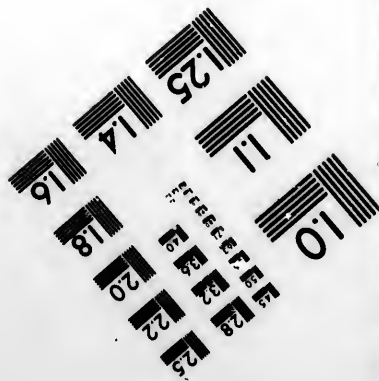
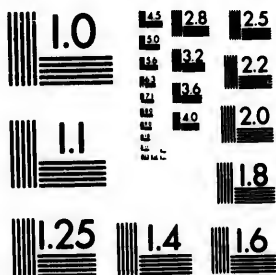


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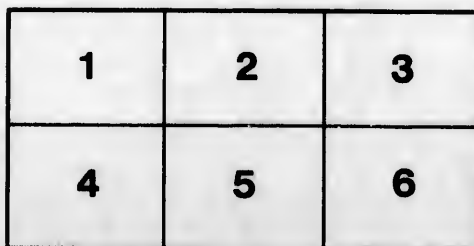
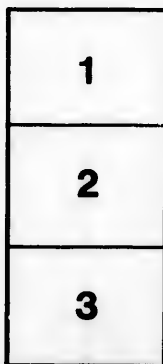
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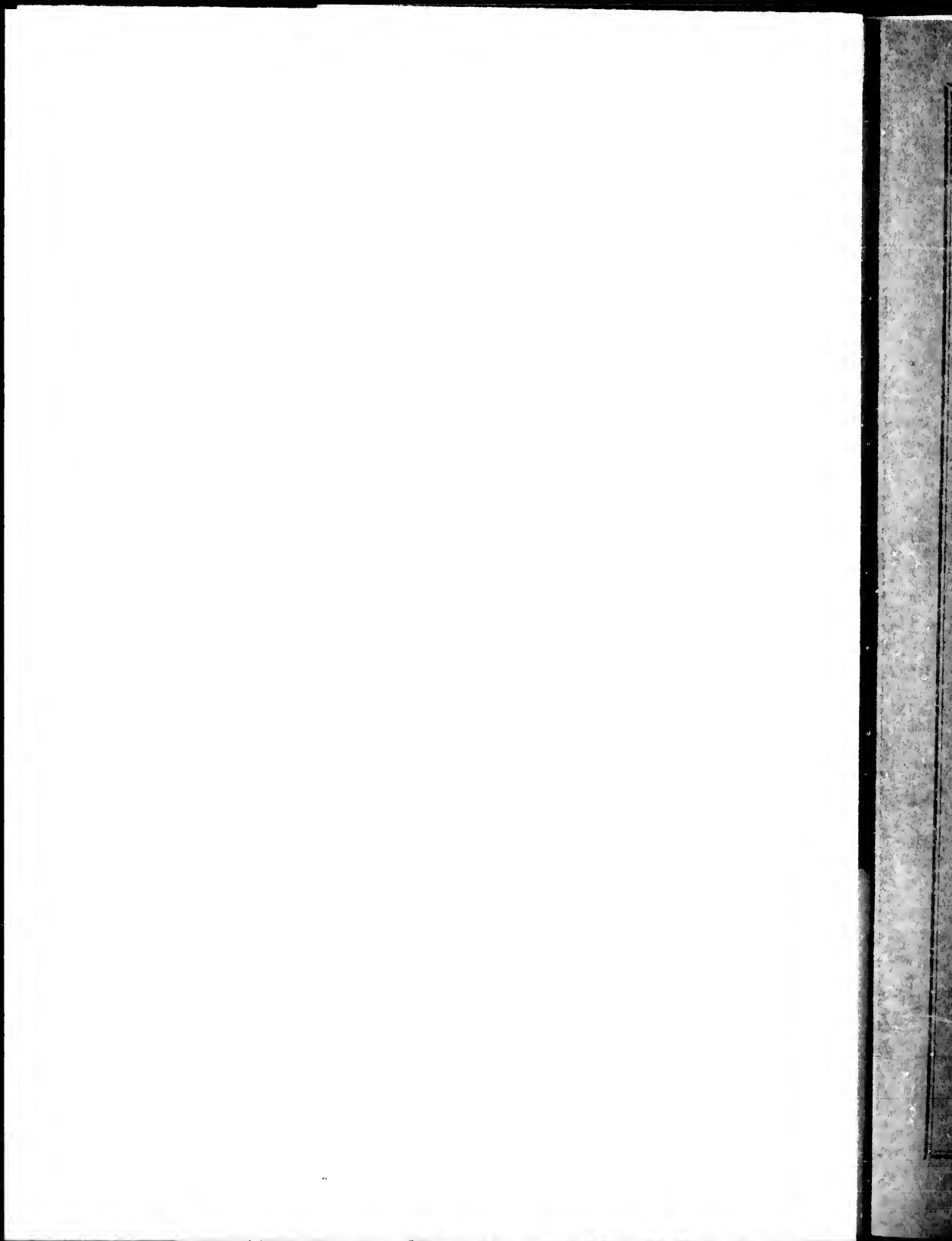
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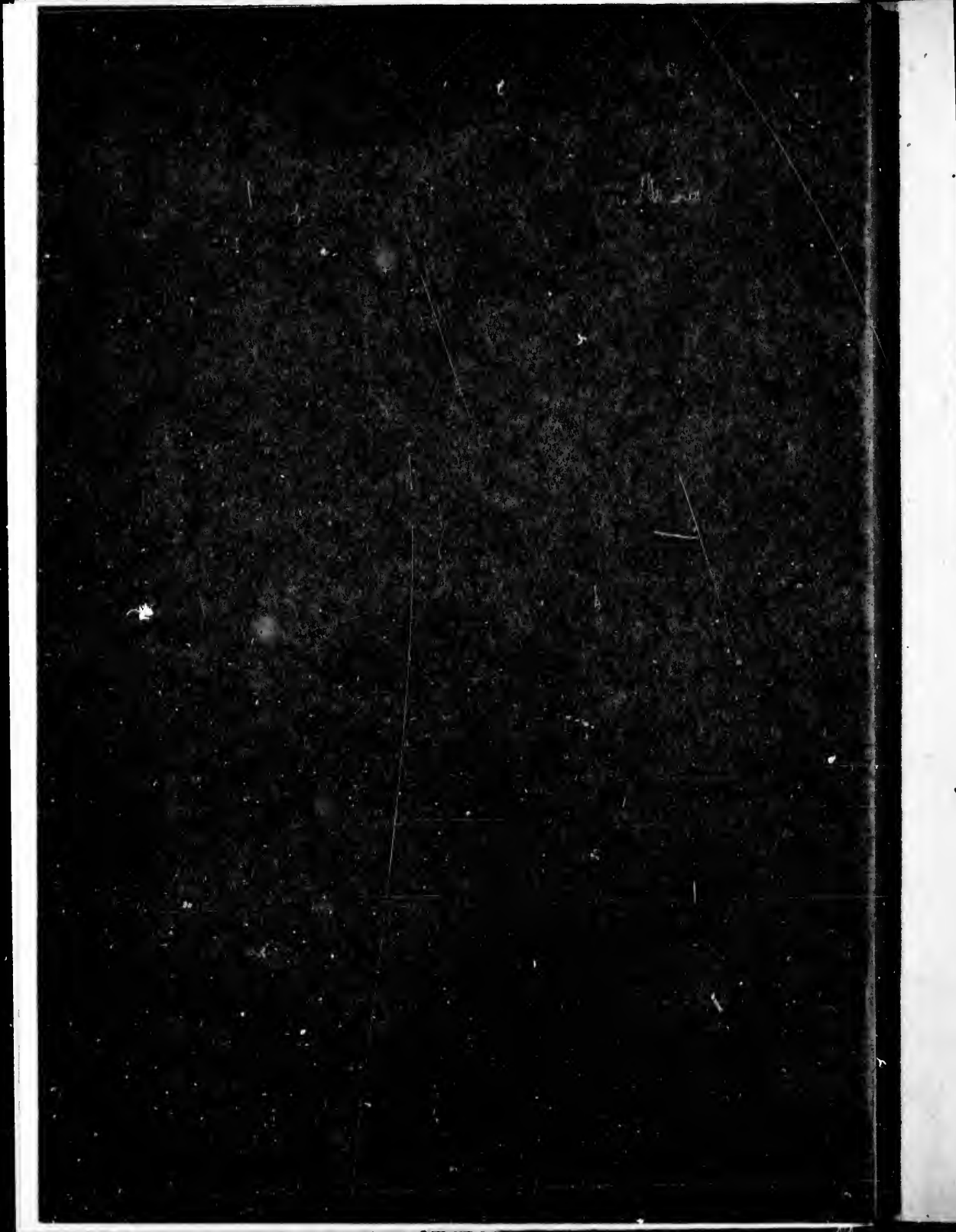
SPEECH  
OF  
JOHN CHARLTON, M.P.  
ON  
UNRESTRICTED RECIPROCITY  
WITH THE  
UNITED STATES,  
DELIVERED IN THE  
CANADIAN HOUSE OF COMMONS,  
THURSDAY, MARCH 7TH, 1889.

