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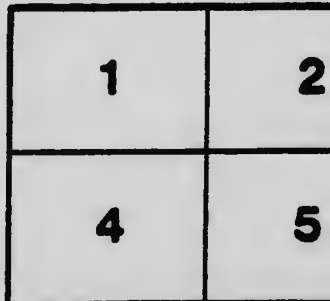
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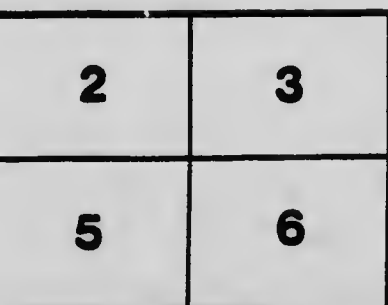
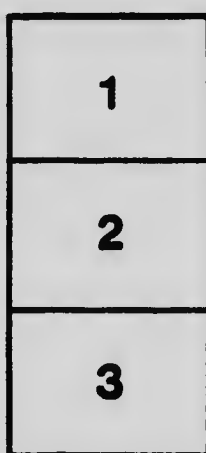
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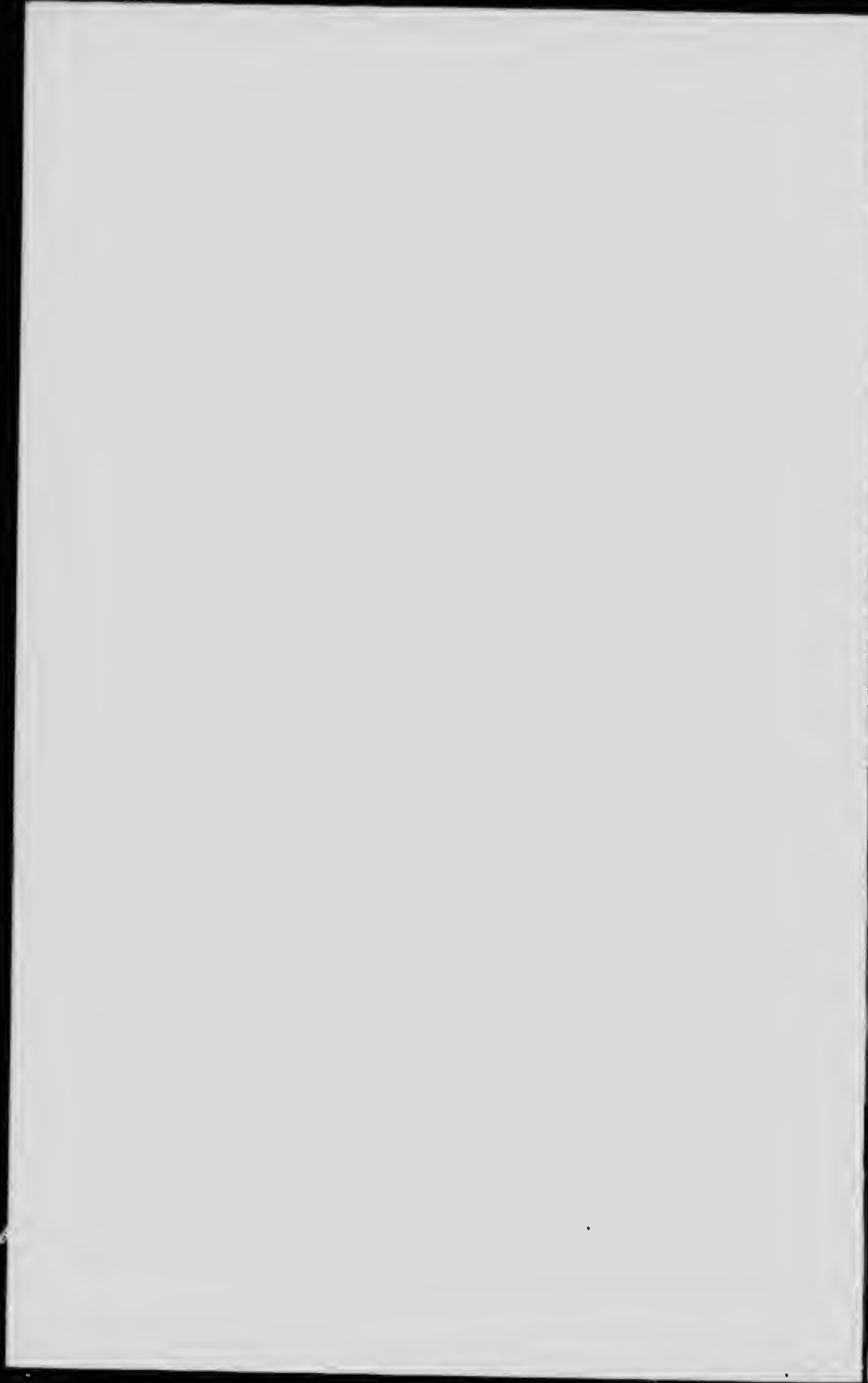
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RECIPROCITY

AS SET FORTH BY THE

Liberal-Conservative Party

IN THE HOUSE OF COMMONS BY

Mr. R. L. BORDEN,

AND

Hon. G. E. FOSTER.

FEBRUARY, 1911.

Mr. BORDEN (Halifax). Mr. Chairman, under the conditions under which I was called upon to speak on a previous occasion in this House, just two weeks ago, there was not much opportunity for grasping the full import of the proposals which have been submitted to parliament and to the country by the government. Those proposals are of too grave and sweeping a character to be considered from a purely partisan standpoint. I desire, therefore, to-day to make a reasonable and moderate presentation of the views which I entertain with regard to them without making any attack upon the government or upon anyone else, and for the condition to which this country has attained after some forty or fifty years of effort and endeavour, and I shall undertake to demonstrate in so far as it is within my humble ability, that these are not proposals that should be lightly entered in to by the Dominion of Canada at the present time. I do not agree with my hon. friend the Minister of Finance (Mr. Fielding) when he suggests that there has been ample time for the country to make itself acquainted with the nature of these proposals, and with their probable result, whether that result be considered from the economic standpoint alone, or whether it be considered from the distinct national standpoint which is involved in these proposals.

The motion which my hon. friend the Minister of Finance has moved to-day was presented to this parliament on the 26th January, just two weeks ago. On

Tuesday last, twelve days afterwards, my hon. friend the Minister of Finance presented to parliament information which admittedly was necessary in order that parliament should have a real conception as to what was involved in these proposals. That information was presented to this parliament about three or four o'clock in the afternoon, and it was proposed by the government to proceed with the discussion of these proposals on the following day at three o'clock in the afternoon. It is quite true that an arrangement was made in order that a further opportunity might be given to postpone the discussion until to-day, even so we have only had in our possession for a space of some forty-eight hours the information upon which these proposals must be considered by parliament and the country.

They are not proposals to be rushed through parliament. They are not proposals which ought to be forced upon the country without the most ample opportunity of consideration and of suggestion, whether to the government or to parliament. What do these proposals embody? They embody practically a new tariff for this country in so far as its tariff relations with the United States of America are concerned. They are of so sweeping an effect that probably no one man, inside or outside of parliament to-day, can accurately or properly estimate what their future result may be. My hon. friend the Minister of Finance has referred to the reciprocity treaty of 1854. He has referred to that treaty

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as one which conferred great advantages upon this country. I do not propose this afternoon to enter into a consideration of the advantages which may have come to this country during some part of the operation of the reciprocity treaty of 1854, but I would like to point out to this country that this is 1911, and not 1854, and that it is idle for us to attempt to discuss these proposals from the standpoint of 1854, or even from the standpoint of 1866. It is perfectly true that during the latter part of the reciprocity treaty, which lasted from 1854 to 1866, production was greatly stimulated in this country, and I believe, we got very high prices for our products, but it is equally true that it resulted from causes which do not prevail to-day. During a portion of that period there was a great civil war raging in the United States, production was checked in the United States, production was stimulated in Canada, and the prices that we obtained for our produce during the last half dozen years of the existence of that treaty were very much higher than could reasonably be expected under any other condition.

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

The very first of our tasks was to add about 3,000,000 square miles to our territory; to take in the distant province of British Columbia, and all the great unhabited territory between; to build lines of transportation, to develop and utilize our system of waterways; to bind together in the one Dominion the scattered fragments of our country, and last but not least to reconserve and to develop the natural resources of untold importance which had come as a noble heritage to the two great races that united for the development of this Dominion. Sir, there was something more than that even: There was the task laid before the people of this country to allay jealousies and prejudices, to create a national spirit, and to bring about that harmony and mutual understanding among the people of these four provinces, and of the other provinces that should be added in the future, which would contribute to the building up of a united and powerful Canada as the greatest of the Dominions which own allegiance to the British Crown. The task before our people was to build up British institutions in this country, to develop them in the spirit in which they had been developed in the mother country, and to do all this under conditions that might well have daunted men of less stout heart, because, it was realized that these scattered communities were lined for 4,000 miles along the territory of a great and powerful nation which must possess a far-reaching influence upon the commercial destiny of this country.

Well, what have we done in that interval of 40 years? Indeed, to mention what we have accomplished it is necessary to re-echo the statements that have been made over and over again by the Minister of Finance in every his speech for the last 11 years, and to add to it the record of the advancement in the material prosperity of Canada during the past 40 or 50 years, not confining it to 11 years alone. I trust I may be pardoned that remark, because I do not desire to touch on any partisan note in the remarks I shall address to the House. Here are the statistics of Canada's trade comparing 1866 with 1910:

TRADE STATISTICS.

	1866	1910	Increase	Per ct.
	\$	\$	\$	
Total trade	116,000,000	649,000,000	533,000,000	459
Exports	49,000,000	279,000,000	230,000,000	470
Imports	67,000,000	3,000,000	303,000,000	450

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Between 1868 and 1910 our exports increased as follows :

	1868	1910
Produce of mine increased from	1,225,000	40,000,000
Produce of fisheries	3,000,000	15,000,000
Produce of forest	19,000,000	47,000,000
Animals and their products	7,000,000	54,000,000
Agricultural	13,000,000	90,000,000
Manufactures	2,000,000	31,000,000
Value total field crops last year		533,000,00
Value total manufactures (estimated) last year ...		1,000,000,00

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

	1867	1910
Miles of railway	2,240	24,731
Railway earnings	\$12,000,000	\$174,000,000
	1879	
Tons of freight carried	8,000,000	74,000,000
Passengers carried	6,500,000	36,000,000

BANKS

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

POST OFFICE.

	1868	1910
Letters transmitted through the mails	41,000,000	414,000,000

AREA IN POPULATION.

	1868	1910
	Square miles	
Area	337,524	3,315,647
Population	3,371,594	*7,250,000

*Estimated.

Look at these evidences of vast progress and prosperity ; look at the ad-

vancement we have made in founding universities and schools, look at our progress in education. And, last but not least, look at the standard of comfort in life which prevails in Canada to-day compared with that which prevailed in 1868. I know, Sir, that in my own home in the province of Nova Scotia, when I was a boy 40 years ago the comforts of life as they are enjoyed at the present day were unknown to the people then. Observe the growth of our cities : In 1868 Montreal had a population of 100,000 ; I believe that to-day it has a population of over 500,000. Toronto had a population at that time of 50,000 ; to-day it is a city of 400,000. Hamilton had a population of 22,000 ; now I suppose it has over 80,000. Ottawa then was a town which had hardly escaped the name of Bytown ; it had a population of 18,000 ; now it has a population of 85,000 or 90,000. Take the splendid cities of the West—Winnipeg, Calgary, Regina, Edmonton, Vancouver, Victoria. Some of them were mere wilderness in 1868, and for a long time afterwards. Vancouver, which dates from 1885, is to-day a city of 125,000 or 150,000. Will you tell me that we have not a right to be absolutely satisfied with the material progress, splendid, worldwide in its reputation, which has come to the people of Canada in the last 30 or 40 years ?

What has been the line of development which we have undertaken ? We have undertaken to bind the provinces of Canada together. We have undertaken to create a great interprovincial trade. We have undertaken to do by assuming burdens and making sacrifices, which, I venture to say, are as great as were ever undertaken by any people in the history of the world. What burdens have the people of Canada themselves assumed, that lines of transportation and trade and commerce might flow from east to west, and might bind together these scattered communities into one great nation under the British flag ? I will tell you what we have done—and I did not realize the extent of the efforts of the people of Canada in that regard until I came to look over the record a little. The federal government has expended in actual cash on railways and canals up to 1910, according to the records of the Department of Railways and Canals, \$127,000,000 ; the provincial governments \$36,000,000 ; the municipalities, \$18,000,000 ; a total of actual cash expended out of the public treasury of this country upon railway development in Canada, since 1868 of nearly \$500,000,000. But, Sir, that is not all. The federal and

provincial governments have guaranteed bonds for railway construction in Canada amounting to \$127,000,000 more; and in addition to all that, the various governments of Canada have granted, in aid of railway construction, no less than 55,000,000 acres of the public domain. At the present time, to complete the Transcontinental railway, we are proposing a further expenditure of from \$75,000,000 to \$100,000,000. We are also proposing to build the Hudson Bay railway, at a cost of \$30,000,000, and a work which ought to be undertaken in the interest of our great western country, the Georgian Bay canal, will cost probably in the vicinity of \$100,000,000—a work intended for the further development of that splendid system of waterways which we possess in Canada, rivalling, if not exceeding in its importance and value, that which is possessed by any other country in the world. We are also proposing the enlargement of the Welland canal, at a cost, I suppose of from \$30,000,000 to \$35,000,000. If, in a future, the trade of this country is to flow north and south, instead of east and west, what is the meaning of all these sacrifices that we have made, of all this treasure that we have poured out? What is the meaning of the Transcontinental railway, as it is being built to-day? What is the meaning of the Georgian Bay canal, as we propose it to-day? What is the meaning of the proposed enlargement of the Welland canal? Have these any real national meaning to the people of Canada if the lines of our trade and commerce are to be diverted so that in the future they will run north and south, instead of east and west as they have been doing?

My hon. friend the Minister of Finance has referred to the conditions as they were from 1854 to 1866. As I have said, the conditions are absolutely different to-day. Transportation and cold storage—and we want a better system of cold storage in this country—has brought the British market nearer to us to-day than the United States market was in 1854. In 1910 Great Britain took, of our animals and their products, \$12,000,000 out of \$54,000,000 which we exported, equal to 77 per cent. Of our agricultural products, she took \$71,000,000 out of \$91,000,000, equal to nearly 80 per cent. In the same year, the United States took of the first 20 per cent, and of the second, 4 per cent. The United States last year took of our agricultural products only \$70,000 more than she took 42 years ago. What does that mean? It means that after the denunciation of the Reciprocity Treaty in 1866 the people of Canada were confronted with con-

ditions which sorely tried their spirit; that they met those conditions manfully, with a high spirit and a firm purpose; that they have gone into the markets of the world and built up their trade there, and built it up under stable and sure conditions; and that it would not be wise for us to-day to depart from the paths upon which we entered some 50 years ago.

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

Well, we did ask for reciprocity, and we asked for it many an occasion. It is perfectly true that Sir John Macdonald, in making his argument for the National Policy in 1878, before conditions had changed as they have in the past 30 years—it is perfectly true that he made the argument alluded to by my hon. friend the Minister of Finance and that there was in issue in this country upon that question in 1891; and it is also perfectly true that in 1891 the people of Canada declared that they would continue in the path upon which they had entered in 1866, and upon which they had made a distinct advance on the National Policy which was adopted in 1879. The United States, during all these years, refused our proposal for reciprocity. Undoubtedly the treaty of 1854 was denounced for more than one reason or rather there was more than one cause which led to its denunciation in 1866. There was no doubt some feeling engendered in the minds of the people of the United States by certain events which had taken place during the

war; but I have always thought that the American people might perhaps have borne in mind the fact that some 40,000 or 50,000 Canadians had fought in the United States under the United States flag in the civil war from 1860 to 1863 for the maintenance of the union. There were of course, some annoying instances; there was perhaps some lack of good feeling, but there had also been a good deal of friction about duties upon articles which were not embraced in the Reciprocity Treaty of 1861, and possibly that was one of the causes which led to the denunciation of that treaty in 1866. The United States did not have very much regard for the Canadian market in those days. They were a great and powerful and a rapidly growing nation, and it was said in 1851, and repeated in 1866 and afterwards, that the ultimate destiny of this country was not only commercial but political union with the United States, and there were no doubt those in the United States who thought that the denunciation of this treaty of 1860 would oblige Canada to seek for commercial or political union with the United States.

