relations between the United States and the Dominion."

The last I will trouble you with is this :

"This plan proposes, in a nutshell, the restriction of the greatest market in the world—the British Empire—to the countries composing that Empire, to the exclusion, primarily, of the United States, and of all other countries, except upon such terms as might be secured through the breaking down of tariffs. It implies that Great Britain has reached the limit of patience in permitting a free market for the wares of high protectionist countries, and is determined to do a little trading for herself along lines suggested by her rivals. Should this policy of Mr. Chamberlain succeed—and it is a general opinion both here and in England that, notwithstanding temporary set-backs,

eventually it will—its importance to the United States cannot be over-estimated."

Our friends south of the border are quick enough to "catch on," and that is their opinion on the Canadian position. *

But to return to the position in Canada, I believe it to be a fact that every chamber of commerce throughout the Dominion has recorded resolutions in favour of British preference; boards of trade and manufacturers' associations have done the same; several provincial legislatures have unanimously passed resolutions in favour of it. The reason the Dominion Parliament has not done so has been the unwillingness of the Canadian Government to connect itself in any way with what has become a party question at home; and though the recent general election turned almost entirely on railway policy, and preference was not a point of any special controversy, the Prime Minister—both during the election and on other recent occasions—has taken the opportunity of maintaining as clearly as possible the position defined by the resolution at the Conference. Finally, the most unmistakable illustration of the Canadian position was given by Mr. Fielding in his Budget speech last June. It deals so clearly with the point at issue that I hope, though I have spoken at far too great length, you will still allow me some further quotations. Mr. Fielding says:

"We have found ourselves in this position in regard to the question, that the matter has now become one of party controversy in the Mother Country. It is not so with us in Canada. We may differ in detail, but I think I am justified in saying—and I think honourable gentlemen opposite will not find fault with me in saying—that practically the two great political parties in Canada are a unit to-day in favour of the principle of preferential trade. Though they may differ as to particular items of detail or as to the best method of bringing it about, there is practically no difference in Canada.

"A question of that character, which has an Imperial side to it, and a question which enlists the warm and enthusiastic support of a man of such ability and force as Mr. Chamberlain, is certainly not going to remain a dead letter, although in the early future we cannot expect any great results from the movement.

"What should be our own action in the matter? We may be influenced in our own preferential policy by what may occur in the Mother Country in the hereafter. We shall claim a free hand in that respect. But for the present we think it a wise policy to adhere to the preferential system, in the hope that it may be adopted more generally throughout the Empire, and that by and bye a better

understanding may be come to in the Mother Country, and that it will be adopted there as well. It has been sometimes said that Canada should take some further action in endorsing that principle. I do not think we are called upon to take any step beyond that which we have already taken. The attitude of Canada has been clearly laid down at the Colonial Conference, and, while every phase of the Government policy has been discussed in this House, there has been practically no exception taken to the position assumed by the Government at that Conference on the question of preferential trade.

"Now that the matter has become one of party controversy in England, we naturally hesitate to take an active part in it.

"We must be content with stating our position, as it has been stated in the past. We on this side of the House accept the principle of preferential trade. We believe that, while differing in some details, honourable gentlemen opposite will not differ from us on the principle, and therefore we say to the English people that Canada is practically a unit in support of the principle of preferential trade. We must be content to leave the matter at that for the present."

(Cheers.) I do not think we can ever have anything clearer than that.

Gentlemen, I have felt that, as a Governor-General who has just retired, I ought not to lose this opportunity of expressing to you what I believe to be the public opinion of the Dominion.

I have attempted to give you the matter of fact, the more or less official answers, to the too frequent misrepresentation of the Canadian position.

I choose to set a higher value on the resolution of the Conference of 1902, on the expressions of the Canadian press, on the resolutions of Canadian Chambers of Commerce and Boards of Trade, on the resolutions of Provincial Legislatures, and on the public pronouncements of leading Canadian statesmen, than I do on the hasty conclusions of a few visitors to the Dominion of strongly-pronounced party convictions. (Cheers.)

I have tried to picture to you the growing strength and importance of Canada, and the effect that growth must have on the feelings of the people, to give you what I believe to be their views concerning their relations with the Mother Country, and to indicate to you that there is much more involved in a true comprehension of this great Imperial question than the mere political advisability of the acceptance or refusal of a policy.

There is something of much deeper moment than that. There is the effect of a want of sympathy with our kinsmen beyond the seas, the effect of a cynical disbelief in their goodwill, the effect of a cold rebuff to their proposals, for which we should have to pay the inevitable price—estrangement in our trade relations with our dependencies, gradual decay of much inter-Imperial trade, and a loss of touch with the young and rising powers of our own blood, the value of which it is impossible to over-estimate. (Hear, hear.)

Canada is in a state of evolution; the Empire is in a state of evolution. We have conditions to deal with which we have not had to deal with before. It is mere theorising to assert that the Imperial questions before us to-day are the revival of questions long since settled. They are the revival of ancient arguments totally inapplicable to the considerations of to-day—arguments which, if they were ever correctly solved, were solved in the mere babyhood of our present Empire, before Canada, Australia, New Zealand, and South Africa had themselves become factors in the history of the world. Even now we only see through the glass darkly. But surely it is hardly possible to watch the trend of Imperial events and not to realise that a future is opening out before us full of momentous possibilities which cannot be dealt with on lines that are out of date. (Loud cheers.)