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Mr. CHARLTON. Mr. Speaker, I am sorry to see absent from their places to-night the Minister of Finance and the Minister of Marine and Fisheries, to whose remarks I wish to direct a few words before proceeding with the more important part of the discussion. If the Finance Minister were present, I would compliment him upon the creditable manner in which he made his maiden financial statement, a statement which was, I am sure, satisfactory to his friends upon that side of the House, and one which, on the whole, reflected credit upon him. I hope that the hon. gentleman will be able to redeem the promises that he has made to the country with reference to preventing an increase in the public debt, keeping down the expenditure, and engaging in a career of economy that has not characterised the Government's financial history for a few years past. I must warn that hon. gentleman, however, that many influences will be brought to bear to thwart his laudable purposes in that respect. The party with which he is connected and for whom he acts as Finance Minis-



ter, has for many years engaged in the expenditure of money in a lavish manner, and I fear that reformation in that respect is scarcely to be hoped for. I only hope that he may be correct in his anticipations, and may be able to give us an administration of public affairs such as he has promised in his Budget speech the other afternoon. With regard to some of his statements I shall have occasion to refer to them in the course of the few remarks which I shall make to-night. I wish, also, to refer briefly to a few statements made by the hon. gentleman (Mr. Tupper) who spoke this afternoon. He is a worthy son of a worthy sire, and to use a common expression which has more force than elegance, he is "a chip of the old block." His father, I recollect, some years ago, promised us that about this time we would be having 640 million bushels of wheat annually from the North-West. We have not had the wheat yet, but the son this afternoon did as much as he possibly could to give us the chaff. The hon. gentleman dealt rather severely with my hon. friend at my right (Sir Richard Cartwright). I think, however, it scarcely needs any trouble on my part to attempt a defence of that hon. gentleman, whose record itself is a sufficient defence, and who is amply capable of defending himself. The hon. gentleman seemed to suppose that because the arguments produced on this side of the House to the country had not carried the elections of 1882 and in 1887, that, perforce, we were wrong. Now, majorities are not always right, minorities are not always wrong. You may advance truth that will not convince the public, that is more often the case than otherwise. But, Sir, there were other reasons that might be cited to account for the result of those elections, than the arguments presented to the country. We had, for instance, the Gerrymander Act of 1882, by which, in the Province of Ontario, 200,000 Conservatives were enabled to exercise as much power in the elections as 300,000 Reformers, and which, at least gave to the present Government 12 or 14 seats. We had in 1887 the Franchise Bill, and we had called to the aid of the Government, the revising barrister, and this one Act in 1882, and this other Act in 1887, were sufficient to account for the results of those elections; and I feel certain but that for the revising barrister's kindly intervention in behalf of the Government in 1886, the Reform party would have carried the elections in this country in 1887. Then the hon. gentleman makes a feeble attempt to defend the Finance Department from the charge of cooking the accounts. Now, Sir, this is useless. It is beyond all controversy that the accounts are cooked,

that the book-keeping is of a character that would not bear the investigation of an accountant, that the expenses chargeable to the administration of Dominion lands in the North-West are charged to capital account, and the receipts are credited to consolidated fund; and in this way and in other ways of that kind, the public accounts are made to represent a result which the facts do not warrant. We have his reference to the fact that my hon. friend, as he asserts, had said that in case of war with the United States, we would not be able to secure very great assistance from England. Now, Sir, unfortunately, that is the case. In case of war with the United States, England would be utterly unable to place an armed force upon the frontier between these two countries, adequate to the defence of Canada. The United States, with no greater exertion than was put forth in the rebellion of 1861 to 1864, could place in the field an army of 3,000,000 men, and it is folly to talk of England being able to cope with such a force, in British North America, so far from her base of operations. It is true that, so far as land operations are concerned, England would be unable to afford to us adequate assistance and protection. Then the hon. gentleman refers to the exodus, and he charges upon us responsibility for the exodus from this country. As well charge upon the physician responsibility for the occurrence of the disease because he had given a diagnosis of the case; as well charge the physician with responsibility for the result of a disease whose treatment had been repudiated and not adopted. The Liberal party merely pointed out the causes that led to the exodus. They urged the Government that these causes should be removed, and they have, in their places in this House, and in their efforts in the country, from time to time, striven to remove the causes that produced this lamentable state of affairs. But so far from responsibility resting upon their shoulders, they merely have labored to the best of their ability to avert the evil results, which unfortunately, have fallen upon us in this regard. Then the hon. gentleman accused my hon. friend, at my right, of attacking protection, and then moving a resolution in this House by which he proposed to double our protection. The hon. gentleman is evidently unable to dissociate in his mind the nature of the resolutions demanding unrestricted reciprocity and commercial union. It is not commercial union that is advocated by my hon. friend it is not commercial union that is asked for by this resolution, but unrestricted reciprocity, and unrestricted reciprocity would leave in our hands the entire control of our own