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

country and make people more thoroughly cognizant of their responsibility as citizens of one of the greatest countries in the world. In these respects, as well as in others, I believe we might well take an example and a lesson from the people of the United States to-day. But on what is the present desire of the United States for reciprocal relations founded? We know that fiscal changes in that country are impending. They have had an enormously high tariff as compared with ours. Their tariff is about double what ours has been during the past 25 or 30 years, and during that period the United States have been the most wonderful examples the world has ever known both of protection and free trade. They have a great tariff wall around their country and free trade among 90,000,000 of people within their own borders. They are thus the most remarkable example of protection on the one hand and of absolute unrestricted free trade on the other. And they have made marvellous progress in many respects. The United States to-day is the greatest manufacturing country in the world. It is probably the greatest agricultural country. I do not know what the figures are to-day, but I remember that some eight years ago I examined the statistics of the United States with regard to their manufacturing industries, and I found that the total manufacturing product in that country amounted to \$3,000,000,000, and that of that amount they exported only 3 1/2 per cent, so that out of that enormous manufacturing product of \$3,000,000,000 they consumed nearly 97 per cent within their own territory. May we not, therefore find in the impending fiscal changes in that country one reason why its government is disposed to make a treaty of reciprocity with Canada?

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

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

On page 6 he says :

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

And further at page 7 :

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

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

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

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

Let us look for one moment at the condition of the United States to-day in respect of all the natural resources which providence bestowed on them so freely. An authority in the United States, Mr. Gannett, says that the valuable and accessible coal in the United States will be exhausted in about 100 years. A Mr. Van Hythe who has written a very exhaustive book upon the conservation of

natural resources in the United States thinks that perhaps that is too conservative an estimate and that the coal in the United States would last for a longer period, but this gentleman whose work I cite because I believe him to be an author of repute and who seems to have examined the question very thoroughly, speaking of the wasteful use of coal in the United States, says :

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

And further :

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

They are already speaking in the United States of the prohibition of the exportation of coal. The same authority says that the natural gas of the United States will be exhausted in twenty-five years.

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

Take their abundant supply of copper. In the first decade of the 20th century 50 per cent of all the ore extracted has been mined. The process of using up their natural resources is proceeding in that country at an enormous rate.

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

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

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

We have timber for less than thirty

years at the present rate of cutting. The figures indicate that our demands upon the forest have increased twice as fast as our population.

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

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

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

We undoubtedly have in Canada very great natural resources. The government of this country, with the hearty support of members of this side of the House, have taken steps along the line of the conservation of our natural resources. We know how immensely important forests are to this country, important not only in respect of their value as material, but in their relation to the great waterways system of this country, and to the preservation of our water-powers, important to the people of this country in every sense; and when we observe that the President of the United States, over land over again, directs the attention of Congress to the importance of giving to the people of the United States direct access to the forests of Canada, in order that their own may be preserved, surely that suggestion and that argument affords ample room for thought to the people of this country as to whether or not they should accept these proposals.

Why did Canada want reciprocity in 1866 and for many years afterwards and why ought we to hesitate before embark-

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

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

Now in view of the statistics which I have given, are we not moving along the line of material progress and development about as fast as we could expect to go, or about as fast as it is desirable to go? Are we not at the present time following a perfectly sure and safe path? Have we not markets of the stability of which we can depend at all times in the future, as we have been able to depend upon them at all times during the past thirty or forty years? Is there not even reason to believe that, with increasing facilities of transportation, with the cheaper rates, which I hope will be secured, with better cold storage, with the markets of the British Islands more open to the people of Canada, we hope, than they have been in the past, are these not very good reasons why we should be satisfied with the position we now hold. To use a well-

known expression, 'What we have we will hold,' in that regard. But the proposals of this government, if they mean anything at all, seem to me to mean a considerable departure from that path which we have pursued with so much success.

Then there is another consideration, and that is the delicate character of the agreement which has been entered into by this government. It is not a treaty says my hon. friend the Minister of Finance. In the letters which constitute the result of the negotiations it is alleged that both parties expect and hope that this arrangement will continue for a considerable time. What is our position in regard to those items of the tariff which we may desire to change? If we desire to put any article that is upon the free list under these proposals, under some tariff restriction, are we at liberty to do so? Yes, says the Minister of Finance, you will be at absolute liberty to do so, and the proposals say so in distinct terms. What will be the result of that? He told us the other day that it was everything or nothing. Will that condition bind us after we have once assented to these proposals, and will our tariff have to remain fixed? Will it be everything or nothing then? I see no reason why that condition, which the Minister of Finance says we are confronted with to-day, will not continue at all times in the future. If we alter one single item in that tariff the United States will have the right to say: The whole arrangement is off; in the words of your own Finance Minister, it is everything or nothing. Is that a desirable condition for this country to enter into for the purpose of finding a new market for the stable and sure markets we have at the present time? A treaty stating a definite period during which a certain condition shall continue, is one thing; it must be interpreted according to the usage of nations in an understanding of this kind. But this arrangement, which will leave it entirely open to either side to make any alteration, and penalizing the slightest alteration by a complete abrogation of the arrangement, creates a much more difficult situation, in my humble apprehension.

I do not propose this afternoon to deal at any length with the economic side of the situation. It is perfectly obvious that certain classes in the community may see in these proposals some immediate future advantage; it is perfectly obvious on the other side that very great disasters and even ruin will be wrought to some industries in this coun-

try if these proposals are carried into effect. No one can doubt that they will produce a far-reaching effect on our trade as a whole. What their exact economic effect may be, I do not think any man in this House is wise enough to predict with accuracy. They do, however, seem to be a reversal of our policy for more than forty years. Looking at them from a purely common sense standpoint if the fruit men and the market gardeners of this county see their industry injured or ruined by the operation of these proposals, are they likely to assent to a policy which will give them absolutely no protection whatever in this country, while their competitors have the benefit of their industries? It seems to me idle to imagine that any such result as that can obtain.

Then look at the effects on our trade with Great Britain. I take the past six years by way of illustration, and I find that we imported from the United States during that period \$581,000,000 of dutiable goods, and \$502,000,000 of free goods, or a total of \$1,083,000,000. The rate of duty on dutiable goods was 24.26 per cent, and the rate on total importations was 13.04. We imported from Great Britain during the same period, of dutiable goods, \$342,000,000, and of free goods, \$113,000, or a total of \$455,000,000. The rate on dutiable goods from Great Britain was 24.78 per cent, as compared with 24.26 per cent upon goods imported from the United States. The rate on the total imports from Great Britain was 18.64 per cent, as compared with 13.04 per cent upon total imports from the United States. Now we talk about a preference in our markets to the producers of Great Britain. As a matter of fact, taking the dutiable goods alone, the British importer into Canada is paying higher duties to the revenues of this country than the man who is importing goods from the United States. I remember well that the present Minister of Trade and Commerce, in years gone by, declared when he was in opposition against Great Britain. What are the figures respecting exports? Our exports to the United States during the six years to which I have alluded, amounted to \$506,000,000, and our exports to Great Britain during the same period amounted to \$726,050,000. So if you look through the returns of the Department of Trade and Commerce you will find staring you in the face the fact that dutiable goods from Great Britain are paying a higher rate of duty to the revenues of Canada than goods from the United States. What then becomes of the argument for a British preference?

Can it be reasonably said that there is any real, British preference under these conditions? Then add to the conditions which have brought about that result, this free list which it is proposed to create between Canada and the United States, and the reduced list which is also provided for in these proposals, and what kind of trade conditions will you have in the future as between Canada and the United States on the one hand, and Canada and Great Britain on the other hand?

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

The Minister of Finance has spoken of the influence of the United States upon the destinies of this country. No one realizes that more fully than I do. A nation of 100,000,000, the greatest manufacturing nation in the world, the greatest agricultural nation in the world, with its boundaries extending along ours for 4,000 miles—why, of course, it must exercise a most profound influence upon the future commercial destiny of this country. I might characterize it even more strongly than I have done. It has been said that they can lower their tariff and change our trade routes. Perhaps they can accomplish something of that kind, but I want to ask you, Mr. Chairman, whether or not it is wise for us to combine with them for that purpose? Wider markets is the cry of the Minister of Finance. If the national issue is to be absolutely disregarded and you are to push the argument of wider markets to its logical, and, I believe, its inevitable conclusion, what will it lead you to! It will lead you to complete free trade and absolute commercial union with the United States. My hon. friend the Minister of Agriculture (Mr. Fisher) smiles at that suggestion. I do not know whether he smiles at the argument or in approval of the ultimate destiny. But I would like to say to him that if it is good to seek wider markets, from which trade the rest of the empire is excluded in the United States of America, why not have still wider and wider markets in the United States of America from

which the rest of the empire will be excluded? That path has only one termination, and that is absolute commercial union with the United States of America. There cannot be much doubt, I think, about what that would mean. The President of the United States, in his message, on page 6, used very significant words. Speaking of the people of the Dominion, he said: 'They are at the parting of the ways! I think the people of Canada have come to the parting of the ways, and that the issue of infinite gravity which is presented to them at the present time is whether they will continue in the work of nation building, in which they have been engaged during the past forty years, whether they will maintain their own markets as they have maintained them during the past forty years, whether they will preserve the autonomy of this country as they have preserved it during the past forty years, or whether they will undo the work which the fathers of confederation began, and which their sons have been carrying out, and have British Columbia to trade with the state of Washington, the prairie provinces to trade with the middle west, Ontario to trade with Ohio New York and Pennsylvania, and Quebec and the maritime provinces to trade with the New England states. If that issue is not presented to the parliament of Canada by these proposals then I certainly have utterly mistaken their purport and meaning. A book came into my hands only a few years ago. It is written by a gentleman who visited Canada about seven years ago—Mr. Geoffrey Drage. I quote the opinion of a German authority and publicist from page 68 of this book. Mr. Drage refers to the opinion of Professor von Schulze-Gaevernitz, contained in a work which he has written on British imperialism and English free trade, and the quotation from this German professor is in the words:

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

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

Such a union would also be the political suicide of Canada, who would

lose the political identity which she has developed and of which she is so jealously proud.

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

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

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

And so on. The argument there, and, indeed, the scope of many of the schedules brought down to this parliament is to hand Canadian natural products over to the United States producers with a minimum of labour employed upon them in Canada. Mr. Henry M. Whitney, of Boston, has written a notable article upon reciprocity with Canada, which was published in the Atlantic Monthly of October last. He says:

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

Then, a little farther on:

New York and Boston and Portland are the natural outlets for the foreign trade of eastern Canada. St. John and Halifax are twice as far from Montreal as New York, or Boston or Portland. The Canadian Atlantic ports

are not to be mentioned in competition with the American Atlantic ports for passenger business.

Further on:

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

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

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

And he says:

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

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

sources. We ought to aim at giving the producers in Canada a reasonable opportunity of carrying on their business by equalizing the cost of production where they might suffer from competition under unfair conditions. We have natural resources in Canada which afford a foundation for many splendid industries. We have carried out such a policy as I have referred to for the last thirty years at least, and why should we abandon it now? Upon what should our policy be based? Should it be based upon an attempt to create millionaires in this country or to impose unfair conditions upon any portion of the community? Not by any means. I believe that we in Canada, in the future still more than the past, should attempt to shape our tariff upon scientific consideration of known facts. I believe it would be well that we should have exact information as to these matters laid before parliament. I believe it would be well if we established a permanent tariff commission in Canada so that our tariff should not be made by rule of thumb. An agitation arises in some parts of the country against a duty of 25 per cent. and it is said it should be reduced to 15 per cent. and the Minister of Finance and the Minister of Customs set together and the industries affected declare in stringent tones that a reduction of 15 per cent would absolutely wipe out their industry, and throw thousands of men out of employment, and then the Minister of Customs and the Minister of Finance say: We will compromise, and we will make it 28 per cent. I do not think that is the manner in which our tariff should be framed; I think it should aim at equalization of cost of production so far as that can reasonably be accomplished. We ought to give the people of this country a fair opportunity to create industries and to give employment, but we ought not to give it under conditions as would impose burdens upon a portion of our people. My idea of a tariff is one which would give the industries of this country a fair chance, and more than a fair chance perhaps, to stand up against competition of countries where, it may be, the standard of living among the labouring people is lower than in Canada, and lower than it ought to be any where. That I think is a reasonable proposition. A permanent tariff commission if established would be the most fitting authority to decide us to these points. I understand, of course, that there are complexities. I understand that the problem of transportation must come in; I understand that the problem of great combinations of capital in other countries must be considered; I understand that

a great factory which has an annual output of \$20,000,000 can sell its product at a lower price than a factory the annual output of which is only \$1,000,000 but I would insist that we should have reasonable and accurate information as to all this. We can guard against our own trusts and combines by appropriate legislation passed by the parliament of Canada, but we have no means, except our tariff, to guard against the trusts and combines of other countries. I would like to tell hon. gentlemen that there are some curious positions which we do not all appreciate, connected with the tariff. I remember that some years ago I was talking to a big manufacturer, and I said to him: There is an outcry from men in your industry for an increase in the tariff, and he said: I am not joining in it, I am opposed to it. I told him I was surprised at that, and he said: You will not be surprised when you learn the reason, and I will tell it to you: A great many factories in this industry have gone out of business during the past few years, there are only a few left now beside myself, I am strong enough to keep on under this tariff although I will not make any money at present, but my competitors in Canada are not as strong as I, and they are bound to go to the wall, and I want them to go the wall, as it is for that reason I am opposing any change in the tariff upon my line of industry at the present time. Remember that after all there is something in competition, under a reasonable tariff, in the way of reduction in the cost of products. The hon. gentleman from Portage la Prairie (Mr. Meighen) presented a very forceful argument to this House with respect to the duties on agricultural implements, and I say that the government of Canada ought to be in a position now to lay before the House information which would either corroborate or displace the facts presented by my hon. friend (Mr. Meighen). So far as agricultural implements are concerned the proposals submitted by the government are not along the line of the facts which my hon. friend (Mr. Meighen) presented, because they deal, in just the same way with some articles upon which he admitted he could not base so strong an argument as they deal with other articles upon which my hon. friend (Mr. Meighen) made a very strong argument indeed. Before the end of the session the government should bring down, with regard to that particular industry, information absolutely accurate and definite with respect to the cost of production and having that information it would go in order for parliament to deal with the

question according to the light which would be shed by that information upon the very important subject which that hon. gentleman (Mr. Meighen) brought before this House. The statements of my hon. friend (Mr. Meighen) have not up to the present date been controverted by any member of the government, and if not controverted I think all must admit that they call for some action by the government, and by parliament.

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

'There is a good deal of outcry in this part of the country about the duties on agricultural implements and the duties on other articles, but I am not very much disposed to join in that outcry. We deep-thinking men are more concerned with the question of cheap transportation of our products than we are with the question of \$25 or \$30 a year on our agricultural implements.'

And, so I think that the question of transportation is a vital question with the people of the west, and if the government of this country should deal with the grievances which have arisen in the west in that connection, they would find the people of the west disposed to treat the fiscal question in a broad-minded and generous spirit; and, after all, the day will come when the people of western Canada will see great smokestacks and great and important manufacturing industries in our western cities.