tariff, except in so far as relating to imports and exports between this country and the United States. He says that Mr. Hitt and Mr. Butterworth are protectionists, that they want possession of this market, that they desire to reduce the people of this country to the position of hewers of wood and drawers of water. Mr. Hitt and Mr. Butterworth, it is true, are protectionists, but they desire to see the scope of free intercourse upon this continent enlarged; they desire to see a policy adopted that will be mutually beneficial and advantageous to their own country and to the Dominion of Canada. They are truly patriotic in their efforts to promote the interests, not only of the United States, but the interests of all the Anglo-Saxon commonwealths upon the continent of North America. He next refers to the income tax, and endeavors to create the impression that my hon. friend, in his reference some time ago to the income tax, had advocated a tax that would press with great severity upon all classes of people in this country, upon the artisan, upon the wage-earner, and upon every class of individuals who have any income at all. That depends entirely upon the character of the income tax; it depends entirely upon the limits to which that income tax comes down. It may be a tax upon incomes of a thousand dollars and upwards, upon two thousand and upwards—the limit of the taxable income may be so large as to affect the rich man only—and it was in that sense, as I distinctly remember, that my hon. friend referred to this question. Then we have paraded before us the old stock arguments about a home market. Protection to the industries of the country for the benefit of the farmer, forsooth! Why, what is the condition of the farmer in this country to-day? Living, Sir, in a country which is one of the dearest in the world to purchase in, and one of the cheapest in the world to sell in, so far as the products of his labor are concerned, selling the products of the soil for very much less than they were sold for during the *régime* of my hon. friend at my right, struggling with difficulties created by this very party which taxes everything that he produces and reduces the purchasing power of the natural customer to whom he sells his productions, not only increases the cost of what he purchases but diminishes the price of what he sells. Then the hon. gentleman refers to the Intercolonial Railway, and he tells us that this road has been an immense benefit. Well, in a sense it has. It has been a great benefit to certain coal mine owners; it has been an enormous benefit to the owners of the Springhill mines, and to-day this road is carrying coal for less than

the bare cost of transportation, and is charging other classes of freight much higher in proportion than it charges for the transportation of coal; and in this way it is an immense benefit to the owners of the coal mines, and it discriminates in favor of those men and against the farmers and producers and other business classes of this country. It is said that the road was not built for political reasons. I combat that and I assert it was. It has cost up to this time over \$50,000,000, which is an annual incubus on the country. We lose every cent of interest on that sum, amounting to not less than \$1,500,000 a year.

Mr. MITCHELL. That arises from bad management.

Mr. CHARLTON. And in addition it costs \$300,000 or \$400,000 yearly, even with the accounts cooked and sums charged to capital that should be charged to running expenses of the road, in excess of earnings. The hon. Minister of Marine has told us that the loss in running the road in 1888 was only one-half what it was in 1878. There was a difference in the mode of keeping the accounts. In 1878 what was charged to running expenses came properly under that head, while in 1888 every dollar which by any excuse could be charged against capital account was charged there, in order to reduce nominally the cost of operating the road. Then the hon. gentleman told us that the Liberal party in this House were ashamed, at the beginning of the Session, to speak of unrestricted reciprocity. I am sure my hon. friends to my right and my left will laugh at such an assertion, because the party pledged itself to that issue last year, the party has stood by that issue every day since, and upon that issue it stands to-day and on that issue it will stand to-morrow, and it will fight this question out on this line to the bitter end, it will go to the country on this question, and it will carry the country on it. No, we were not ashamed of this issue at the beginning of the Session, we are not ashamed of this issue now. My hon. friend has placed this resolution before the House in accordance with a decision the party arrived at within two or three days of the time we came to Ottawa. The hon. Minister informed the House that they, the Conservative party, the Government party, were still willing to make a fair and liberal treaty with the United States? Are still ready? When have they been willing to make a fair and reasonable treaty? When have they shown a disposition to meet the United States on fair, liberal and equitable terms? When have they offered any treaty on any other lines than the Treaty of 1854, which the

Americans disavowed and abrogated in 1866, and which they have told us year after year ever since they never would renew on those conditions. And with the assertion staring us in the face that another treaty would not be given us on those conditions, it is little short of an insult to the common sense of hon. members to tell us that the Government party are ready to make a fair and liberal treaty and are using their utmost efforts to negotiate one. The hon. gentleman quoted from the present Secretary of State of the United States, who has repeated the statement that a treaty with Canada upon the lines of the old treaty was entirely inadmissible and was not to be thought of.

So much for the position taken by the Minister of Marine, and I pass now to the consideration of the question which comes up directly in connection with the motion of the hon. member for South Oxford (Sir Richard Cartwright). It is a question of great importance, it is a question of greater importance than any other question that is now before the people of this country, and it is a question of greater importance than any other question which has been before this country for ten years past at least. The Minister of Finance referred to the necessity of securing wider markets, he referred to the necessity of extending our trade. And how does he propose to do it? Why, he cannot think of sacrificing the interests of that small circle of individuals who are benefited by the National Policy; he cannot think of sacrificing the interests of men who are useful in election contests, because they are directly interested in maintaining the Government in power, and are ready to pay for that interest. He must maintain the interests of those men, even if he does so at the sacrifice of the interests of nineteen-twentieths of the people of Canada. And he proposes, not to take the great market lying at our very doors, not to take the natural market with 60,000,000 of customers lying alongside of us, but he proposes to hunt up new markets, to subsidise steamship lines, to construct more railways, to reach China, Japan, India, to go to South America, to open up trade with the Argentine Republic, with Patagonia, with the West Indies, to commence trade with Samoa, with Tahiti, to open up trade with Uganda, with the Upper Congo, and other places far distant from us. Yes, that is the panacea of the hon. gentleman for the commercial distress of this country—to open up those far distant markets which it is almost impossible to reach and which are worthless when reached, and to leave the great market at our very doors, by refusing to enter into an arrangement with 60,000,000 people whereby we could

secure commercial advantages which would lift this country from the condition of depression in which it at present remains. It reminds me of the story of a sea captain who, when his ship was lying at the mouth of the Amazon, and, although out of sight of land, was in the midst of an ocean of fresh water, hailed a passing vessel and asked for a supply of water. The captain said: "Throw a bucket overboard; why, you are in the midst of an ocean of fresh water." So the hon. gentleman is in the midst of an ocean of trade if he will only avail himself of the opportunity, and he does not need to go to Patagonia, Samoa, Tahiti, the Congo and other distant lands. Let him turn his attention to the country lying at our very doors.

The condition of civilised states, and especially the Anglo-Saxon communities, has been for many generations past a condition of development and progress. The evolution in the case of Anglo-Saxon states has been rapid and continuous. They are continually advancing to a higher social and potential plane. If we contrast the condition of England, for instance, in 1700, with its population of five and a half millions, with but one considerable city, with a commerce infinitesimal in its proportions to that of the commerce of to-day, with small provincial towns, with a rude husbandry in the interior, without social development, without manufacturing development, without commercial development—if we compare that country with the England of to-day, the transition is a wonderful one. If we compare Canada in 1759, with its 60,000 people clustering along the banks of the St. Lawrence, with Canada of 1889, with its railway lines extending across the continent, with its development in manufactures, commerce and agriculture, with its population of 5,000,000, here again is a wonderful transition. If we compare the United States in 1776, with their 3,000,000 of people, a country which in 1790 had but four cities of over 10,000 inhabitants, which possessed only 75 post offices, 1,800 miles of postal route, which paid only \$22,000 a year for the transportation of the mails—if we compare that country with the United States of to-day with 62,000,000 people, with its vast development in commerce, manufactures and agriculture, this is a wonderful transition. And the condition of these countries is constantly changing and the circumstances surrounding these countries are changing. They are impelled forward by forces from within and by forces from without, and we need to note these changing conditions; we need to govern ourselves by these changing conditions, and to let the cir-

cumstances of our case adapt themselves to those conditions. In 1776 these thirteen colonies and Canada went different roads. They had lived together under one Government, subject to the same king, for seventeen years, and when the thirteen colonies revolted, Canada had not been associated with those colonies long enough to follow their example. The circumstances of the case were entirely different and they took different ways, and the result of those experiments we may see to-day: in the one case in the creation of a great nation with its own history, with its own national life and with the world looking to it as one of the great powers of the earth, while in the other case we see the result of the experiment the creation of a great colony, without a history of its own, challenging the attention of the world, and shining, not in its own light, but in the borrowed light of another luminary. For many years, there was not much in the conditions surrounding us to make intercourse between the two countries so desirable as it is to-day. From 1776 to 1842, the colonies were protected by the English corn laws; differential duties were imposed on their interest upon breadstuffs, lumber, and timber, and the desire for free intercourse with the American States or colonies naturally had no pronounced existence. The American States have prospered and grown rapidly, and a condition of things more favorable to their growth could not have been desired. Since 1842, when the corn laws were abolished, the desirability of intercourse with the United States became greater and greater each year, and in 1849 an annexation party was already in existence in this country, many of the members of which have since been in connection with the party at present in power. We had Sir John Rose, Sir A. T. Galt, the Hon. J. J. C. Abbott, and other gentlemen high in the Conservative ranks, who were members of that party. In 1854, however, free intercourse with the United States was secured, and when that intercourse was secured the annexation party disappeared. The country enjoyed that free intercourse for twelve years, and grew and prospered under it. In 1866, when that reciprocity was abrogated the country felt the disastrous influence of that abrogation in the severest manner, and there has not been a day since the abrogation of that treaty that Canada has not desired its renewal; there has not been a day since the abrogation of that treaty when it would not be in the highest degree desirable, in the light of Canada's interests, to have renewed that treaty; and, as year after year rolled by, the desirability of renewing it became more palpable and greater.

When the treaty was abrogated the United States had a population, probably, of thirty-five million souls, and to-day that nation has a population of at least sixty-two millions. To-day it has more than double the wealth it had in 1866; to-day it is a much more desirable country, or customer, to deal with than it was in 1866; and to-day it is infinitely more desirable to secure reciprocity with the United States in the interests of Canada than it was in 1866. That country with its sixty-two million inhabitants, with its fifty-eight thousand millions of wealth (ten thousand millions more than England) with its vast manufacturing industries, its vast internal commerce, its immense and growing progress and development, is a desirable customer for us to have; and, notwithstanding all the restrictions upon trade, notwithstanding the commercial hostility between us, nature asserts itself, our geographical position asserts itself, and the trade of Canada, under all those adverse circumstances with the United States, is greater than the trade of Canada with any other nation of the world.

Why is it that we have seen in the past one hundred years so marvellous a development in this country to the south of us. In 1776 they commenced with free trade between thirteen States, and as one State after another has been added to that confederation the area and scope of this reciprocal free trade has been extended. The number of States banded together in this Zollverein, or this customs union if you may term it so, have increased from 13 to 42. The population under this arrangement has increased from three millions to sixty-two millions, and, as population has increased, as the number of States have been increased, as the scope of the operation of these free trade influences have been extended, their beneficent character has become more and more apparent. Does any man suppose that if tariffs had existed between each of these States, or if the States were divided into groups with a tariff between one group and another, that we would have seen that development which has taken place in the United States within the last hundred years. No man of sense will assert that such would have been the case. This country with its different zones, its great variety of climate, its great variety of production—a country embracing within its own limits almost all the productions of the known world,—was a magnificent field for the operation of free trade, for the development of the influences and results that flow from free trade and notwithstanding that their own fiscal policy with regard to other countries has been faulty yet



the advantages of free intercommunication between all these States has been so great, that we see the results before us to-day in the accumulation of its great power, its greater wealth than any other country in the world, in its greater extent of manufactures than any other country in the world, and its ability to raise a greater revenue and undergo a greater stress in that respect than any other power in christendom. To-day, Sir, we in Canada are situated outside of that magic circle. My friend the Minister of Finance the other night depicted in glowing and very powerful terms the repressing results of the existence of tariffs between the various Provinces comprising this Dominion before Confederation. He pointed out how those barriers upon trade restricted commercial transactions between the Provinces, how great since the removal of those tariffs have been the developments of internal commerce, and now beneficent had been the consequence of that removal of the tariffs between the Provinces now comprising the Dominion. It struck me as being singular that hon. gentleman could not have gone further and realised how great would be the advantage of sweeping away the tariff over a still wider area, how great would be the advantage of removing the tariff not only between the seven Provinces of Confederation but between these seven Provinces and the 42 States of the American Union and having a free intercourse between 49 commonwealths instead of seven. I think the argument is one that he cannot fail to see the force of. If the removal of trade restrictions is good for seven commonwealths it is better still for 49. If the seven Provinces derive advantages from unimpeded commercial transactions, the widening of that circle and the introduction of a greater number of commonwealths to that circle, through which free communication was the rule, would be conferring still greater advantages than those he pointed out in the case of the provinces comprising this Dominion.

The position of our Canadian Provinces with regard to the United States is a peculiar one. There is a stretch of conterminous line from ocean to ocean. There is no mountain barrier between the two countries, there is no natural barrier of any character whatever, but they lie facing each other, and the very rivers and inland seas that spread along a portion of this line instead of being obstructions and barriers invite trade, and serve as highways for intercommunication from one to the other, and in spite of all these restrictions do secure an enormous burden of commerce between these two great countries. Now, Sir, if you look at the map, you will find that the

Dominion of Canada is divided into four distinct geographical sections. The Maritime Provinces are separated from Quebec and Ontario by a wide stretch of rocky, uninhabited country; Ontario and Quebec are separated from the fertile belt of the North-West by nearly a thousand miles of wilderness which is almost worthless for agricultural purposes; the fertile region of the North-West is separated from British Columbia by a wide stretch of plain and mountain. These four geographical areas are distinct from each other; and in its geographical affinities each one is more a part of the United States for commercial purposes than a part of this Dominion. Take, for instance, the Maritime Provinces: The State of Maine projects like a wedge northward, separating them from the rest of Canada, and almost reaching the St. Lawrence. To carry on trade transactions between New Brunswick or Nova Scotia and Quebec we have to use the Intercolonial Railway for hundreds of miles; while these Provinces can reach with facility such markets as Portland, Boston, New York, Philadelphia and Baltimore for a tithe of the cost which is to-day required to reach Quebec. The potatoes of Prince Edward Island can be laid down in Boston for five cents a bushel, or a little more; coal, lumber and all the other productions of these Provinces can be carried very cheaply to the great seaboard cities of the United States. The natural geographical affinity between these countries compels trade, notwithstanding tariff restrictions and commercial hostility; and if these restrictions were removed an enormous trade would be the result. Then, we take Quebec, possessing the gateway of the great lakes, the natural outlet of the vast country to the west; and but for commercial hostility and restrictive tariffs the trade of that country would have gone down the St. Lawrence to the sea, and 300 miles of artificial water communication between Lake Erie and the Hudson River would, perhaps, never have been built. Before the construction of that water route, all the trade of western New York, Ohio and the west went down the St. Lawrence; and Montreal might have continued to enjoy that trade, and might have been one of the great commercial centres of the continent to-day; but for commercial hostility it might have been the imperial gateway of the mighty west. But Montreal stands to-day on the St. Lawrence, with all its magnificent advantages and its magnificent site, a third-rate city. Quebec has easy access to the great commercial centres of the United States by the Richelieu River, Lake Champlain, Whitehall Canal and the Hudson River to New York, and by railway lines