The west is very much concerned at the present time about the building of the Hudson Bay railway. There is not absolute unanimity of opinion in this country as to the relief that will be brought to the people of the west, by

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

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

Then, Sir, as to cold storage and refrigeration and the establishment of abattoirs in the west, we on this side of the House have already stated our position. Considering that we have this great gap of 800 miles of uninhabited country between the east and west of Canada, I think it is worth while for the east to make every possible concession to the west in order that there may be no ap-

parent divergence of interest between the east and the west, but that east and west, from the Atlantic to the Pacific, may join together in the upbuilding of this great federation of ours.

I trust that the Prime Minister will not proceed hastily with these proposals. The country has had very little time to consider them. As far as I am concerned, my opinion with respect to them has, I trust, been made fairly clear to this House this afternoon. I think the Prime Minister would do well to withdraw them from the consideration of the House at the present time, and to await some further developments. We have begun a great work in this country. Two great races whose mother tongues are spoken in this parliament came into the inheritance of this great country under the providence of God. Our fathers endured many hardships and made wonderful sacrifices in planting their homes in this then western wilderness. In times of peril both races have poured out their blood without stint in defence of their common country. In the work of up-building a strong nation and a

great nation and a great civilization under the British flag, on the northern half of this continent, they have laboured side by side with mutual sympathy and with high purpose. The heaviest burdens have been lifted, the greatest obstacles have been overcome, the most difficult part of the task has been accomplished. I trust that the Canadian people will not lightly relinquish the task to which their energies and the energies of their fathers have been consecrated for so many years. I trust that the standard will not be thrown aside and the retreat sounded when the battle is more than half won. The self-denials, the sacrifices, the patriotism, demanded of us to-day in order the British flag, on the northern half carry out the ideals and the purposes for which it was called into existence are as nothing to those which were required of our fathers who founded this confederation. Loyalty to their memory and to the ideals which they consecrated demands that we should continue with firm heart and unabated hope upon the path on which we entered nearly fifty years ago.

RECIPROCITY SPEECH BY HON. GEO. E. FOSTER.

Hon. GEO. E. FOSTER. Mr. Chairman, I hope that my hon. friend, who has dispensed so much wisdom in the short time that he has spoken, and has done it with such extreme clearness and distinctness of voice, will pardon me if I do not follow the points one by one, which he has been endeavoring to make. I am not to-night concerned at all in an endeavor to get the best of a man in argument. I am looking rather to getting at the rights of a question, which I think is important enough to engage the attention of Canada, and will be thought by the people of this country important enough to call for calm, sound and deep thinking and reasoning as well as declamation. In the course of my remarks I shall probably touch the points which my hon. friend has made to-night; but what impresses me at the present time, is the situation in which we find ourselves—a situation which, in the first place, is unique. Neither in Canada, nor do I think in any other country, has any important fiscal legislation been undertaken in quite the manner in which this has been undertaken by the present government. In the next place, the situation is one of extreme gravity. I may be wrong, but I have given a great deal of thought to this matter in the course of my political life, and the conviction that is within my heart is, that we have never had in Canada any question quite so important as this present one—no issue upon which hung larger and greater consequences. The only one that, in my mind, approached it, was the struggle in 1891, when commercial union with the United States and discrimination against Great Britain was the slogan of hon. members opposite, and the cry around which one of the greatest political battles ever fought in Canada, was fought. I think it is a situation which involves in a large degree the fiscal freedom and political independence of Canada. In the fourth place, I think it is a question which is fraught with consequences greater than any of us can now see, but a sense of which comes to me, and I believe to every thoughtful man in this country—fraught with grave consequences to the future of that Empire, of which, up to the present time, Canada has been a shining and a noble part. My hon. friend the Minister of Finance appealed to history, going into a rather long disquisition upon the record of reciprocity negotiations. Whether he did that by way of apology or as

a defense for the proposal which he has made to us, I do not know. If it was the first, it was as good as any other old thing; if it was intended for the second, it is a defence, which I think, is inadequate, and which would not stand examination.

History is very valuable, Mr. Chairman. It is valuable for what it teaches us to imitate; it is equally valuable for what it teaches us to avoid; and, if my reading of the history of reciprocity negotiations with the United States of America is correct, the history of those negotiations is one which may well teach us what to avoid in the present and for the future. But, Sir, there is history and history, and you, Mr. Chairman, were no doubt quick to perceive that my hon. friend traced the history of reciprocity negotiations up to the year 1891, and then and there dropped it. There was a long hiatus of from twenty to fourteen years in which he could appeal to no history with relation to negotiations for reciprocity with the United States of America. What did that mean, Sir? It meant that the old volume was completed, sealed, and laid away, and that at that time a new pathway was hushed out and a new record and a new history was initiated in this country. Am I right or wrong in that? In 1891 the Liberal-Conservative party made its last endeavor 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 rubbed out from the Liberal party, and they 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. Let us see what there is. In 1898, the right hon. Sir Wilfrid Laurier, according to 'Hansard' spoke as follows in this House of Commons, talking about the negotiations and the failure of these negotiations to result in anything:

Canada to-day is not in favor of reciprocity. There was a time when Canadians, beginning with myself, would have given many things to obtain the American market, but, thank Heaven, these days are passed and over.

That is strong language; and it expressed what I suppose it was meant to say. But after ten years more during which neither Liberal nor Conservative party raised the issue of reciprocity with the United States, my right hon. friend stood in the Imperial Congress in London, and before the assembled delegates of the empire made this statement:

There was a time when we were wanting reciprocity with the United States, but our efforts and our offers were put aside and negated. We have said good bye to that trade and we now put all our hopes upon the British trade.

Could any hon. gentleman be more explicit as a repudiation, before the assembled delegates of the empire, of any desire for reciprocity, and a declaration that Canada had given up the quest and had put all her hopes in the British market? Later yet, in 1909, in this House of Commons, the same right hon. gentleman said:

Canada has opened her doors to Great Britain in the hope that she would ultimately receive similar preferential treatment from the mother country.

That is my warrant for saying that from 1891 the Liberal-Conservative party and from 1897 the Liberal party—that is both parties in this country—had closed the door on reciprocal negotiations with the United States and had opened up a newer, broader and more promising highway for our commerce. But there is corroborative evidence. In a general election, if there be any live issue, it comes out on the hustings. After 1897 had passed and the right hon. gentleman had made his enunciations, we went through the elections of 1900, 1904 and 1908, and I challenge him to show that in any one of those three electoral contests, anywhere in this Dominion, he or any of his party advocated reciprocity with the United States as a policy. On the contrary, the ideas which he enunciated in the extracts I have read, were promulgated from platform to platform, and it is not too much to say that we came to the conclusion, and rightfully, that Canada, as a whole, endorsed the action of the two parties and took no stock in reciprocity. I need not elaborate that point any further.

It was significant that my hon. friend the Minister of Finance, began his history at 1897, since then Canada has made great progress, signal progress, despite the burdensome load it has had to carry in the shape of a rather poor administration. We heard this afternoon what was done, what was begun, and what is contemplated by this government of ours. Again I want to ask my right hon. friend, after this exposition of the situation, why this sudden change, and this new quest for reciprocity? Is not that a pertinent question? Why the change?

You had buried reciprocity. You declared that you had buried it. The country attended its obsequies and did not mourn nor weep; and after it had been buried for 11 years, by yourselves and for a longer time by the Liberal-Conservative party, what has brought it to life again? Will some one answer that question.

Where was the mandate of this government to take that question up, to come to these conferences, to make this agreement and to bring it to this parliament and demand that this parliament shall pass it as being the best policy for this country? That you did not get a mandate from the people is plain enough. You had a mandate from the people to let it alone, if ever a mandate was given, after the repudiations of hon. gentlemen opposite and the acquiescence in those repudiations by the people of this country at large. There were no compelling conditions to force you on this question. What were they, if there were any? Production was good. Never in the history of Canada has its production, in all its varied interests, been larger or richer. No blight then had fallen on the productive powers of Canada, in any respect, owing to conditions which the government might remove. There was no lack of market for everything that Canada produced. There was quick sale, easy sale, no glut in the markets, no lying in our bins and cellars, no rotting in our fields.

Everything that Canada produced, and she produced richly, found a market and a ready market. There was no compulsion in that respect, there was no lack of transport, everything ready for market had means of transport, there was no compelling condition which sent these gentlemen to Washington. The prices too were good, they were never better in Canada. I have just gone through a very important and useful volume which has been issued by the government itself, giving the round of prices for a series of years in this country, and the government themselves being the judge and the arbiter and giving the judgment declared that prices in the Dominion of Canada were never so high as they have been during this last five or six years. Where then were the compelling conditions in this country which cried for relief and for which relief could be got only by going to Washington and negotiating for a

reciprocity treaty? There were some things in this country, some little causes of dissatisfaction; we may reduce them to three. There was the demand of the grain growers in the west. What for? For free agricultural implements, or a reduced duty upon them. That is what the grain men and producers of the west wanted. There was the fitful cry of that ardent and conscientious free trader, who with all the power that was in him, supported the protectionist government of my right hon. friend, who rose here and there throughout the length and breadth of the country, and there was, in the third place, the widespread dissatisfaction with the condition of things imposed upon us by the United States of America in accepting a \$101,000,000 free list from us and giving us but a \$33,000,000 one in return, in buying from us a pastry \$100,000,000 worth and of selling to us \$223,000,000 worth; of meeting a Canadian tariff of 26 per cent. by a United States tariff of 41½ per cent. There was a feeling in the country that that was not a neighborly thing for them to do, not fair business treatment, not what we would expect from a great and rich and powerful neighbor. These were the three things that were mooted as grievances in the country.

I appeal to you, Mr. Chairman, as a man of common sense, if the grain growers and farmers in this country of Canada believed that agricultural implements were rated too high and that the government should either reduce the rate or make them free, I ask you, Sir, as a man of common sense, what was the scientific, the common sense, the businesslike thing to do? It was for them to lay their plaint before their own government and if they made good their case to get the grievance removed by tariff legislation in this House of parliament and at the hands of this parliament. That was the straightforward, the common sense, the business method of procedure. If their case was good, the government should have granted them relief; if their case was not good, the government, with equal strength and snidery should have said to them: You are treated as well as others and we think you have no cause for complaint. That is the way, on business principles, that the grievance should have been met. The second one could have been met in this way, was in process of being met, simply that this government should have remained at home and meddled what the people had told them to do and meddled in what the people had not given them any mandate for doing. In the United States of America what was the condition of things? A high tariff from time immemorial, growing higher through the Dingley Bill, the McKinley Bill and at last coming to a height of 45 per cent. on an average of duitable goods; against that a revolt broke out, a campaign was waged, and the slogan of the campaign in the Republican party was a downward revision of

the tariff in the United States. The Republican party promised it; they were elected, they came into power, they brought down their measure and the Payne-Aldrich Bill ended not in any revision downward that was worth mentioning but, in some things in a revision upwards. What happened? The people of the United States have a pretty sterling sense of what is due to them by men who make pledges and then break them and they broke out in insurrection. When the Payne-Aldrich Bill was going through Congress the Republicans raised the banner of insurrection in the Congress and in the Senate. They fought the Bill there, they were defeated there, they carried the fight out into the constituencies and in the late elections they gained the support of the people and the punishment which ought always to come upon men who make pledges and then cynically break them came to the Republican party.

They were defeated in the country and their day is just about over in the Congress of the United States and will soon be over in the Senate of the United States. What was the position? That insurgent force that swept the Republicans out of power was pledged in a diminution of the tariff especially on food stuffs. The Republican party in that position, the Democratic party were pledged to a revision downward of the tariff especially on food stuffs. It was known by all men that the coming Congress soon to go into power would deal with that matter and it was known that it would deal with it in the line of taking off and diminishing duties especially upon natural resources and food stuffs. No one can deny that. That was the moment when this government should have been the last to meddle in tariff negotiations with the United States of America, but that was the psychological moment, as my hon. friend said, when he took it into his head to hutt in and pay the Republican party for what was due and acknowledged to be due to the people of the United States, and what that party would have to give at the coming session of Congress. That is the way that matter would have been settled and settled with better effect than by the present arrangement and without our having to foot the bills in any way.

That being the case what happened? Just at that psychological moment— I think that is a good word— two men started out of Ottawa, two very estimable men, but not in any way extraordinary. Apart from their being ministers of a government, members of a cabinet, just lay aside their titles, and their positions, and their power of dispensing patronage, and turn them out in the streets of Montreal or Toronto, and you would not find all the captains of industry, and the men of finance, and the great business men of the country, rushing out and falling down before them, sitting at their feet, and worshipping them: not at all.

They are estimable men. But does the hon. Wm. Paterson mean to tell us to-night in sober earnest that he knows more about the business of this country than the trained business men who have been in it, in one branch or another, from boyhood up, and are to-day the great captains of industry and men famous in their several spheres? Not at all. Neither would my hon. friend the Minister of Finance, though a very good newspaper man in his time, and though a very good man in business, in a limited way—I do not know that he has had any specially large experience, certainly he could not himself say here in the House to-night that he knows more about these things than the trained men of business who direct affairs in this Dominion of Canada.

Now, Sir, what happened? These two estimable men, without any mandate from the people, without any call from any interest in this country—that is literally true—without any consultation with any interest from British Columbia to Cape Breton, these two men, consulting with nobody, except with fourteen or thirteen other equally ordinary men—or I might say not more extraordinary men, with whom it is just possible they consulted, though I do not know—men of such experience in business affairs as the hon. the Minister of Labor (Mr. King), men so versed in financial and high matters of banking and commerce as the hon. the Minister of Militia and Defence (Sir Frederick Borden), men so famous in business circles as the hon. the Secretary of State (Mr. Murphy), men of such fine financial mind and business acumen as the right hon. gentleman himself who leads the government and the party (Sir Wilfrid Laurier). Now, giving all credit to those men for all that they know—and they know a lot, a lot that they ought never to have known—but giving them credit for all they know, there is the whole gist of the matter. In the whole Dominion of Canada no one was consulted but these fifteen men, if even they were all consulted. These two gentlemen make tracks for Washington. What did the right hon. gentleman say himself? He passed through the west this year, he was asked for tariff reductions and tariff adjustments. What did he promise to the deputations? We will take it into consideration, but there will be no adjustment of the tariff until we have a tariff commission to examine into the matter, and to hear from the various interests. Did my right hon. friend make that promise in the west? If he did not, will he deny it now? The right hon. gentleman did make that promise, he will not deny it now. Has he carried out his promise?

There is another thing the right hon. gentleman said: One cardinal principle we have, that is that the British preference shall not be interfered with. Did the right hon. gentleman make that promise? Did he mean it when he made it? Has he implemented that promise any more

than the other? A solemn promise made by a leader of a government to men who came to him with a tariff grievance that he could not make any adjustment of the tariff until—common sense idea—a tariff commission had been issued, and got information upon which to make an adjustment. And yet he has made the greatest tariff revision that ever was made in this country, and in the most important respects. A promise that whatever was done the British preference would not be impaired. He comes back with an instrument which, in almost every line of it, impairs, diminishes or completely obliterates the preference which Great Britain has to-day in the markets of Canada.

These two men sit down with three or four other men in a secret chamber in Washington. The receiver is taken off the hook, the telephone line is cut, and for two weeks these gentlemen are closeted in camera with gentlemen of the United States, and no interest in this Dominion can get a word to them or a word from them. There are rumors, there are grave stories of what is being done, there are fears everywhere, and dislocation and disturbances in every part of this country. The receiver is still off the hook, the line does not run into the room. No interest in Canada can get the ear of that conclave of four or five men who are dealing with the affairs of this nation. How do they deal with them? On the line of justice and fair play? No, Sir. It is a strong word, but I am going to use it, they dealt with these interests as gamblers deal. I told you I was going to use a strong word, now I have used it, and I will show you that I am not far out of the way. If an interest comes here to a government which is independent, which rules in Canada, responsible only to parliament, and that interest says: We want more protection; or if another interest comes and says: We want less protection upon such and such a line of goods, there is only one way in which the grievance may be made right and justice may be done, that is, to look into each case, try it on its merits, giving to the one or taking from the other because of the intrinsic merits of that interest which has to be taken from or added to. Is there any man in this House, Grit or Tory, who can deny that is the honest way to do it? Is that the way that these gentlemen in camera in Washington acted?

Not at all, Sir. The United States player shoved up his pawn, free fish; the Canadian player shoved up his, free fruit. Before the Canadian player shoved up the pawn of free fruit, did he call before him the representatives of that mighty and growing industry in this country, and by a single word ask them what would be the effect of this dicker upon their great industry? He had to go one better, or one equal to the American player, but he did not do it on any ground of reason or

of justice or examination. The American player put up free dairy products to the United States. The Canadian player shoved up his free dairy products to the Dominion of Canada. Did he say free dairy products because he had consulted the interests—the wide interests—of the dairy-men of this country, and had come to the conclusion that those interests would not be hurt, and might be advantaged by it?

Not at all; he was asked to play up in the game, he played and so it went from one thing to another until every pawn was moved and the two checked each other and were a little joyful the one with the other. All that time the interests that you were playing with were in dense ignorance of what you were doing, and you were in dense ignorance of how their interests would be affected by your play. That is absolutely a wrong way to deal with the interests of this or any other country in the matter of tariff legislation. Did I use too strong a word? I do not think so. I was not vicious in using the word; I just meant it, that is all.

And now, Sir, after having played the game they take the receiver off the hook, they connect the telephone with the chamber, and they let this parliament know that they have signed a pact. What kind of a pact? Did you in Winnipeg, know what it was? Did you in Wentworth, did you in Brantford, did you in Kent, did any of you members of parliament who represent mighty big interests, many of you large interests, all of you, know one single thing of what had been done behind your back and behind the back of this country? No, Sir, you did not. Now, Sir, the crime—for it is not much less than that—might have been mitigated if one course had been taken. Having no mandate, having consulted nobody, taking it up off your own hat, out of your own head—not the wisest head by far in this Dominion of Canada, not certainly a compositely wise head embracing the whole wisdom of this country—the crime would have been mitigated, you could not have called it such if you had brought that pact back to Canada and stood up in parliament and said:

This is what we have done; true, we had no mandate; true, we held no consultations, but this is what we have done, and, having done what we thought best for Canada, we throw that pact on the electorate of this Dominion and invite them to consider it and to pass their opinion upon it. If they had done that they would have followed the constitutional practice, they would have honored responsible government, they would have been true to the democracy about which they talk so much, they would have labelled themselves as business men and as statesmen, who have confidence in the people and do things above board. But that pact is signed, is brought back to parliament when we are half through this

session and parliament is told that it must be passed without the dotting of an 'i' or the crossing of a 't.' Take the whole of it or take none of it! The Minister of Finance has the colossal boldness to stand up in this parliament and fling before it that thing gotten up by two men without mandate, consultation, or authority from anybody, or any great interest, and he coolly says that parliament is absolutely free to take it or not, as parliament pleases. No wonder some of my friends opposite smile. The Minister of Finance knows that he was stating what theoretically may be true, but is practically absolutely false. This parliament is free. I invite that right hon. gentleman how to proceed; carry out the words, implement the statement of the Minister of Finance and to-morrow take the voice of your party in this parliament, let every man vote as he chooses and pleases, and then he might see that this parliament was free. Will he do it?

Will he do it? Not for his life will he do it. This parliament is free, but the government has pledged itself as a government to use its utmost efforts to pass that measure through parliament. If the government does not pass it through the government dies. If the government dies the party dies, and, therefore, the party is bound to support the government if it has a disagreement with death and dissolution. Death is repulsive in every form, none the less so in its political forms, and the amount of freedom we have in this parliament and in this country is measured by the fact that the government has pledged its existence to the passage of this measure, and that if it fails not the government alone, but the party in the House and in the country in all its ramifications goes out of power and another party comes in. When I was listening to the Finance Minister going so glibly over his story, and as the extent and gravity of the measure forced itself to my mind I wondered whether the Finance Minister himself knew in any adequate degree or measure what he was talking about. Giving him all credit for far-seeing capability just as freely as I can give it to him, I have no hesitation in saying that he did not then know, he does not now know and I have not yet found a man in Canada who does know where all this may end.

I do not think people ever perish because of their lack of knowledge, and I have not the least doubt that if the situation in its entirety can be put before the people of this country my right hon. friend will find that he is in the great minority. My right hon. friend, in that contingency, would not find that he could sit down easily; he would go down with a mighty big plump. Now, what does this measure do? In the first place it alters the fiscal conditions of interchange, not for a few unimportant articles, but a long list of most important products. It alters the fiscal conditions of interchange

for all our dairy products, all our animals, all our grains, a large proportion of our lumber, all our natural food products, all our fish products except sardines, all our fresh vegetable products, our mineral products, our wood pulp and paper, by transferring them in one block from the dutiable to the free list. Do we know just what that means and can we sense just exactly how far that goes? But it goes further than that: Our meat products, our grain products, our prepared vegetables and food products, a large class of manufactures, are transferred to a lower reciprocal list, and another fairly large number of important products are transferred to a non-reciprocal but specified list in which the duties are lower. In gross, it takes \$95,000,000 of products and at a stroke of the pen transfers them from dutiable to free or from a higher dutiable to a lower dutiable list. Every man knows that if you change the fiscal conditions of interchange of \$95,000,000 worth of products in this country you affect in some degree every other of our products or nearly so. As I have shown \$17,800,000 of our imports, and \$47,300,000 of our exports are affected.

Now, Mr. Chairman, I don't want to labour these different points beyond what is necessary to get them under advisement and thought. Every man in this House must realize the importance of a measure which at one stroke of the pen lifts \$95,000,000 of the products of the country out from old established conditions and makes a different fiscal system for interchanging them. Such a measure must be of far reaching and wide importance. How far it goes requires business men of the best calibre to figure out adequately. But, this arrangement does something even more important: It shifts the base of conditions of production. It is true that production is of greater importance than interchange or trade, because trade is founded upon production and without products you cannot have trade. You must have at least two different productions in order to have a trade; one man raises one thing, another man raises another thing and there you have the base of interchange and that interchange you measure by your trade figures of the value of each. Therefore, though trade is important, the conditions and the base of production is more important still to be considered. And, what does this thing do if it goes into operation—it shifts the base of production and not to the advantage of Canada in my opinion. For example, British Columbia is particularly adapted to the raising of fruits, and British Columbians have invested their capital and risked their future in the business and they have done well and aim to do better, and they have accomplished their success so far through being fairly protected from the southern fruit growers who compete in the market.

There you have the production of fruit that employs labor, capital and

is of great importance to that province. East of the Rockies you produce grain and cattle; British Columbia has to get grain and the prairies have to get fruit, and there you have the basis of interchange between these two parts of our Dominion, and the products are both raised in Canada. And, what does this measure do? It changes the base of production; it says to the prairie buyers: We in the United States will raise fruits and we will supply them to you and you cannot deal any more with British Columbia; it says to the prairie provinces: You may still raise grain and cattle, but we will take them down here in the United States. You have the same grain and cattle raised, you have the same fruit raised, but one of your products has been shifted from its course in Canada and taken to the United States. That, Sir, is the basic fault of this instrument which is before us to-night. These gentlemen opposite say: We are in favor of reciprocity? Are you? What would be the best reciprocity?—Reciprocity between the different sections in Canada itself that raise different productions and have different capabilities. Why, if you favor reciprocity should you kill, or deteriorate, or diminish the reciprocity between British Columbia and the prairies? That is but a sample, but there are other instances. Take fish which is a great natural industry and a great business industry as well. Within the last 20 years a fish trade of large dimensions has been built up between the lower provinces and the rest of Canada running as far as the Rockies.

There is a production in Canada. The eastern Canadians want cattle, want grain, or want flour, which is raised in the western provinces. There are the elements of a reciprocity which builds up this country—both productions made in Canada and an interchange between the different sections of Canada. Now, what are you going to do? You are going to say to the fish industry in the eastern provinces: No, seek your markets somewhere else. The fishermen of the lakes and the fishermen of the Atlantic shore, because they have shorter routes and cheaper routes, maybe, to the heart of the great west, will get and give the fish that are required in the west. It will no longer be reciprocity between two sections of our own country. It will be reciprocity between the United States in one production and the west in another production. Now, Sir, that runs through the whole of that reciprocity arrangement. You talk about your foreign trade, and you hallow about it as though it were the greatest thing in Canada. I was going to say that it was almost the least thing in Canada. What is the greatest thing in Canada? The interprovincial trade, which is founded upon the many productions in the east, and the wheat, grain and cattle productions in the west—the two complementing each other.

What has made Canada so mighty and so great in her progress is this, that you have filled her bins with the rich blood of interprovincial trade, stimulating productions in various parts, and then interchanging these productions one part with the other part. This instrument has for its object, can have no other, the shifting of the base of production, and giving as far as possible at least one-half to the United States of America, and taking from Canada the other half—with this proviso, which is important, that the kind of production you leave to Canada is the production so dearly loved by the Minister of Customs. Canada, dig out your ore; the United States, manufacture it up through a thousand processes until you get it at great value, and then send it back to us to buy. Frontenac, dig your tale, and employ a few dozens of men; send over the product of your pickmen and your shovellers to the United States, and let them do the perfecting processes upon it, and get the employment, get the accrued wealth, and get the national development. That is what it means. The part you call for Canada to keep is that which employs the least labor; what you give to the United States is the result of that employment of that least labor in raw material—is what employs the greatest labor and runs up into the great figures of value which labor puts onto the raw material in perfecting the product. The real reciprocity for Canada is the reciprocity between these different provinces. I put it to you, Sir, that if it were now 1867 and the provinces were asked to federate, with the alternative of free reciprocal trade with the United States of America, would we have any federation of these provinces? It would have been absolutely impossible, and if this measure is to have the effect that its promoters and donors in the United States hope for, it will turn us backward, and lead us to the pre-confederation days, when our maritime provinces traded with New England, and our large central provinces with the states on the border—there was no prairie then—and when British Columbia traded with the border states on the Pacific. My count against this measure, stronger and deeper than any, is that it threatens the best and highest production in this country, that it threatens thereby the stream of interprovincial trade which is absolutely the life and essence of this country as a whole.

It vitally affects and changes the direction of the channels of trade and the great transport routes. Now, that does not need to be argued at all. Everybody admits that. The only thing that is said with reference to it is this: Granted that what we have gone to such expense for, what we have been for forty years building up, what we have now in the great trunk lines of communication east and west—granted that they will be affected—and if your reciprocity amounts to anything, they will be largely affected—there will be enough grown to keep them go-

ing and to keep the southern lines going too. Is that the sum and substance of our national aspirations to-day? Twenty years ago you could have said of one straggling line of railway in there, it can carry more than is produced, but in a little while production will overtake it, and surpass it, and the southern lines will have what they want, and that line will have all it can do. That was not the ambition of Canada. The ambition of Canada was to keep her transportation routes even and adequate for the increased production of the country. If this year it is thirty million bushels to be carried out, let the Canadian routes multiply themselves, and carry them; if afterwards it is a hundred million bushels, there is rich land enough for all the railroads that can be built, and under stable conditions there is capital enough to build them all if needed. It is my ambition that, however much the expansion and development of the productions of the western country may be, our seaport towns, our steamship lines, our canal routes, and our railway transportation systems shall keep pace with it, and do the work—why not? Did you ever take your pencil and sit down and calculate just what is subsidiary to a great line of railway running from Vancouver to Sydney? It is not simply two rails, some engines and some cars from the time it starts. From the time it thinks of starting it is an employment of labor and subsidiary operations before it can get a locomotive or a car or anything of that kind; and from the time it starts to build its running road and its working gear, through every branch and hour of its operations, Canadians and Canadian work and Canadian machinery and Canadian implements are called upon, until it becomes a great invigorating stream of development and wealth-production from one end of the country to the other.

If you have one, there is so much, if you have two, that is double. If you have a dozen, or a couple of hundred, as you will have, in course of time, then it will be our ambition to have them Canadian and manned by Canadians. I think that is a far higher ideal than we can achieve by inviting Mr. Hill to enter that country on the ground that there will be plenty for both. I have a quarrel with the government because, without giving ear to the market gardeners or the fruit men or any other interests, they have made a part and rushed it through, and while they are rushing it through, these men come and complain that it cannot fail to do them damage. But the Minister of Customs, with his loud voice, says to these people: You do not know anything about it; it will be the best gift God has ever given you. These people have to submit, because this government has jammed the thing through, they must get it through, and they are pledged to the United States administration to keep it there, after it is through. Two years pass and the market gardeners and other

men come again to the government and say: our industry is absolutely gone; we can not subsist another year; you told us it would be all right, but it has not turned out all right; on the contrary, we shall be ruined unless you come to our relief. What does the government say to that? All they can say is: We cannot help it. Why? Because if we do, that will break up the whole compact, and that we cannot do. What then is this parliament asked to do? It is asked to absolutely give away its independent power of redressing grievances. They come to the administrators of their own country, these men who pay taxes and build up homes in this country, and add to its accumulated wealth, they come to the government and they say: Here are our grievances, remedy them. But in reply the Prime Minister holds his arms and says: There is a mercantile foreman in charge now; before this trade arrangement passed we could have given you a remedy, Canada could control her own, but to-day the foreman to whom you must plead is not Canada, with its eight millions, but the United States with its ninety-three millions, please is the party to whom you must appeal and if that predominant party does not agree to what you ask, we can do nothing. I say that is rank injustice. The men on the other side pay no taxes to this country, they pay no Canadian labor, and yet, for the sake of the southern fruit borders, you do this and your own people are ruined, and when they ask you for redress, you have to confess that you have bartered away your authority and can provide no remedy.

But, Sir, that this arrangement will virtually affect our transport system east and west, does not require any argument. We know that it will, and the only thing said in explanation is: Oh, well, we know it will, but we trust there will be enough for all, and if our people do not get their share, it will be their own fault. But do we also take this into consideration? When I listened this afternoon to the presentation made of Canada's growth during the last 10 years, and of the mighty interests that have been built up, the question came to my mind: Why have we built those works? Why have we spent that money? Why have we made this great march of development? For what purpose have we done all these things? Was it in order that we might afterwards turn them over as joint assets in a partnership with a great, rich and dominant people? No, we do those things to make Canada great and not to make the United States great. We did them to develop the resources of Canada, to work up our own raw material with our own capital and our own labor. Suppose that the iron ore does lie in the ground, some of it unused, for 20 or for 50 years, will the generations to come, find fault with us for having conserved that much of our raw materials, for their benefit? Is Canada limited in its hori-

zon to 30, 100 or 500 years? All that we have the right to do to-day, is to take what is fair and reasonable for the user of the present generation and preserve the rest, as trustees, for the generations to come. Some time or other, and not very distant, this rash spirit of commercialism which would take the last salmon from our streams, the last stick from our forests, the last pound of ore from our mines, the last available ounce of fertility from our soil and turn it all into money for the present user—the time is not far distant when that commercialism will have to give way to a more healthy sentiment, in favor of the preservation of not only the nationality of to-day, but the nationality of the future.

I was surprised at the heretical doctrines of the Minister of Customs. In this our hour when the conservation of our natural resources is engaging the best thoughts of the best men in the best countries of the world, what place can there be for such a doctrine as this, that because there is plenty of iron ore in our mines now, exceeding what our puny 7,000,000 of population can use, we must get rid of it as soon as possible, and lose sight altogether of the 50,000,000 or 100,000,000 of people who will be living in this country in the future, whose interests we are in a conscience bound to protect, and who will be grateful to us for having preserved for them this means of development.