she can easily reach Portland, Boston and New York. All these great centres are at her very door; these are her natural markets; her geographical affinities are with the Middle and Eastern States. Then, if we come west to Ontario, we find that conditions compelling trade with the country to the south are still more potent. We find this great Province resting upon four great inland seas, with the waters of Ontario, Erie, Huron and Superior, washing her shores from Kingston to Port Arthur. We find this Province projecting like a wedge 420 miles south into American territory, from the 49th nearly to the 42nd parallel. We find that the commerce of Michigan, of Chicago, and the country west of Chicago, finds its shortest route to the ocean across the territory of this Province. We find new lines pushing to the Sault Ste. Marie, and leading across this Province to the sea. We find lines from Minneapolis, from St. Paul, from Duluth and from Pembina converging at the Sault; and we find, on looking at the map, that the shortest possible route from northern Michigan, northern Wisconsin, Minnesota, north and south Dakota, Montana, and a portion of Nebraska, to the seaboard, is right across the territory of this Province, from the Sault Ste. Marie eastward. Why, it is the geographical key to the energetic zone of this continent, that country lying between the 38th and 46th parallels of latitude, with its great centres of population, development and wealth. Ontario, I say, possesses the geographical key to this great region. She can reach with her productions, by means of this great line of inland seas, and with her railway lines, the great markets of this continent, with the utmost facility and ease; and her position for reaching these markets is better than the position of Michigan, Indiana, or any portion of the American territory to the west of these States; and notwithstanding repression and restriction, she has a vast commerce with the great American centres of population. Why, within a few hours' ride of her eastern border in New York, with 3,000,000 inhabitants within 20 miles of its city hall; two or three hours further on is Philadelphia, with a million inhabitants; a few hours farther to the east is Boston, with 300,000 or 400,000 people; close by is Buffalo, with a quarter of a million, Rochester with 100,000, and Albany with 100,000; just across Lake Erie is Cleveland, with 300,000; just across the boundary of her western peninsula is Detroit, with 175,000; and within easy reach of her western territory is Chicago, with 900,000 inhabitants. I repeat that her geographical position enables her to obtain access to all these centres of population with

greater facility than any of the Western States, except Ohio. Now, Mr. Speaker, am I to be told, is any sane man to be told, that this great Province, with its 200,000 square miles of territory, with its immense stretch of sea coast, with its agricultural, its mineral and its timber resources, would not be vastly benefited by sweeping away those restrictions that separate it from its natural market? Why, Sir, it is preposterous to make such an assertion. To consider the question for five minutes is sufficient to convince any reasonable man that vast advantages would be secured to this Province by free access to the markets to the south of us. Then, we pass on to Manitoba and the North-West, and here again we have to pass through a wilderness of a thousand miles which separates that country from the settled portion of the Dominion to the east. Here we find a country which is a natural part of the Mississippi Valley. Almost a rebellion was provoked in Manitoba because its people were not able to secure access to the markets lying in the south. Their trade naturally tends to such cities as St. Paul, Minneapolis and Chicago; and notwithstanding all the restrictions placed upon it, an immense and ever growing trade has sprung up between Manitoba and the North-West and those cities. And when we pass on to British Columbia, what do we find there? Why, nature decrees that British Columbia must have extended trade relations with Washington, Oregon and California. These are commonwealths in the same geographical group as herself. To carry on commerce with the east necessitates crossing five ranges of mountains and a thousand miles of plain at great cost; the incurring of this expenditure for transportation is unnatural. Trade by this outlet must be forced, and natural conditions compel British Columbia to trade extensively with the three American States on the Pacific slope; and to remove all the restrictions existing between British Columbia and these States would be to confer untold benefits on the former. Take these four geographical groups of the Dominion—the Maritime Provinces, the Provinces of Quebec and Ontario, the Province of Manitoba and the Territories of the North West and British Columbia—nature has decreed that each one of the four shall trade more naturally and on more advantageous terms with the country to the south of the line than with any other geographical group in the Dominion. Now, I say in each nature asserts itself, notwithstanding the policy of my hon. friend and his party, as shown in our trade returns of last year. Our imports for consumption from, and our exports to the United States and other countries in 1888, were as follows:—

United States.....	\$91,053,913
Great Britain....	79,383,705
All other countries.....	22,612,482
	<hr/>
	\$193,050,100

Our imports for consumption during the same year were :

From United States.....	\$48,481,848
do Great Britain.....	39,298,721
do all other countries.....	15,066,531
	<hr/>
	\$102,847,100

Our exports were :

To United States.....	\$42,572,065
Great Britain.....	40,084,984
All other countries.....	7,545,951
	<hr/>
	\$90,203,000

And this in spite of hostile tariffs—this by virtue of the decrees of nature and geography, and in spite of the policy of hon gentlemen on the opposite side. We imported from the United States over \$9,000,000 worth of goods more than we did from Great Britain, and we exported to the United States \$2,500,000 worth of goods more than we did to Great Britain, by virtue of the inexorable decrees of nature and geography. We had a period, as I said a few moments ago, of twelve years free trade with the United States, and during that period our trade with the United States developed to an extent which must teach a lesson that cannot fail to be understood. Reciprocity was brought about in 1854. We began in 1854 with an export trade to the United States of \$10,473,000. That was without the stimulating effect of free trade. The next year, under free trade, that export had risen to \$19,316,000, an increase of \$9,000,000—an increase of nearly 100 per cent. in one year under the operation of free trade; and during the twelve years, from 1854 to 1866, that export trade to the United States increased from \$10,473,000 to \$39,950,000—an increase of 280 per cent. in twelve years. That included all the Provinces now comprised in the Dominion. In 1854, the exports of Old Canada to the United States amounted to \$8,649,000; the next year, under free trade, they jumped to \$16,727,000; and in 1866 they reached \$34,770,000. And this, without estimating shortage in inland returns, which were very much less in 1854 than in 1866. Now, with an increase of trade between the various Provinces of this Dominion of 280 per cent. in those twelve years, with an increase of trade between Old Canada and the United States of over 300 per cent. in the twelve years under free trade, I wish to contrast the condition of our trade since then under the

policy of protection; but before doing so, I will say that had the annual increase between 1855 and 1866 been maintained to the present time, our exports to the United States alone would last year have reached \$91,000,000, and had the ratio of increase been maintained in the twenty-two years following the abrogation of the treaty, that was maintained during the twelve years of the operation of the treaty, our exports to the United States last year would have exceeded \$150,000,000.

Mr. BOWELL. Hear, hear.