I have just one other point to make and it is this—that this measure vitally affects the labor interests of this country. I have made my argument in reality on that, all I have to do is to state the proposition. If the effect of this measure is to shift producing centres from this country to the United States, to give us half and the United States half, it means that half of the labor possibility in the way of employment is taken from this country, and is shifted to the other side or set upon the other side. If it is true, as I have stated, and I believe it is, that we are keeping the more raw processes for our country and leaving the more finished processes for the other country, and that the raw processes employ the least labor and the others the greatest amount of labor we are cutting again into the great future of the labor men of this country. I do not need to carry that out a single step further.

Mr. FOSTER. The most important factor in the development and progress of any country is its productions of every kind and variety. The twin factors which aid in producing are capital and labor, and I propose, for a few moments, to consider what will be the effect of the proposal before us in respect of the productions of Canada and their co-operative factors, capital and labor. As I have already said, we are disposed to pay too much attention to the figures of trade, which, after all, are but indexes of some-

thing which is basic and far more important. In all the foreign trade of Canada there are two productions, as far as geographical distribution is concerned—one of them in Canada and one outside Canada—and the one production is exchanged for the other. But the interprovincial trade is infinitely more important, as indicated by its figures, than the exchange with foreign trade, as indexed by the foreign trade figures, because in the former all the products are raised in Canada and the elements necessary to production are furnished and operated in Canada itself. The aim and object of this country for the last 40 years has been, as far as possible, to stimulate the number of productions in Canada itself, which usually form the article of exchange between the different parts of the country and the diminishing as far as possible—and it is only possible relatively to diminish them—the productions of outside countries to be exchanged for the productions of Canada. That is to transfer, as far as possible, all the elements of labor and capital and profit which go towards making up foreign productions, to transfer these to some section, province, or part of Canada where they shall be sent out and shipped for other productions in Canada made in some other province, section or part of Canada. To-day, when I read the American papers and scan the American speeches, and look at the American arguments, I do not find that they are saying very much as to the employment of American capital in the establishing of American industries in Canada.

In the past and present condition of things we have noticed that as a factor, and a very important one, in the development of this country. It is stated, and I think without doubt, that at least \$226,080,000 have been transferred in equipment and plant from factories in the United States towards the establishment of branch factories in the Dominion. Senator Beveridge, deploring that fact, substantiates it, but wonders whether it would not be much better for the United States, instead of transferring branch elevators to the Dominion, to bring about a condition of tariffs, in which it would not be necessary for these American industries to transfer branches beyond the line. And Governor Foss, another very strong advocate of this reciprocity arrangement, deplors the same fact, and says "if it goes on hundreds of millions more will be so transferred, and he thinks the time has come for the United States of America to accept Canada's offer, make the way easy and clear between the two countries and thereby keep the production, the capital, the labor and profits, the homebuilding and wealth-making in the United States, instead of transferring it to Canada.

Why are they solicitous for this trade treaty with Canada? It looks out upon every page of their argument; it slips off the tongue of every advocate of the

proposal. It is that the United States of America covets the rich natural resources of the Dominion of Canada—covets these resources not with a view to coming where the resources are, bringing labor and capital, and working them up where they exist; not that, but covets them to draw them away to their own manufacturing industries, to the centres of their own country, to make them up with their own labor to their own profit, directly and with all the subsidiary gain which accrues to manufacturing in the United States. 'How will they get these raw resources?' you say. Well, Sir, outside of what they already own in this country—and they own, probably, more than any one who has not looked into it quite understands—this arrangement will not have been in operation for five years before the big trusts and moneyed interests of the United States will own everything that is loose in this Dominion in the way of great natural resources. What they do not wish to buy from the man in Canada who raises it or digs it from the mine, they will raise and dig on their own properties under their own direction in this country of ours. They will have these natural resources, they will command them. And, as I have said, I want the people of Canada to keep this in mind—that the object in all this is not to work up the raw materials in Canada but to work them up in the United States of America. They will allow the cheaper and less skilled and less concentrated operations of labor to be performed in Canada, but the better paid, the more skilled, the more aggregated, are to be carried on in the United States. They will let Canadians take out the ore, catch the fish, fell the trees, raise the cattle and other stock and do the mechanical and exhausting farming work—all the rougher processes of industry; but all the progressive processes of perfecting the raw material with all that pertains to those processes, and the distribution of them with all the profits that pertain thereto, these they covet for themselves. And the tendency of this arrangement is to put it within their power to carry out this purpose.

What I want to ask is this: Of what particular benefit will that be to the Dominion of Canada? You say: It is not possible for them to take away all the raw material. I do not press the argument that far; but I do say that the tendency is and will be to draw, as far as possible, the rawer resources of Canada to their centres and work them up there. And that they will do more and more, and in larger proportion as the years go by. I say that the broad effect of this tariff, if it is to be as successful as these advocates argue, will be to leave the rawer rougher processes of the work, the digging, the mining, the felling, the collecting, all the processes of common labor at lesser wages, to the people of Canada, and as few as possible of the perfecting, more highly-paid and better-conditioned processes to the United States of America.

If that be true, what is the first effect? The first effect is to exhaust, in proportion to what they draw from us, the natural resources of the Dominion of Canada and to husband what they have left of their own resources as far as they possibly can for future generations; to take away from Canadians the higher and better processes of development in their own country, and to transfer these to the United States. Here is a general tendency, which, in its beginnings, has already been carried out with all the intense vigor, the enterprise, the skill, the money power which lies in the United States of America. I ask any one to settle with himself whether this is for the future good of this country as an independent nation or whether, it is not. I appeal to every man who is not so thoroughly impregnated with the commercial spirit that he would say, as the Minister of Customs (Mr. Paterson) did the other day: Wherever we see a raw resource in this country, for Heaven's sake let it loose and send it to the United States, and let them work it up there, so long as we get the money for the raw material itself—I appeal to every man who is not so impregnated with commercial spirit, but who believes somewhat in the idea of the trusteeship of the present generation for future generations, whether it is not worth while to think, and think deeply, before we set ourselves irrevocably on the stream which leads us down with resistless current to the future which I have but dimly and poorly pictured.

How is capital to be affected by this? For forty years we have had a fairly stable policy in this country. The national idea came to birth in 1867 and it has ruled in this country from 1867 to this day. The national spirit carried with it the National Policy. And the national spirit and the National Policy appealed to the capital, of the old country and of other countries, on the ground that this was to be a national development under a settled policy. And capital, which is eminently sensitive, which looks long before it invests itself, has gradually invested itself in the great public works and mighty national enterprises of Canada, until to-day \$1,800,000,000 of British capital lies in our great routes of transport and the public undertakings of this country. Under what conditions was that placed there? 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 pleaded 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?

So this proposition of the Finance Minister absolutely changes the conditions of all capital that has been invested in that way, invested from Great Britain in our great national concerns. In those times we wanted money, and our credit, though good, was more upon hope than fulfilment, it was what we expected to happen in this country upon which we made our appeal for finances, to bring what we expected to birth and to fruitage. But, Sir, as the years went on, and expectations began to be fulfilled, that stream of money widened and deepened, and to-day it is coming into this country from Great Britain at the rate of \$150,000,000 a year and increasing from year to year. The men who have their money fixed in it have to stand the new conditions, they cannot get their investments out. Conditions have not been simply trying to get investments in the past, but they have, as we know, been endeavoring to make the flow deeper and more plentiful into this country for the ever ripening and recurring development which it is necessary for us to make in a new country like ours. How will this instrument affect capital that has not come, that is ready to come, but which, under doubt and uncertainty, will hesitate to come and invest itself in this country? I do not follow that out any further, it is not necessary.

Let me state another thing: That just as the flag follows trade, just so labor follows capital, and capital is going to be sensitive and careful of investing itself in this country on account of the unstable conditions which are imported by this arrangement, and will go to the side where there is the largest population, where there is the greatest market, where there is the most fixity and stability of financial conditions. For you find no intimation amongst the powers that be, or the powers that are to be, in the United States, that while they are quite willing, for purposes, which I shall hereafter disclose, to open the barriers and to make free trade between Canada and the United States, they are not disposed to throw any barriers down against the rest of the world, and do not intend to do it.

Then Sir, the investor, under this precious document which the Minister of Finance has laid upon the table for our approval, the investor says: Here is an instrument which works in a certain direction, how long is it to be valid? The Finance Minister says he does not know. It can be made invalid any day that this legislature or that legislature chooses to make it so. What money will invest itself then in enterprises which run in the line of trade which is to be simply between the United States and ourselves? If they have money to invest what will they say? We think we had better go to the other side of the line and invest it.

Then, if this thing bursts up, we will be,

with our investment; with our establishment, with our labor, with our product, where the ninety-three millions are, and where we will be protected against the rest of the world. Suppose that you persuade capital that this thing, although it is upon such tenure as that, will, from the very nature of circumstances, as they develop, tend to become permanent and remain permanent, will the man who has money to invest, invest it in the United States or Canada? Should I invest it in Canada, he says, in manufactures? Caution whispers into his ear: Be careful, don't you see that in Canada, don't you see that in the United States, in Canada by the grain growers, in Canada by the producers, in the United States by Democrats and Republicans in power and authority—don't you see that all these, in the two countries, simply look upon this as the entering wedge for full and complete free trade between Canada and the United States? Not that it should come all at once—divide and destroy, that is the maxim. First, one industry will be attacked; and it will go by the board, then another industry will be attacked and it will go by the board. Do you mean to tell me that sensitive, long-sighted capital, looking for investment, will, under these considerations, invest itself in industrial establishments and enterprises on this side of the line? No Sir. It will make others doubly sure to plant themselves and plant their enterprises on the side where the big population, the big market and the greatest chances for themselves exist. Therefore, I say that in this matter, production, labor, capital, the trinity of influence, and of means, which go to make up the prosperity of every great country, are all assailed by this instrument, menaced by this instrument; and that the tendency will be to throw one production outside of Canada instead of Canadians having the two, to draw capital outside of Canada and invest it in the United States; and, as an inevitable consequence, to deny the labor around that capital and in that direction from Canada to the United States.

For, Sir, let there be no mistake in this matter. I am not going to read you quotations to any large extent. I am going to make the statement that every prominent advocate of this measure on the United States side of the line is overjoyed at it, and is an earnest advocate and supporter of it, and when he gives voice to the sentiment that is within him, he says that they are marching up, not to partial reciprocal free trade, between Canada and the United States, but that it is the entering wedge thereof and that the successful conclusion of the matter, not far off in sight, will be when a circle is formed from the frozen sea on the north to the Rio Grande on the south, within which circle there shall be free trade unimpeded, and outside of which shall be the world with a tariff wall against it.

I sat the other day and saw the right

hon. the Prime Minister (Sir Wilfrid Laurier) sitting there with his Finance Minister beside him listening to a delegation of 1,200 or 1,500 men, any one of whom knew more in five minutes about the business in which he had been brought up, and which he was carrying on than these two gentlemen. I saw the right hon. gentleman, bereft of every power that a Canadian legislator ought to have, listening to the grievance, hearing a tale of gross and rank injustice, according to the statements that were made, and he was not able, Sir, to look his fellow Canadian in the face and say: As your Prime Minister I will take your grievance into account and if it is just I will right the grievance. The Finance Minister sat there, Sir, and when he was asked to speak, he declared that it was near two o'clock, and that he had no time to speak to-day. If he had told what was in his mind he

would have said he was not able to say anything to them. The right hon. gentleman (Sir Wilfrid Laurier) had to speak and he did speak. What did he say? I heard him before the Manufacturers' Association, I heard him before the Grain Growers' Association. To each of these he said: Gentlemen, I have been very glad to have your representations, I have gained a great deal of knowledge from what you have told me, I shall report the matter to my ministers, we will take it under advisement and we will do the best we can. Now and hereafter, as long as that instrument holds, no section, no interest, no man can come here with a tariff grievance based upon an article within the four corners of that agreement and can find a legislature, or a government, which is able to say to him: Yes, we will inquire into your grievance, and if it is properly founded we will have that grievance removed. Why did the Prime Minister allow 1,500 men to journey to Washington—I should say to Ottawa. It was a slip, but as in the cases of some slips, it was rightly true. Why did he allow 1,500 men to spend \$10,000 or \$15,000 of their hard earned money to come down and make a show representation to him when he knew in his heart that he could do nothing, and when it would have been a mercy for him to have told those men beforehand: Your case is already decided, I am bound up in a contract with Mr. Tait, and no matter what kind of a grievance you have I am not able to redress the Canadian grievance. If you want to get it redressed, take it to Washington, that is the forum now. So I say that my slip of the tongue was the tongue verging off towards the great truth, the fundamental truth in this matter, that Canada has given up her fiscal freedom to that extent which I have shown to you this afternoon. When the great fruit and dairy industries of this country, believing that they have a grievance, coming before the men who ought to have the power to right it, with an immense expenditure of money already in the business and their fortunes based

upon it, with tremendous possibilities in the future, put their plea and are told by a Finance Minister who is careful to keep his own coal scuttle undamaged by a Minister of Customs, who sits tight upon his own biscuit box, that they must sacrifice themselves for the good of Canada, which, being interpreted, is far the good of that old coal scuttle and that box of biscuits, they are apt to ask whether they alone are to do the sacrificing. If you say to these men: No protection for you, those men will say: Then, by the Great One above us, no protection to any other industry in this country; if we are not to be considered in the scheme of protection, then we will fight, and we will vote against any other person being considered in the scheme of protection. It is conceded in the United States of America, by those who want to see free trade between the United States and Canada that they are perfectly satisfied now with things as they are getting this treaty, and you have the whole farming interest of the United States ready to march up with you to strike off the duty from every other industry so far as it runs between the United States and Canada, and to a certain extent, you have it the same way here. Let no mistake be made, that sense of injustice cannot be wiped out, it will rankle and grow, the sense of fair play runs even beside it, and the step now advised once taken will not be redressed, unless this government is speedily overthrown, until there be free trade between the United States and Canada. So it is not simply the men who do the market gardening and the men who do the fruit work, and the men who do the milling, and the men who do the meat packing, and others who are threatened and hurt in this matter, but one by one the sound sense and the fair play instinct of the people will say: This must be an all-round square deal or we shall not have any of it at all.

Now as to its trade features. The Finance Minister, I think, will be quite willing to acknowledge that up to the present time I have not been waving the British flag. I have no doubt he is sadly disappointed. Almost the first word he uttered in this House when this measure was brought down was that the first thing that would be heard would be loud shrieks and the waving of the British flag. I have so far confined myself absolutely to the economic side of the question, but I am not afraid, thank God, to wave the British flag, and I do not propose to be frightened by the jeer of any Finance Minister or the quip of any newspaper from loving that flag and waving it when I please. But I will confine myself absolutely to the economic side of the question. I wish to ask a few more questions on this trade side of the question. In the first place, I want to ask what is the effect of this upon our trade with other countries. The first effect that we have is a singular one—no I am not quite right in saying that, under this govern-

ment it is not singular, but it is one of which we have repeated instances. There is again in this case, as there has been in other cases, the gift of free trade privileges, or lower duty privileges, to other countries who give us no compensation of any kind.

By what right in this stage of commercial competition and warfare so to speak does the government of Canada give to countries already upon a good base of trade with Canada fresh and free contribution upon entering into our markets when Canada gets no single thing in return for the same. At least it is questionable as to whether we should carry out that operation too far and repeat it too often. What is done in this case? I find that most favored nations receive a benefit of \$165,251 of trade made free to them on the basis of their dealings with Canada last year, and \$580,317 of trade in which the duty has been lowered to them under this treaty, taking the goods they sent to Canada in 1910. That is to say, a total trade of \$745,567 has been effected favorably to certain countries of the world and for this no single thing in the way of compensation has been given to us in return. So much for that. There is also, however, this to be noted, that in some of the articles which we have made free to the United States of America, these favored countries come in not only theoretically but practically with the ability to send large exportations into the Dominion free, or at a modified rate of duty. Animals, grains, vegetables, fruits, butter, cheese, fish, salt and other articles can come in from Argentine, Austro-Hungary, France and Algeria, Norway, Russia, Switzerland and some other countries. With that superior smile which more frequently graces the face of my right hon. friend the Prime Minister when he labors for lack of information than otherwise, the Prime Minister rather smiles now at I suppose the silliness of my argument; nevertheless each man has to make his argument according to his light, and each man has a perfect right to judge of it as he wishes.

I want to remind my right hon. friend of a statement made in cold blood by the Prime Minister of Canada; a statement which he is supposed to have known the meaning of, and which no honorable statesman would fail to carry out. Sitting in that chair the other day, he said to the 1,500 that were interviewing him: Gentlemen, I am sorry you come too late; if you had come a few weeks before, why, we could have interchanged opinions and you could have had your questions taken up. Afterwards, hearing one of these gentlemen talk, one said to the other: Oh, well you see, this is the misery of the thing, we did not come early enough; didn't you hear what the Prime Minister said; if we had come earlier we would have got all we wanted maybe. Yes — said the other, didn't we have the Prime Minister's pledge as a public man and a

gentleman that he didn't propose to make any revision of the tariff until he had appointed a tariff commission? I thought the answer was a good one. I make the same answer to my right hon. friend here to-day. Why did he make that promise and why did he fail to fulfil it? Why did he pledge himself in the west and pledge himself here in this House of Commons in the early part of the session unless he honestly intended to abide by the pledge? In reply to my hon. friend the leader of the opposition, he said:

I stated that we would have a commission of investigation before we undertook a revision of the tariff. Does any member on the other side of the House take issue with the promise I make. Would any of them advocate rushing into a revision of the tariff without previous investigation. Hon. members may laugh at that but they will dare not to say that they would favor such a course.

This was said by the right hon. gentleman who sits opposite to us now, and who as Prime Minister, made that statement in the west and made it here. And, he will get up after me, and he will try to crawl out of that by saying that this is not technically a revision of the tariff. Now, will he? It will be the smallest hole that any large sized man ever tried to get through. When you transfer the immense number of products which have been transferred from the dutiable to the free list, and when you affect the dutiable list in others, what is it but de facto a revision of the tariff, and a good big revision, and a revision upon which most important consequences hang. I say that never in the history of Canada, has a more faithful and more important revision of the tariff taken place than has been brought about by this agreement with the United States, and the legislation which has called it into force. I charge the right hon. gentleman with bad faith with the people of the west, with bad faith with this parliament of Canada, with bad faith with this whole people of Canada, when he lulled every interest to sleep by saying to the wide Dominion: Don't fear, gentlemen, there will be no revision of the tariff until a tariff commission has been put to work and you shall have an opportunity to make your representations before that tariff commission. My right hon. friend made this other statement:

There is in the Fielding tariff a cardinal principle. It is the principle of British preference, and that preference will not be interfered with by anything we do with the United States.

I ask the right hon. gentleman if he has implemented that promise? I charge him to his face that he has broken it. Right under my hand here, are the proofs that he has broken it. He made the statement not once, but twice, and over and over again, and Sir, I noticed that the Finance Minister took the unusual course of sending a reasoned argument by cable to the High Commissioner at London to be used by the Prime Minister of the Empire, filled with many half statements that would have been clearer had they been made whole statements, and with many presentations which would have been nearer the truth if they had been whole instead of partial presentations. But, Sir, on the basis of it Mr. Asquith rose in the House of Commons and in the debate which took place there he said:

The American-Canadian agreement had been carefully watched by the British Ambassador at Washington on behalf of British interests, and he had been assured that so far as British importations into Canada were concerned, British preference would be scrupulously maintained.

Now, that is a succinct sentence; it is inclusive; no one can fail to take in its meaning. Negotiations were going on at Washington. The British Ambassador was cognizant of them and privy to them. The British Ambassador was advised that whatever took place there would be no interference with the preference to Great Britain. He had advised his government of the fact, and his government, through Mr. Asquith, on that information and the information given to the Finance Minister, stood up and pledges his understanding of the case to the British people and to the empire, of which we form part. In the face of that I challenge the statement that imperial preference has been scrupulously maintained. I have here only a partial table which will show what I mean. Counting up the items, I find that there are 102 in which there has been a lowering of tariff without going so far as perfect freedom of import. Of those, 28 involve importations from Great Britain which have not had the preference impaired; 74 involve importations from Great Britain in every one of which the preference has been impaired and lowered. In the list of goods made free there are 69 items. On 39 of those British preference has not been touched; on 30 of them it has been absolutely wiped out, for the goods have been placed on the free list.

There is involved altogether \$6,387,336 worth of British goods imported under the preference in 1910, on every dollar's worth of which the imperial preference has been either absolutely wiped out or has been materially diminished. Now, it is no excuse to say: But that six millions,

compared with our whole foreign trade, is but a trifle, and therefore we have scrupulously maintained the preference. That would be quibbling unworthy of even any member of the present government.

Now, Sir, the Finance Minister, when questioned the other day, wobbled, and wobbled pitifully, on this matter. First, he declared that the British preference would be kept intact; then when questioned he said, there will be other legislation, and it will be within the power of this parliament to make good the British preference. How will he make good a British preference which was 5 or 10 per cent. on goods which have been now placed on the free list? Give a bounty to the exporter from Great Britain to make up his loss? Where the preference was 13 per cent or 10 per cent., and it has been reduced to 8 or 7½ per cent., how are you going to make up that loss by adding to the British preference at the expense of industry in Canada, on a production which already has been reduced to the lowest or nearly the lowest figure which it is possible to have, and still maintain itself? Now, Sir, these gentlemen sitting opposite you have pledged themselves, and have led the British government to pledge itself, and the British people and the people of the empire to believe, that they have not touched or impaired the British preference when they have stricken it its death blow ever since this child was forced upon them. It was not their own infant, much as the Finance Minister would sometimes like to father it. The infant brought into being by the Finance Minister was a reciprocity with the whole world. The child that was forced upon him in the end was reciprocity with Great Britain alone, and it was afterwards extended to the British dominions. They immediately went to work to render it as fatuous as possible—first, by raising the duties on the list of articles before they made the preference to Great Britain; later, by the French Treaty, which in some respects scaled down the preference to nothing, and in other respects made it reduced the influence of the preference. Then, in 1910, after parliament had passed these gentlemen, true to the great liberal principles which they professed, reduced by order in council the duties to Belgium, to Holland and to Italy, and so brought in further competition with the preference to Great Britain; and to-day, what have they done? They have done what I have told you in the way of reduction of the preference, but they have gone leagues further, they have reduced the incentives

for Canada to look for, to ask for and to work for preference. They brought back in their hand a free market, they say, for butter, for cheese, for wheat, for dairy products of all kinds, for grains of all kinds, and for sundry other products.

Where is the argument for the men who altered the imperial preference arrangement with Great Britain? On this side of the water, they will say it would have been a boon to us then, but we have got free entrance into a market of 93,000,000, we have got all we want, do not talk to us about British preference. On the other hand, they have struck a fatal blow on this side, in this way. They have admitted all the articles on which the British people would be willing to include a preference. They have included all those in the free list between the United States and Canada, and every one of them could be sluiced through Canada into the empire under a preferential arrangement with Canada. And you could not help yourself. Preference then will not be with Canada alone in these articles, but with Canada plus the United States. These considerations justify me in saying that a final blow has been struck at British preference, and I want no better corroborative argument than this, namely, the joy that broke out in the British House of Commons among the anti-tariff reformers when this news came to them, which, they declared, dished tariff reform in Great Britain forever and aye. This is how imperial preference has been treated.

The preference being destroyed, the hopes of preference with the United Kingdom being dished, we shall be more and more impelled to join our fortunes in trade with the United States. That is the way the argument and the circumstances work. I notice that my hon. friend, the Finance Minister, in the closing part of his speech the other day, dilated upon what good this would be to the United States, and also to the people of Canada, but he was significantly silent as to any good it would work out to the empire. That part of the argument evidently appeared to his mind as not in keeping with the proposition he was laying before the House.

Let us go a little further. I said I would lay on the table a list of the rates, the importations, the preference reduction that has been made, not of all the articles, but I have picked out a number of them:

RATES AND IMPORTS SHOWING PREFERENCE REDUCTION

Articles	Present Prefer- ence.	General Rate.	Proposed Rate.	Value of Imports from		
				Great Britain	United States.	Preference Reduction
Beans.....	15 cts	25 cts	Free	\$ 61,384	\$ 55,806	10 p.c
Oats	7 cts	10 cts	Free	13,419	13,833	3 cts
Barley, pot and pearled.....	20 p.c	30 p.c	1/2 cts	15,772	1,399	10 p.c
Pease	10 p.c	15 p.c	1/2 cts	9,615	35,106	5 p.c
Paving blocks	12 1/2 p.c	22 1/2 p.c	17 1/2 cts	65,057	73,706	5 p.c
Antiseptics	12 1/2 p.c	20 p.c	17 1/2 cts	40,060	69,785	2 1/2 p.c
Bath tubs, &c	20 p.c	35 p.c	32 1/2 cts	31,611	198,567	2 1/2 p.c
Vegetables	15 p.c	30 p.c	25 cts	03,385	863,715	5 p.c
Sweet biscuits	17 1/2 p.c	27 1/2 p.c	25 cts	96,029	7,905	2 1/2 p.c
Biscuits unsweetened	15 p.c	25 p.c	20 cts	18,912	18,686	5 p.c
Biscuits and confectionary	22 1/2 p.c	35 p.c	32 1/2 cts	426,505	130,623	2 1/2 p.c
Portland cement	8 cts	12 1/2 cts	11 cts	99,291	48,977	1 c
Coal	35 cts	53 cts	45 cts	91,212	1,114,129	8 cts
Cotton Seed Oil	5 p.c	10 p.c	Free	14,705	895,693	5 p.c
Preserved fish	17 1/2 p.c	30 p.c	Free	75,523	532,998	12 1/2 p.c
Grapes	1 1/2 p.c	2 cts	Free	101,679	114,218	1 1/2 cts
Canned fruits.....	1 1/2 p.c	2 1/2 p.c	2 cts	36,002	55,012	1/2 cts
Plate glass	15 p.c	27 1/2 p.c	25 p.c	111,601	2,615	2 1/2 p.c
Motor vehicles	15 p.c	25 p.c	22 1/2 p.c	106,126	1,569,227	2 1/2 p.c
Clocks and watches	20 p.c	30 p.c	27 1/2 p.c	43,376	310,063	2 1/2 p.c
Cutlery	20 p.c	30 p.c	27 1/2 p.c	223,854	32,403	2 1/2 p.c
Cheese	2 cts	3 cts	Free	22,487	45,319	2 cts
Musical instruments, cases, pocket books	22 1/2 p.c	35 p.c	32 1/2 p.c	118,398	319,339	2 1/2 p.c
Brass hand instruments	15 p.c	25 p.c	22 1/2 p.c	11,000	15,931	2 1/2 p.c
Feathers	10 p.c	15 p.c	12 1/2 p.c	43,431	41,723	2 1/2 p.c
Pickles, &c	25 p.c	35 p.c	32 1/2 p.c	292,039	80,818	2 1/2 p.c
Lard and compounds	1 1/2 cts	2 cts	1 1/2 cts	26,468	1,110,806	1 c
Rolled Iron Sheets	Free	5 p.c	Free	3,190,612	2,751,211	5 p.c
Salt	Free	5 cts	Free	256,558	111,003	5 p.c
Meats—fresh and salted.....	1 1/2 cts	2 cts	1 1/2 cts			1 1/2 c
Meats—canned and extracts	17 1/2 cts	27 1/2 p.c	20 p.c	69,933	2,163,716	10 p.c

I think these figures bear out my assertion, which may have seemed somewhat strained, that the Prime Minister forgot his pledges that he solemnly made here and elsewhere, and that the information which was given to Prime Minister Asquith and the British ambassador is not reliable information, but that the British preference had been mangled and lessened and wiped out. This is proven by the figures I have taken from their own little blue-book, which figures I have accepted without revision or examination as being absolutely true. What are the distinctive features of this treaty, and how far do they conform to the conditions of reciprocity? Suppose that I am a maker of jack-knives of a certain quality, and my hon. friend opposite is a maker of jack-knives of the same quality. I could send over to him and buy a dozen jack-knives, and he could send over to me and buy a dozen jack-knives, and this might be called trade; but there would be no reciprocity about it. Reciprocity, I think, has this as a prime condition—that it shall be between two countries, each producing a surplus, but a surplus in a different line of articles, and each wanting articles of which the other's surplus is

made up. More than that, for ideal reciprocity, this should not be a mere occasional surplus, but should be the result of fixed conditions of climate, soil, and so on, that will make the surplus permanent.

Two countries that show ideal conditions of reciprocity in trade would be the West India islands and Canada. The West Indies produce a surplus of tropical fruits, of which we produce none. But they produce absolutely no dairy products, none of the food products of the temperate zone, of which we produce a great surplus. These are examples of two countries between which a reciprocity trade arrangement could be made with great profit. In the same way, reciprocity between us and Great Britain is possible in lines or articles which will readily suggest themselves to the minds of hon. members. But in the case of the arrangement we are now discussing, you are trying to establish reciprocity between two countries, each of which as a surplus, but a surplus of exactly the same products. With the exception of cheese and fish, the United States of America has a surplus of every article which

goes from Canada, under this arrangement, into the United States. And not a slim surplus, but in every respect a substantial surplus, and in some respects a very large surplus. I do not wish to weary the House with figures. But let me take a few instances. I find that the United States of America exported last year \$68,000,000 worth of wheat, and \$51,000,000 worth of wheat flour. Of this combined export, 58.57 per cent was of wheat, and 41.43 of wheat flour, and the total export represented an aggregate of 111,000,000 bushels of wheat. There is a large and substantial surplus. Nor is there any probability that, within a reasonable time, the United States will cease to be a grower of wheat in excess of the wants of the people. In the case of animals, the excess of exports from the United States over imports is \$20,000,000

In breadstuffs, the excess is \$150,000,000; meats and dairy products, \$157,000,000. Of beef products they export \$21,000,000; of hog products \$111,000,000. What is most noticeable in the trade history of the United States is their persistent encouragement and nurture of manufacturing industries. At first, the United States of America was an exporter of food and natural products but of few or no manufactures. In 1899, her exports of manufactures were only \$123,000,000. But in 1910 her exports of manufactures were \$110,000,000, an increase of 250 per cent.

And President Taft, in his message to the United States Congress, says that what the United States must set itself to do is to increase its exports on the line of manufactured goods. That is its future. It cannot expect to make large exportations of food and other products. What we want, he says, is raw material close at hand, what we want is cheap foodstuffs, so far as we can get them from the northern country in order that we may be better provided and furnished for this increased product and increased export of the industries of this country, in which our future lies in our record of the world trade. That is the policy shunning out in every line and article of this proposed agreement. The United States knows what it is after, with a tariff wall against the world, desiring to preserve its own unused natural resources so far as it can, dipping into the virgin resources of Canada so far as it may be able, fortifying itself by the conservatism of its own and by the destruction of ours, making itself the great manufacturing country of the world, and increasing its wealth and its power in that way.