Mr. CHARLTON. My hon. friend may smile, but I believe the exports would have been greater than are indicated by this calculation. Now, against this increase of \$29,476,000, or an actual increase, estimating the inland returns shortage, which was \$2,413,000 greater in 1866 than 1855, of \$31,490,000 during this period of free trade—what have we to say with regard to the increase of trade since? Our exports last year were only \$2,620,000 greater than in 1866, or, deducting difference in shortage at inland ports between 1855 and 1866, our increase in exports in 1888, as compared with 1866, was but \$1,522,000 against \$31,490,000 in the 12 years during the operation of the treaty. This fact speaks volumes, and needs no comment. If the one policy gave this country an increase in exports of \$31,490,000 in 12 years, and the other policy gave in 22 years an increase of \$1,522,000, the two facts placed side by side, tell their own story, and need no comment. Great as were the advantages this country derived from free trade, those advantages were minimised by certain currency troubles that existed in the United States, at the close of the rebellion. From 1862 to 1866, the reckless gambling in gold, the depreciation of American currency, the reduction in the purchasing power of that currency, greatly diminished the advantages that this country would have derived from free trade had there been stable currency in the United States; and when the Reciprocity Treaty was abrogated, almost immediately following that event came a more stable condition of American currency and a revival of business in that country, and an improvement in trade in consequence of that revival. We had the good effects of reciprocity minimised by this condition of currency, and we had the evil effects of the abrogation of the treaty for the first few years minimised by the return of the United States to a sounder currency; but even with these evils minimising the advantages in the one case and the disadvantages in the other, the results, as I have explained them to you,

strikingly illustrate the great advantages to be derived by this country from free intercourse with the United States. What do our farmers remember about the years during the years which the Reciprocity Treaty was in operation? Talk with any farmer who lived then, and he will tell you of the excellent markets we had for our produce and cattle and stock. He will tell you that buyers swarmed in the country, he will tell you that there was an active demand for everything he had—and these are the days the farmers look back to as the bright days in the history of their country, these are the days they desire to see come again, and these are the days they are going to vote to have come again. These are the days that my hon. friend's resolution promises shall come to them again, and they will try that resolution, at all events, before they are convinced that they cannot have them again.

My hon. friend in his speech the other night showed, I was sorry to see, that he did not know anything of a definite nature about the volume of our internal commerce. He told us it was great, I believe it is great. Internal commerce is naturally very much greater than external commerce. We have a large railway mileage, we have an extensive business done on those railways, we have extensive transactions between the various Provinces of this Dominion—and also between various portions of the same Province, and I have no doubt that the internal commerce of Canada is a very large one, and I have no doubt further that, if the area over which our commercial transactions exist was extended, those transactions would be increased over that area, and I think it is easily demonstrated that the internal commerce of the United States is in proportion very much greater than our own. In the report of Mr. Switzler, the chief of the Bureau of Statistics in the United States, the last report made, we find a rather astounding calculation. I confess it startled me. It may be exaggerated or not, but it is made in an official document of the United States, and that statement is that the internal commerce of the United States in 1887 amounted to \$32,874,000,000. That is 360 times greater than the commerce of Canada with the United States, it is 170 times greater than the commerce of Canada with all the world. It is true that this is an enormous figure. It is two and a half times larger than the export and import trade of the world in 1880. It is twenty-five times more than the import and export trade of the United States in 1886. Whether it is closely correct or not, it shows how

vast is the volume of commerce which courses through the business veins of that great country, and enlivens and vivifies the great industries within its borders. If one will stop to consider how grand a theatre for unfettered commercial intercourse is furnished by the northern part of the American continent, he can never for a moment imagine that the policy of our hon. friend opposite is a policy conceived in the interest of the country. Take this vast country, stretching from the Gulf of Mexico to the Arctic Ocean, with its great sweep of sea coast—the Mexican Gulf sea coast, the Atlantic sea coast, all along the States and along Nova Scotia and New Brunswick, along the coast of Labrador and up to the Arctic Ocean, and then the line of coast from Behring's Straits to the State of California—take that great country with its intercommunication by means of its rivers and inland seas—the Mississippi system with its 16,000 miles of navigation, the rivers flowing into the Atlantic, the St. Lawrence, the Mackenzie, the Yukon, the inland seas and all those great arteries of communication stretching throughout that country in every direction, and furnishing the means of intercommunication; take all the range and varieties of climate which exist from the subtropic climate to the Arctic; take its variety of products and consider that every known production on the face of the globe can be obtained within its boundaries; take its mines, its forests and its fisheries, its railway development, and estimate what will be the future of this great country and its future population when it has a population to-day of sixty-seven millions. It is destined to be the seat of the greatest empire the world has seen, the home of civilisation. The best hope of humanity are centered upon this great land; and the future development of the wealth and population of this country will be beyond our knowledge and beyond our imagination. We are now outside of this union, and we have been invited to participate in the advantages which may result from the intercourse which should take place between us; and I say that every consideration of self-interest should induce us, if nothing else would, to break down the trade barriers which exist between us. Let those barriers be broken down, and the ever-expanding and cumulative forces of trade intercourse cannot stop at the boundary but will go on increasing for the advantage of both parties to the agreement. We have nothing to keep us apart in connection with race distinctions. The French in Louisiana and the Anglo-Saxons in the other States get along easily enough and without difficulty; so also we trust will the French of Quebec and the Anglo-Saxons of North



America. We have substantially the same institutions as they have. We have a common language. We have similar laws. We have religious affinities with our neighbors. There is nothing to prevent these two countries from living together in peace and amity, as far as their commercial relations are concerned. What are the forces which fight against the continuance of the barriers which impede trade? What are the forces which forbid that these two countries shall remain in a state of commercial hostility with one another? They are geography, nature, racial affinity, business interest, common sense, and the intermingling of the two peoples. We have now at least a million native Canadians in the United States, we have from a million and a quarter to a million and a half of the descendants of Canadians in that country. Do they exercise any influence on the opinion of that great people? We have perhaps half a million of foreign immigrants who have gone there after coming to this country, and that is a mighty force which is drawing these two countries more and more together, and is impressing on the mind of both countries the desirability of free commercial intercourse and the absurdity of maintaining the condition of things which now exist. I assume, then, that free intercourse is desirable, and perhaps I will enter a little more fully later into some particular reasons why it is desirable.

I assert now that the Government of this country show practically no sense of the importance of this question. I assert that they are trifling with the people of this country, that they are making an assertion that they have sought diligently to obtain free commercial relations with them, when they know, and every man of sense knows, that these overtures were made in a direction that they knew were fore-ordained to failure. They have professed to make overtures for free trade relations upon lines which they have been told again and again would never be accepted, they have studiously refrained from making overtures upon any line which was likely to be successful, and they have shown clearly and unmistakably that they do not want to have free trade relations and would not take them on any obtainable terms; but they seek to allay the feeling in the country in favor of this exchange of trade by professing that they are seeking for and are desirous of free trade relations, and that they will obtain them as soon as the United States will grant them on reasonable and equitable terms. Well, Sir, they will never get them.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. They will never get them, because they will not sacrifice the interests of a small minority of the population of this country that are bleeding the majority, they will not sacrifice their interests for the interests of the millions of this country. They have been placed in power by a little clique of manufacturers, by a small favored ring, for whom the Government legislate, and whose interests are paramount, in the estimation of this Government, to the interests of the farmer, the lumberman, the ship owner, the fisherman, and the laborer; and for that reason they will never get it because they will never seek for it on terms upon which they can obtain it. They have been invited to come and get it. I have in my hand an invitation from the mouthpiece of the American nation, from their Minister of Foreign Affairs, to an hon. gentleman who no longer has a seat in this House. A plainer and more urgent invitation to open negotiations with a view to obtaining freer trade relations, never was proffered by one country to another, a letter of Mr. Bayard, Secretary of State of the United State, written on the 31st May, 1887, to "My dear Sir Charles."