So I say that the elements of real reciprocity are not found in the conditions of the two countries. The reciprocity that you will have between this country and the United States will be largely a sectional, fitful, occasional reciprocity. If the hay crop is poor in the United States and we have a good crop, that will be

our opportunity to a certain extent; although if the hay crop is very poor in the United States, and the existence of their cattle depended upon hay being got, no matter what the duty was in reason, they would have to pay for the hay and pay the duty. But the Finance Minister laid little stress on this part of the arrangement, that whilst the United States gave us a market we gave the United States a market as well. If we can turn our products into their country in certain sections where drouth or frost has made a shortage at certain seasons, when, from any circumstance, there is a failure of any particular crop in whole or in part, the very same thing can be done by the United States when these adverse circumstances visit the Canadian crops, and the Canadian farmers. There is a market given to us, and there is a market given by us, and there is a reciprocity between the two will be largely a fitful, sectional reciprocity.

Now, we hear a farmer living on the border of the United States, say: If there was no duty I could take my wheat free to the other side and sell it for ten cents a bushel more than I do now. Do you mean to say that it is not the tariff that does that? Well, Sir, I will let Mr. J. J. Hill answer that. Mr. Hill is a man of great experience, of wide knowledge in everything that pertains to the production, the carriage and transport of the business of the west. On the 10th inst., Mr. Hill spoke in Minneapolis, and let me tell you what he said, in commenting on wheat prices to the farmers of the United States: Are you afraid to take off the 25 cents per bushel, and let the Canadian farmers in free? Will it decrease the price of your wheat? You say wheat in Winnipeg is so much, and is less than the price paid in Minneapolis. Are you afraid, then, that if the tariff is taken off, wheat will be put into your market at a lower rate? Is it the tariff that does it? Then he quotes from averages of the year with reference to wheat prices in different states of the United States, and he says:

For the year ending December last the average price in California was 81 cents a bushel, 12 cents a bushel higher than the price in Oregon.

There, he says, are two states of the United States, Oregon and California, no tariff between them, and yet in one wheat was selling at 12 cents more than in the other. How do you explain it? Evidently not by a tariff.

The average price for wheat per bushel, in 1909, in the North Atlantic states, was \$1.12; in the South Atlantic states it was \$1.17½. What made

the difference between the two? Was it the tariff? But there is no tariff whatever, so you have to seek for some other cause to account for the difference. The average value per bushel on the farm, in 1910, for Iowa, was 72 cents; for Missouri, 78 cents; for Tennessee, 90 cents; for Alabama, \$1.02; for Oklahoma, 73 cents; for Arkansas, 85 cents; for Oregon, 72 cents; for California, 81 cents; for North Carolina \$1.01; for South Carolina, \$1.11. Now will some one explain that great difference in price? It is not due to the tariff.

So, said Mr. Hill, and Mr. Hill is evidently right. So what I say is that if this thing goes into operation under the glare, and glitter, and glamour of a promised fabulous rise in prices for the products of which the United States exports its surplus, there will be disappointment keen and bitter. I hope our farmers will never be subjected to the risk of that disappointment. The Finance Minister came back and he said to the farmer in the west: See here, look at the gift I have brought you; your wheat goes free into the United States, I have given you a second market for your wheat. The Northwest farmer already had two markets for his wheat, he had the miller and he had the British market, and the British market absolutely fixes the price for the surplus wheat of the world. Mr. Hill takes great pains, in his argument at Minneapolis, to show that in the general trend of commerce the surplus wheat of the world, coming from all countries, has its market fixed in Liverpool and London, by the circumstances and relations of supply and demand; and he says it makes no difference whether your wheat comes from the Canadian west and filters through your lines of communication to Liverpool, or whether your wheat comes from the Canadian west and east and reaches Liverpool direct; it makes no difference in the price that each of you must make when you get your grain into the Liverpool market. All that varies the price is the cost of transportation and the like of that.

Now the great argument of the Finance Minister, and the argument that is used throughout the country, is this: We have given you another market for your wheat. As I said before, there are two markets for wheat now. The Canadian northwest farmer need not sell his wheat to the miller if the miller does not give him the fair ruling price; he can export it to London and Liverpool and get the price that the world gets, which fixed the price that the miller gets, outside of certain incidental circumstances of location and the like of that. Thus he has two markets now. But the Finance Minister forgot to go any farther, forgot to trace out just what he was doing when he presented the gift of free entry of Can-

adian wheat into the United States market. He forgot to point out that the miller of the west, Canadian, and the miller of the west, United States, has got in the end, after the local supply is satisfied, to find the same market in London and Liverpool. He forgot to point out that he made it possible for the United States miller to get Canada's No. 1 hard wheat, to mill it in the United States mills and satisfy the people in the United States who ask for high grade flours and pay fancy prices for them and then take the less strong flours and export them to the European market, which is largely, as I am informed, for those grades not the strongest and not the best.

So that what happens is this: The Canadian miller will be at a disadvantage in competition in the export market in flour with the United States miller, who draws out his best, who has the official to supplement his gains, and to diminish his charges, and has at least shorter and possibly cheaper routes of exit to the old country markets. The milling industry is an important industry in this country. It is important because of the by-products and the absolute necessity for those by-products if we are going to have improved and intensive farming in that great northwest country. Did you notice that President Taft and Mr. Hill in their arguments, lay great stress on this? They say that the people of the United States should now turn their attention more and more to improved and intensive farming. Is not that as good advice for Canadians as it is for the people of the United States? and if that impetus is given to the export of raw wheat because you have got a more facile market, and may be at times a better market, although it is certain at other times to be a less good market, you make a set and tendency in that great northwestern country to shear off the wheat and sell it with less trouble of farming and by doing that, neglect the improved and intensive and mixed farming which alone can restore your impoverished soil and bring it to its natural state, as productive and as valuable as it was at first.

Take again, the pork packing industry. The Minister of Finance comes back and says to the hog raisers in Ontario: I have brought you a gift, I have got a free entrance into the United States for your hogs and your cattle. We had representatives here from the west. What did they say? They said that the cattle industry in the west could be made a splendid industry, but in order to do it, they must do something other than raise and export stock cattle, they must carry out the refining processes and perfecting processes in the west in order to cultivate their farms, to feed back what they have taken from the soil and make sure and steady the occupations of the farmer and the cattle grower. That was true.

You will hear no more about that, if this

arrangement goes into operation; every stocker that can be raised will be cleaned off the ranches and farms in the west and carried down to the perfecting and manufacturing processes in the United States of America. There they will have the advantage of the by-products for the enrichment of their land and can carry out in that way the advice of Mr. Taft and Mr. Hill, to turn their attention to mixed farming, to intensive farming, that kind which yields best and keeps the soil up to its quality and its standard. The Finance Minister came back and said to the farmers: We have got a market for your hogs and your cattle, another market for you. They already had a market, the packers of Ontario and Quebec. The market that you give to them in the United States at times is higher and at times is lower than the market in Canada. The absolute condition, I am informed, of good, straight, honest packing and preservation of the market for the product of the packers, is that delivery shall be steady and constant and shall be made directly, the product not being stored for any length of time. But if you take the prices of hogs in the United States and the prices of hogs in Ontario and Quebec, year in and year out, the average price is higher in the province of Quebec and Ontario, than in the United States of America. Just at this present time the prices of hogs are higher at Buffalo and Detroit, than in Ontario.

What would happen if the market were opened? Every hog that could be got away, would be taken to the Buffalo and the Detroit market, and a supply would not be possible for the packers of Ontario and Quebec and the packers' establishments would close up. The Finance Minister is trying to give to the farmer another market for his hogs, but in the process he runs the risk of destroying the stable market he now has, destroying that stable market and leaving the Ontario hog raiser to the United States market. To-day that market is away up, and he gets a good price; tomorrow it may be away down, and he gets no price, and so, discouraged and disheartened, by the rises and falls of the American market, the Ontario farmer finds less inducement to carry on his business and hog raising goes out of its present stage in Ontario and Quebec. What else have you done? You have reduced the meat duties, you have reduced the preserved and cured meat duties. In the northwest provinces, millions of dollars worth of these cured products have been going and a large trade has been carried on during the last seven years. Under this arrangement, if it comes into force, the northwest provinces will be supplied absolutely from the packing establishments of Chicago, Milwaukee and the nearby places in the United States.

You take away from the packing industry of this country, a part, and a valuable part, of its local market, the

domestic market in the northwest, and you transfer it to the United States market. What else do you do? By making the supply useful, now up, now down, now plentiful, now nothing, you destroy his chance for export to Great Britain, and the \$7,000,000 of products which to-day are exported to the British market, run the risk of being diminished and ultimately of coming down to the vanishing point. There is more in it than simply the selling of raw material, more in it to the man who sells the raw material, and more in it to the man who does the finishing processes, and more in it to the country in which both are carried on.

So much with reference to reciprocity. The next point I wish to make is, that this instrument restricts and may ultimately destroy our fiscal freedom. Has this people of Canada lost its sense of what is due to it as a responsibly governed people. I do not believe it. But it is hard not to believe it just at this particular time. I put the matter in this way before, and I put it again, because it is vitally important: Here are two men, members of the government that have absolutely had no mandate from the people of any kind or sort; no mandate because they declared to the people that they had done with reciprocity and were cultivating now the British market. These two men with no extraordinary business ability or experience go down to Washington, make a pact with the administration there, sign it with their hand and seal, come back here and present it to the free parliament of Canada, to the free people of Canada. And when the people get their breath they say: What does this thing mean; why, this goes the wide length of the Dominion; it enters into productions of every sort and kind, it makes an absolute change in our fiscal relations, it may go further and affect the productions of our country immensely, it may go further still and affect our national ideals and our imperial ideals.

Sir, these two men with their limited knowledge, consulting with nobody but 11 other men of equally limited knowledge—and I give them credit for all they are worth; I was there myself once and I know how limited really the knowledge of a minister of the Crown is with reference to these things—these two men bring back an instrument and without asking leave of the people, without giving to parliament a free hand they impose that as a pact, and backed up by the whole party force and power they put it into operation no matter whose back is broken, no matter what interest is invaded, no matter what great national consequences hang upon it, and what interests may be injured thereby. I say, Sir, that if such a thing had happened 30 years ago in any province of the Dominion of Canada there would have been a revolt in that province. It amazes me to think that men could dare to assume such rights; it amazes me still more to think

that they dare to assume such responsibility. Why, when this pact was made I can imagine the Minister of Finance and the Minister of Customs, two good men, two simple-minded men, two men of fair but limited knowledge, with two clerks with them, facing the trained men of business at Washington, going down there with fear and trembling, wondering if they could get a little bit of a slice so as to justify their going, creeping into Washington, and when they meet, the United States representatives suddenly hand out to them a proposition which in their wildest imaginings they did not suspect would be offered to them. Overwhelmed, over-powered, they pick it up and telegraph back to Ottawa: Goodness gracious, Sir Willfrid, see what they have given us, shall we take it. And Sir Willfrid looks at it, and he says it is the whole thing, and he telegraphs back: Take it, take it, take it. And the pact is signed. Sir, the gift is brought back but the mortgage has to be met. And if this is passed the future of the country economically and nationally will pay that mortgage to the last cent and curse the men who made that mortgage possible.

So, as I have said, from this time out, if this holds, Canada's interests cannot be met and satisfied by the Canadian parliament in the Canadian form. Our hands are tied. Ninety-three millions plus eight millions have got to give their assent. The predominant partner has got to be seen and has got to give his consent, or the argument is brought to the individual interest: We know we are wrong, we see you are going to be destroyed but it is the whole pact or none, we cannot let you off or the whole business goes by. Now, let me put this to my right hon. friend: You started out on the right track in 1910 just before the big stick was lifted; you told us in parliament that you were brave and that you would continue to be brave; you said you would do what was best for Canada and let the United States do as it liked, and you carried through the French Treaty in that fit of bravery and courage. But the February of 1910 came when a surtax of 25 per cent was possible within a month of going on, when the big stick was raised, and then Sir, you wilted; you forgot your brave words and your brave sayings even in parliament, and you came here with the excuse: Well, it was unjust, we knew it was, we should not have asked to do it, it was not neighborly treatment, we had treated them splendidly and they have treated us in niggardly fashion; they had no right to do it, but see here, we cannot face a disturbance and dislocation of the \$300,000,000 worth of trade between the United States and Canada, and therefore we give in. And, if this should increase your trade between Canada and the United States to \$600,000,000 as you say it will, then let a demand come from the other side equally as unjust as that, and you will again say: It is unjust, it should not have been, we should

not be asked to make a sacrifice like that but here is \$600,000,000 of trade involved and we cannot disturb and dislocate it.

Don't you see the gyves you have put about you; don't you see the bonds in which you have wrapped yourselves up, more and more, if this be successful in stimulating trade between the two countries the more we are in the power of the predominant partner. Let a man with \$8,000 go into business with a man with \$100,000, and who manages that business? It makes no difference that the man with small capital is wiser than the man with large capital, the man with small capital sees his interests are not being well cared for and sees he is subjected to injustice, and he goes to the predominant partner and says: I want this thing changed, and the other says: You do, do you, well I don't want it changed; what are you going to do about it?

I am the predominant partner; I have a hundred millions in this, and you have only eight millions; do you want to sell out, or do you want to grin and bear it, and take the injustice? One or the other; and it is not an alternative for a young nation to have placed before it. It does not give with that spirit which has been cultivated for the last forty years, and you know it does not. Then, why don't you simply say so, and say as patriots and well-founded citizens have said before, in every crisis of their country's history: Sacrifices, if necessary, we will make that our country may be saved and our flag may be preserved. I say, therefore, that we have given up our fiscal freedom to a large extent, and we have endangered it absolutely. This country is young; it develops rapidly. Who is wise enough to say to-day that five years from this we ought not to have a totally different alignment of our tariff? But under this you bind yourselves; you are not free to make it. Suppose that, five years from this, this country came to the conclusion that with regard to one of these products Canada's duty to herself, and her people was to prohibit the export of it, or to put restrictions upon it that it should be manufactured in this country with our own capital, with our own labor, and for our own first uses. You come up against the fact that the predominant partner says: You cannot do that without disturbing the whole arrangement; are you going to imperil \$100,000,000 worth of trade? The argument is not irresistible, but it is almost irresistible practically. Theoretically you are free; practically you are bound; your strength and your power and your sovereign right of first service to your own citizens in your own country has been bartered away, and hartered away, in my opinion, for a petty mess of pottage.

Another feature of this proposal is that it clashes with the new sentiment and,

I hope, policy of conservation in this country. I am not able to give very much time to that, but I think it is well worth mentioning, even though the Prime Minister smiles at my taking up so pretty a matter as conservation.

The Ten Commandments and the moral law and all the maxims of business and of social refinement and of civilization never can be repeated too often to any of us in this world of struggle and temptation. So I am willing to take a little more time, and repeat it again for my hon. friend if I thought it would do any good. I think it will do good; I think he is appreciative of it. Are we simply playing with this matter of conservation, or are we in earnest? It is merely something to display to the people, something nice to talk about on the platforms and in comparative meetings with people of other countries, that we are alive to the conservation of the natural resources of this country and are doing something towards it? If it is not simply display, the government is in earnest in this matter of conservation. It is an important question. The government have become seized of the facts if it is important, and they are going to set themselves towards a line of policy, and a line of conduct which shall aid in the conservation of our natural resources.

Now, Sir, there is no meaning in conservation unless we approach it from this point of view, that we in this generation are the trustees for the generations that come after us. If we divest ourselves of that feeling, there is nothing for us to think about, but this present generation and day—take, eat, drink and be merry; you may die to-morrow, but you will have all you want whilst you live. Trusteeship is the foundation of conservation in principle as well as in method. If that be the government's idea, the point I wish to raise, and the only point in this, is: Is an agreement like this, which aims at an invasion of all the rich natural resources of this country, with added yearly incentives to their destruction and extinguishment, a matter which affects this country at all or which may affect it in respect of its conservation? If it is, we ought to be careful before we enter into it; for if we enter into this pact, we have practically made an agreement with the United States that so long as it continues, they shall have free access to our natural resources. Unless that is an underlying part of this agreement, then there is no underlying principle in it at all. Now, Sir, the whole beat and force of this arrangement, so far as I have seen, is that this is wanted in the United States on economic grounds for the purposes of supply out of our raw materials. This goes into force; a year from now, this government may find and the Conservation Commission may advise this government, that certain of our resources should not be exported except under such and such conditions, or that they should

not be exported at all, or that such of them as are made should be made under regulations, and made in this country alone. As we are now, you have a perfect right to pass that legislation; you have given bonds to nobody.