Some hon. MEMBERS. Oh, Oh.

Mr. CHARLTON. Yes; it is a bad pill for our friends, and I do not wonder that it extorts from them that expression of agony and pain. Mr. Bayard says:

"It is evident that the commercial intercourse between the inhabitants of Canada and those of the United States has grown into too vast proportions to be exposed much longer to this wordy triangular duel, and more direct and responsible methods should be resorted to. Your own able, earnest and patriotic services in the Government and Parliament of the Dominion are well known, and afford ample proof of your comprehension of the resources, rapidly increasing interests, and needs of British North America. On the other hand, I believe I am animated by an equal desire to serve my own country, and trust to do it worthily. The immediate difficulty to be settled is found in the Treaty of 1818 between the United States and Great Britain which has been *questio vexata* ever since it was concluded, and to-day is suffered to interfere with and seriously embarrass the good understanding of both countries in the important commercial relations and interests which have come into being since its ratification, and for the adjustment of which it is wholly inadequate, as has been unhappily proved by the events of the past two years. I am confident we both seek to attain a just and permanent settlement—and there is but one way to procure it—and that is by a straightforward treatment on a liberal and statesmanlike plan of the entire commercial relations of the two countries. I say commercial because I do not propose to include, however, indirectly, or by any intendment, however, partial or oblique, the political relations of Canada and the United States, nor to effect the legislative independence of either country."

Now, I ask, Mr. Speaker, is not that an overture inviting this country to enter upon negotiations for the purpose of securing a modification, at least, of the trade restrictions existing between the two countries? I ask if that is not an overture that should have been responded to, if we had received it in a proper spirit, by an attempt, at least, to secure this modification of trade restrictions? Sir, I assert that it was an overture which was not met in the right spirit, and that no attempt was made by the Government of this country to meet Mr. Bayard on the lines that would have secured a modification of these trade restrictions—I assert that broadly. On the contrary, this Government has pursued towards the United States a policy of irritation, a policy of irritation characterised by the mode in which the fishery regulations were enforced, which I do not need to allude to more particularly, as it has been alluded to already. This spirit of irritation has been manifested in other respects; it has been manifested in the treatment of the question of canal tolls. We have imposed upon vessels passing through the Welland Canal a toll of 20 cents a ton, and we have granted a rebate to those vessels going to the port of Montreal of 18 cents a ton. We have discriminated against the American commerce passing through that canal to the extent of 18-20, and that in face of that fact that our shipping has been permitted to use the Sault Ste. Marie Canal, an expensive work, costing over five million dollars, entirely free of charge. For years, ever since the construction of that canal, the United States Government has kept it in repair, and furnished a force to operate its locks; and every Canadian vessel that has passed through that canal has done so without payment of a cent. The same with the St. Clair Flats Canal; the same with the improvements of the Lime Kiln Crossing, and its expensive works which the American Government have permitted us to use entirely free of charge. In return for this neighborly conduct, we levy upon their commerce passing through the Welland Canal 20 cents a ton, and we discriminate against commerce going to their ports, by rebating 18 cents of that 20 cents a ton to all vessels going to Montreal. Sir, that is not neighborly treatment. Then, when we granted the free admission of fruits, we destroyed entirely all evidences of friendly feeling and kindness of spirit in this matter; that poor little contemptible tax of one cent a basket on the baskets in which the fruit comes; and the collection of that tax, I am told by fruit importers, in some cases led to serious loss on whole car loads of fruit. They were side-tracked, in order to

go through the formalities of a customs entry; the owner in some point in Ontario would be required to come down and enter them, and by the time he had got through the entry and paid the one cent a basket on his purchase, the fruit, especially in the case of peaches, would be badly damaged in consequence of the delay. I have a letter in my pocket to that effect. No doubt this tax cannot yield anything of any consequence; nevertheless it is irritating in its character, more so perhaps than it would be if an amount of revenue of any consequence was realised from it, and it seems to me that nothing could have been more impolitic than the petty cheese-paring spirit manifested. We had this spirit manifested the other day in respect to a few curlers coming over from Buffalo to engage in a friendly game with another party at Toronto, and bringing with them an illuminated address. They were required to give bonds that their curling stones would not be kept in Canada but would be carried back, and they were charged \$1.75 duty on their illuminated address that they were going to present to the curling club in Toronto. Well, it is \$1.75 gained for the Government and bad feeling engendered. I do not think this is wise conduct; I do not think we are making enough, in the shape of revenue, to compensate for the effect upon friendly relations between the two countries, by these small affairs. Then we have the raising of invoices. I know of one case where a party who wished to import certain malleable goods, went to the parties producing the goods in this country and offered them the cost of these goods with the entire amount of duty added. It was refused, and he imported the goods, and the Customs placed its own valuation upon those goods and made him pay duty on 50 per cent. more than their cost. This is not the kind of policy that produces good feeling, it is not a kind of policy that is commendable or politic. Then we are greatly interested in sending fresh fish to the United States free of duty. We import a small amount of fresh fish from the United States, and we impose a duty of half a cent a pound on this fish, jeopardising the whole vast trade of this country with the United States in fresh fish—another specimen of the wisdom of the Government in their management of international relations. There has been, I am sorry to say, an unfriendly spirit manifested in many things. The Americans believe that spirit is unfriendly, and these manifestations have provoked resentment of a very serious character. It is believed in the United States that we have purposely made our fishery regulations oppressive and troublesome for the purpose of

extorting from them concessions, and, naturally, they say : " We will see you further before we will give you any concessions under these circumstances." If our friends will read *Æsop's Fables*—

Mr. BOWELL. We are hearing them now.

Mr. CHARLTON—there is an instance related where the wind concluded that it would make a man open his cloak. It blew upon him with great force, and the more the wind blew the tighter the man wrapped his cloak around him. It was found impossible for the wind to compel that man to throw open his cloak. Well, it ceased its efforts, and then the sun shone out warm and benignant upon the man, and after it had shone a few minutes he unbuttoned his cloak. Warmer and warmer it got; and finally the warmth of the sun compelled him to remove his coat. And so it will be here. It is said molasses will catch more flies than vinegar. I believe it is true; and if we want to obtain concessions we do not want to provoke unfriendly conflict by seizing American vessels, charging one cent a basket on their peach baskets, a duty on their illuminated addresses and make them give bonds on curling stones. These are things we should not do. On the contrary, we want to treat them in a broad, generous and friendly spirit and thus engender that cordial feeling which will lead to trade concessions.