You have given bonds to nobody, but if this passes you have not a perfect right to enact that legislation. Before you can adopt any such enactments you have to go to the United States and ask their leave. Otherwise you would be violating the conditions of the pact. But they say the pact was made for the very purpose of getting free access, and we do not wish to accede to your request. There is the difference; how is it to be settled? \$600,000,000 of trade is involved, and they say: There is enough for our time; we will tell the Conservation Commission that we are under a contract with the United States and that we cannot now carry out its recommendations. That is a sample of what is liable to happen in every department. The fish foods of this country are a most important article of our consumption now, and if conserved will be a most important article of our consumption for all generations. We therefore establish our close season, and prohibit export. We do that with a thousand and one things in the way of game and fish, and may have to extend that policy to other things. That is our national right if our national interest require it; but we can only do that fully and properly when we keep our full rights to legislate unimpaired.

I venture, now, with some timidity and in all humility to approach this question from a national standpoint. I make no apology for doing it. The economic side of this question is important, but no good citizen will satisfy himself by keeping his mind fixed simply on the economic side, if he believes that there is in the thing itself a peril to the nation and his country. Unless you admit that, you deny that countries can exist, you deny that there is anything like patriotism, you deny the right of the people to keep up their own national home for themselves and make sacrifices for that object. If a foreign army threatened us on the border every Canadian would rise and take up arms to defend his country, but have we no duty, no service to perform in defending our country in times of peace? Battalions of armed men are not the greatest menace to the country. Oft-times the peaceful warfare of trade and pact is more fatal than open arms, or than the panoply of war. You cannot get away from the proposition that there comes a time in the examination of this subject, when you have to look at the national as well as the economic side. If it be for the better preservation and maintenance of your national ideas and your national life, well and good. But what is the American view? My hon. friend the Finance Minister appealed to history. I am also going to appeal to

history. What has been the American view since the American republic came into existence with reference to this British North American country? At the first they tried to persuade this country by every persuasive art to rebel against the mother country and join in the revolution and become a part of the United States. They failed in that. They next sent their armed detachments to conquer us into submission and annex us forcibly. In that also they failed. Afterwards they took a long, tedious and annoying course of trade restrictions, prohibition and harassment of our fishery grounds, the negation of our fishery rights, the assumption of privileges which they did not possess under the treaty, and for long years they worried and harassed us on these lines. For what purpose? For the avowed purpose of tiring us out and inducing us to throw in our destinies with them. Is there any doubt about that? But they found a people, sturdy, independent and strong, who did not urge unreasonable pretensions, but at the same time did not give away its well-known rights, and I make this assertion, that to-day the United States have a respect for us, a hundred times greater, than they would have had if, like poltroons, we had given way to their influence and menaces. Consequently there is absolutely the best of friendly feeling between us and our neighbors. It is of no use for hon. gentlemen opposite conjuring up the existence of some dangerous feeling between us and the United States, which it requires sacrifices on our part to assuage. There is nothing of the kind. The American people respect and admire us, and they do so for one thing. They respect and admire us because we have clung to our rights, our nationality and our own standards. Well, after this long course, Senator Sherman, speaking in 1888 in the United States Senate, pointed out to his countrymen a change of method. He said:

Now, Mr. President, taking a broader view of the question, I submit if the time has not come when the people of the United States and Canada should take a broader view of their relations to each other than has heretofore seemed practicable:

Here is the basic view:

Since the conquest of Canada by Great Britain in 1763, she has been a continuous warning that we cannot be at peace with each other except by political as well as commercial union. Canada should have followed the fortunes of the colonies in the American revolution. The way to union with Canada is not by hostile legislation, not by acts of

retaliation, but by friendly overtures. This union is one of the events that must inevitably come in the future. The true policy of this government then is to tender freedom in trade and intercourse, and to make this tender in such a friendly way that it shall be an overture to the people of Canada to become a part of this union.

That was the advice given by a far-seeing man, and a senator of the United States. Years go by, and in 1904 the Chamberlain idea was to the fore, and we find a representative of a New York paper, the 'Post', in combating the Chamberlain idea, saying this:

Instead of any such mad course as retaliation, the path really open to us is one that will quietly, peaceably and forcibly defeat the whole project of discrimination against our goods. Canadian reciprocity is, in our judgment, the only road of safety and profit now open to us.

Mr. Blain was at that time trying to make a treaty with Newfoundland

The Boston 'Herald' says:

The underlying motive of Blaine's Newfoundland treaty was to draw the British colonies into the net of annexation.

And the Springfield 'Republican,' a very representative American paper, says:

There need not be any hesitation in saying that the Newfoundland treaty should be regarded as a stepping-stone to a similar one with all Canada, and that the great end in view which should appeal to any American statesman with imagination and foresight is the ultimate peaceful combination of Canada's destiny with our own.

That is explicit. And the objective is still there, just as strongly as it was in 1775, or in 1812, or in all the years since then. But here was a change of methods suggested. And now we come to President Taft's message to Congress. He carries out the very same idea:

They are coming to the parting of the ways.

Who? Canada. What ways? One the broad highway that we began to construct in 1867 running traversely across this continent with its east-and-west lines and ending, for our market, in the grand old mother country, the emporium of the markets of the world. And what is the other way? It is the way brushed out and trailed by Messrs. Patterson and Fielding, leading off this old and well-beaten highway down amongst unknown obscurities and hazards, but ending in the United States of America. These are at the parting of the ways, says President Taft, and something must be done.

They must soon decide whether they markets by a perpetual wall or whether are to be isolated permanently from our we are to be commercial friends.

Is that a threat? If we are to think of a perpetual wall, who put up the wall?—42 per cent. high on their side while our neighborly wall was only 26 per cent.; a wall that gave us a paltry \$33,000,000 of free entry into the United States, while we gave \$101,000,000 of free entry into Canada for the goods of that country. Is it a threat that, while we are looking nationwards, points to a path looking United States-ward? Does it mean?—Come down this path at the peril of isolation and commercial war between your country and ours.

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

President Taft is, I believe, a very far-seeing man. He knew the history of these men—knew it well. He knew that in the Finance Minister (Mr. Fielding) he was dealing with a man who, not so many years ago, declared that the maritime provinces could not live and endure as part of this Canadian confederation; who headed a campaign in his own province to take Nova Scotia, and, if possible, New Brunswick and Prince Edward Island along with Nova Scotia, out of this union. President Taft knew the Finance Minister's history and felt that there was reasonable ground for working upon a man with such a record. He knew that the Finance Minister, in 1891, pledged his party to, and fought tooth and nail for, commercial union with the United States as against closer trade relations with Great Britain; and he thought he had good hopes when working upon a man with such a history. And the Finance

Minister had with him the Minister of Customs (Mr. Patterson) behind whom was the towering figure of the great old knight of Ontario, Sir Richard Cartwright, who had declared in the halls of Boston, that Boston, New York and Portland ought to be the metropoli of the maritime provinces, that nature ought to be carried out who declared that there was no market in the world which would compensate us for failure to acquire free access to the United States of America; and who, when asked the question: Would you go into a scheme like that and discriminate against the mother country? answered promptly: Yes I would discriminate. And Mr. Taft had some very fair idea that he could work upon a government which had members such as these. Then we had the right hon. leader of the government (Sir Wilfrid Laurier). President Taft knows the right hon. gentleman's history from A to Z. It has been tortuous work following it, but President Taft is a very active minded man, and he has good men to help him.

I have not the least doubt that there is not a politic path that the right hon. gentleman has trod, in which he has turned and twisted, but President Taft has followed his course, either himself or through some of his advisers. And he knew well that the Right Hon. Sir Wilfrid Laurier stood in the market-place of Boston and declared that trade should not follow sentiment, that the time would come when Canada's interest would differ from the interest of the mother country, and when that time came he would look to Canada's interest; that the right hon. gentleman had declared that the interest of Canada lay with the United States rather than with Great Britain. President Taft knew all that. So, knowing the history of these men, knowing that they were guided by no principle save political partyism. President Taft thought that this thing should be clamped now before the feeling crystalized and the policy was made firm as it might very well be if these gentlemen happened to go out of office and another government came in. Can there be anything more clear than President Taft's opinion? He did not say: You have to come into this country, and this is the first step. But he said what was equivalent to it, absolutely equivalent to it; and it is in the lines I quoted.

But I not only take President Taft then. I take President Taft since. He is now stumping the United States in favor of reciprocity, and as he goes he grows a little more and a little more decided. At Columbus, Ohio, he declared:

The greatest reason for adopting this Agreement is the fact that it is going to unite two countries with kindred people and lying together across a wide

continent, in a commercial and social union to the great advantage of both. What says Mr. Hill:

I want to say to you that we cannot afford to let this opportunity pass. It is said that 'opportunity calls once at every man's door,' but that if you leave the door open it will come again. Let me say to you that the conditions in the British Empire are such that if we let it pass it will never come again. If we neglect the opportunity that is now manifesting itself, if that is refused, it is almost a certainty that imperial federation will follow, and if it does, where is your independence, where is your market?

What says Senator Beveridge? What says Governor Foss? What say the newspapers from one end of the country to the other? What is the allusion, what is the call to the United States for viewing this question not simply from the low business standpoint, but from far-sighted reasons of statesmanship and National Policy? What does it mean? It means that the old objective is there, it means that the methods have changed, they propose to have the Trojan horse with its big gifts introduced into the fortress. 'I fear the Greeks when they are bearing gifts.'

I could go on quoting from one and another; these are but samples of what I could quote, and therefore, are indicative of the general trend in the United States. All these methods of the past we have withstood and met, and we are on terms of absolute good friendship with the United States. I want to repeat what I said before, that to-day they have more respect for Canada, and more admiration for our enterprise and our work, than at any other period in the history of these two countries; and we on this side have just as high an appreciation of them as they on their side have of us. There is absolutely to-day no cause of dissatisfaction or ill will between us and the United States. But it does not follow that, because you are friendly with your neighbor and are doing each other good turns, you should give him half or three-quarters of your house and install him in it. Neither does it follow that because we want to be on good terms with the United States we are to hand over the rich possessions we have hewn out and made for ourselves, and go into this unfair partnership with them. Nor does it agree with our policy, our instincts and our ideals. It was the conquest of Canada aimed at in 1775; it was the conquest of Canada aimed at in the years around 1812, and since; it was the conquest of Canada and its incorporation with the United States aimed at by the methods I have spoken of in respect to our trade and fisheries; and the dominant spirit in the United States that is pushing reciprocity through to a successful enactment is not economic, it is po-

litical. It is still the conquest of Canada. But it is conquest of Canada by peaceful means and large gifts, to bring about the time when, from the frozen north to the Mexican gulf, there shall be but one power predominant and dominant, and that shall be the United States of America, and when British and European influence shall be abandoned forever on this North American continent.

This being the ideal of the United States, let me say in conclusion—and I know we will all heave a sigh of relief, and myself as sincerely as my hon. friends opposite—let me say a few words on the national aspect of this question, and just now, by the national aspect, I mean the Canadian aspect. I yield to none in my devotion to the British flag and empire; but it is not necessary, in order to view the national interest properly in connection with this subject, to go outside the bounds of Canada itself, our own country, our own nation within the empire. Patriotism is to the soul and conscience of a nation what religion is to the soul and conscience of the man. Religion soothes, religion gives it peace, assures security, religion ennobles the conscience, and rounds our man for better and nobler work. Patriotism does the same for a country. It purifies the soul of a nation, it reinforces the conscience of the nation. And I tell you, Sir, that a nation has a soul and has a conscience; and when that soul is not pure, and warns, and strong, and that conscience reinforced and upright, an unbending patriotism cannot exist within it, and the nation is robbed of one of its strongest bulwarks. So I make no excuse in appealing to the patriotic feeling of Canada in a discussion of this subject, limiting it just for the present to our own Dominion of Canada. Fifty years ago we were pursuing the quest of reciprocity, at first a reality, later a phantom. In 1889, in 1891, and in 1897 we abandoned the quest, the Liberal-Conservative party first, the Liberal party afterwards; and from 1890 and 1897 the quest was absolutely abandoned in this country from one end of it to the other. If we had abandoned the quest of reciprocity 25 years before we did, we would have been 25 years further advanced on the road of progress. Uncertain and doubtful, now hoping and now despairing, with a narrow horizon, capital and enterprise alike timid, what could we do in the way of settled purpose and in the way of settled endeavor and enterprise? No fixed purpose, no ideal, and a country that has no fixed political purpose and no fixed political ideal, but has a wobbling and uncertain gait, it cannot make progress forward.

Then, Sir, we suffered what seemed a stroke of adversity, but what, under God's Providence, was the best kiel that Canada ever had administered, that was the abrogation of the treaty of 1854 in 1866. Then our ideal began slowly to evolve, then gradually a purpose was developed,

then a policy was established of Canadian nationality within the empire. That was our ideal, Canadian resources for Canadian development, Canadian and British capital for Canadian industry, Canadian workmen for Canadian production, and Canadian routes for Canadian trade. That was in the economic and political ideal of Canada as it gradually evolved itself from the depths and uncertainty of 1866 and 1869, and first formulated itself and next got its place in the hearts and affections of the people. Then, Sir, blood pulsed in our veins, new hopes fired our hearts, new horizons lifted and widened, new visions came to us in the night watches. We faced geography and distance and fought them to a standstill. We shamed the croaker and the pessimist and the coward into silence, and then recreated him into a good citizen at the glowing fires of optimism and of hope. The plains were shod with steel, the mountains tamed and tunnelled, our national arteries were well filled with a rich blood of commerce, our industries grew, our workmen multiplied, our villages became towns and our towns became cities with astonishing rapidity. Across the seas, we clasped hands with our sister nations within the empire, and surrounded us with a cordon of defence of the old empire that gave birth to us all.

And with all this we have made great material progress. Can any one doubt it? In all this struggle and toil, when was the hand of the United States extended to us with helpful aid? Not in one single case. This land is ours, we have made it, we and our fathers—please God we will keep it for our children and our children's children, to the remotest generation. We have not wrought so in order to bestow a great gift upon a rich nation, we are wrought to build ourselves a national home with a fireside and altars of our own for ourselves and for those who come after us in this great

far-thrown country that God has given to us for our own.

This proposal cuts square across that national ideal, challenges it at every point, will endanger it undoubtedly, may destroy it entirely. Should we not think before we enter into it? Ninety-three millions to the south of us mean it in the way of absorption and hegemony and mean it in no other way, hence these gifts; this proposal cuts our country into sections and at every section bleeds the life blood out of it. The well-filled arteries of interprovincial trade will be drained from until the whole system grows anemic and flabby. Do not treat it lightly, the sustained pressure of ninety-three millions to eight millions, the far-reaching effect of business affiliation, the close proximity and constant efflux and influx, the seductions of commercialism, the constant intercourse of business, social and official life, will inevitably weaken the ties of empire and wean the affections of our newer generations, if not of ourselves, towards the predominant power, create new attachments, until like Samson we would arise and would shake ourselves and find that our strength is gone.

I utter the most solemn words I have ever uttered in my life, and I believe them to the very bottom of my heart, that there is danger, and deep danger ahead. This path entered upon leads us away from home to a strange country in the light of nationality and ideal. I pray, Sir, that the full meaning of this first step may sink into the hearts of these members of parliament and into the hearts of the people of this country until there shall burst forth a protest of such strength that the step contemplated will be recalled and the old paths, leading east and west, amongst our own people, converging on the great metropolis of the motherland, may be followed without uncertainty and without doubt to the national ideal.