Mr. Speaker, the Minister of Finance the other night took the ground that our progress had been in the highest degree satisfactory, that we had, I understood him to assert, very little to wish for, that, under all the circumstances, we could not have expected to have progressed more rapidly or to have occupied a more favorable position than we now occupied. If our growth and development have been satisfactory, why there is no great reason to require change or modification of our commercial relations; and I propose to inquire briefly and in a very candid manner whether our growth and development have been of a satisfactory character. First with respect to increase of population. In 1871 we had 3,635,000 inhabitants; in 1881, 4,324,000 inhabitants, the increase being 689,000 souls, an increase of about 18 $\frac{3}{4}$  per cent. I turn to the United States and find the increase in that country in the decade commencing one year earlier and ending one year earlier was 30·8, as against 18 $\frac{3}{4}$  in Canada. This is not satisfactory. Here we have a difference in the increase of population of the two countries of more than 11 per cent. against ourselves, and there is no reason for it. This is a strong vigorous race in Canada, a race which

would naturally increase more rapidly than the population in the United States, and if our increase in population was 11 per cent. less than that of the United States our ratio of progress and development is shown to be unsatisfactory by that one fact. As I stated a while ago, we have probably in the United States to-day one million of Canadians; last census showed 712,000 and the ratio of increase that obtained between 1870 and 1880 would give within a fraction of one million. All these facts prove that our progress has not been satisfactory. There is another matter which shows this fact still more clearly. The United States have developed in excess of Canada in many respects. They raised last year \$700,000,000 worth of corn, a larger quantity of wheat than we raised per head, an enormous quantity of wines and fruits, of which we raised comparatively nothing, a larger quantity of wool, more sheep, a vastly larger number of swine, in proportion to population; and of articles that we do not produce, tobacco to the value of \$43,372,000; cotton to the value of \$254,117,000; sugar 145,000 hogsheads. In manufactures, where Canada produced in 1881 to the value of \$309,676,000, the United States produced in 1880 \$5,369,667,000 worth, or equal to five-tenths *per capita* in excess of our production. All industries, according to Mulhall, reached, in the United States the value of £2,281,000,000, Canada £167,000,000, or equal to two-tenths *per capita* in excess of our production. Mulhall gives the wealth of the United States and other countries in 1880 in pounds sterling, that of the United States being £9,495,000,000, and that of Canada £550,000,000, a *per capita* excess in favor of the United States of five-tenths. This shows a vast development in that country as compared with Canada.

In regard to public debt, not withstanding the plausible explanation of the Minister of Finance, our position is a most unsatisfactory one. Our debt on the 1st February, 1889, was \$236,370,564, or equal to \$47.33 per head—I think the Minister of Finance made it a few cents less: The debt of the United States on the same date was \$1,121,845,973. The Pacific Railway debts it is fair, under our mode of calculation giving the net debt, to deduct as good and valuable assets. They are about to make some arrangements by which they will amply secure the United States on a 3 per cent. 50-year loan, at which rate the Government can borrow the money. Deducting the Pacific Railway debt, the principal and interest of the United States debt, February 1st, 1889, was \$1,009,932,000, or \$16.82 per head on a basis of population of 60,000,000,

against \$47.33 per head in Canada on a basis of 5,000,000. If we add State debts, as the hon. gentleman said we should do, the net amount of which is \$170,000,000, this makes the total equal to a *per capita* charge for national and State debts of \$19.67, as against \$47.33 in Canada. That is not a satisfactory condition of things. The hon. gentleman, at great length, compared the expenses of this country with the expenses of the United States. I have prepared some statistics on these heads. I find our debt has increased, since Confederation, \$160,941,923, or three fold. The increase of our debt in the last ten years was \$96,308,495. While our debt increased three fold, the American debt was reduced from \$2,508,151,211, in 1867, down to \$1,121,845,973, February 1st, 1889, without deducting the Pacific Railway assets, which are, in round numbers, \$111,000,000. In the period since 1878 the United States have reduced their debt by \$511,636,306, while during that period we have increased our debt by \$96,000,000. So in the matter of public debt, the comparison is a very unsatisfactory one for this country. Then we were told by the hon. gentleman that the United States pays no judges except a few Supreme Court judges, and has no immigration and quarantine charges, no governors to pay, no militia to sustain, no penitentiaries to keep up, and that if our expenditure had been on the same basis as that of the United States, instead of having a debt to-day, we would have had a surplus of \$46,000,000. I would ask the hon. gentleman how that calculation was worked out. I would ask the hon. gentleman what would have been the position in this country under circumstances such as those encountered in the United States from 1861 to 1864, when a supreme struggle for existence occurred during which the American people accumulated their great debt? Why, this country would have been ruined. The expenses under the following heads in the countries respectively, were as follows:—

United States Pension Charges, 1888.....	\$ 80,288,508
Per capita, \$1.33	
Canada Pension charges, 1888.....	120,333
Per capita, 2.4	
United States Military Establishment.....	38,522,436
Per capita, 51.4	
Canada Militia and Mounted Police.....	2,136,143
Per capita, 42.7	
United States Naval Establishment.....	16,926,437
Per capita, 28.2	
Canada Ocean and River Service.....	211,462
Per capita, 4.2	
United States Congress.....	5,692,115
Per capita, 9	
Canada Legislature.....	807,424
Per capita, 16	

United States Judiciary.....	4,581,828
Per capita, 7.6	
Canadian Administration of Justice.....	678,814
Per capita, 12½	
United States Foreign Intercourse.....	1,593,461
Canada, \$20,000	
United States Interest.....	44,715,007
Per capita, 74½	
Canada Interest.....	9,823,303
Per capita, \$1.98 4	
United States Custom.....	219,091,173
Per capita, \$3.65	
Canada.....	22,105,926
Per capita, \$4.42	
United States Customs and Excise.....	243,388,044
Per capita, \$5.72	
Canada Customs and Excise.....	28,177,413
Per capita, \$5.63	
Customs and Excise in U S, 1868.....	\$343,388,044
Payment on Public Debt, year ending 1888.....	112,163,781
	<hr/>
	231,224,266
Per capita, \$3.85	

It must be borne in mind that the United States, last year, reduced their debt by \$112,163,000. That came out of their excise and customs duties, and that leaves their expenses at \$231,000,000, or a *per capita* expense, aside from the payment of the debt, of \$3.85 per head, as against \$5.63 in Canada. If we add to that, as my friend probably claims we should do, the *per capita* taxation for States of \$1.08 per head it would make for both of those \$1.93 as against \$5.63 in Canada or still an excess in our case of 70 cents per head. The United States pays 130.6 per head for pensions more than we do. It is an abnormal and not a permanent charge, and if we set this aside it would leave our *per capita* expenditure \$2 greater than the expenditure of the United States and the various State governments combined. I do not think the comparison is a favorable one to us. The lesson furnished to us is a suggestive one, and that lesson is that my hon. friend the Minister of Finance does really need to practice economy for we are on the high road to difficulties. The hon. Minister draws a rosy picture of our condition because he is able to point out that our debt *per capita* is not so much as it is in France or Belgium and other European countries, which are ground down to the earth by the expense of maintaining vast armies. These countries are continually preparing for war and practically live in a state of war every year. Their population is ground down by all the burdens that can possibly be imposed upon them; and yet forsooth, the Minister of Finance says we should congratulate ourselves because our condition is not quite so



bad as theirs. I do not know that I need waste more time on this question, I had some more figures bearing on it but I may say that the conclusions drawn by my friend the Minister of Finance will not bear investigation, and that our condition as compared with the United States in matters relating to the finances of the two countries is an unfavorable one.

Mr. FOSTER. Your figures and mine about taxation are just the same.

Mr. CHARLTON. I am aware that in some respects they are, but you attempted to draw conclusions from them that were in no wise warranted by the facts. Our railways show a still greater disparity in the development of the two countries. We carried in 1887 upon our railways 16,356,335 tons of freight; of this freight 2,580,000 was carried by the Canada Southern, and 6,458,000 by the Grand Trunk Railway. It would be a moderate estimate to assume that 3,000,000 of this freight was freight in transit through Canada from one part of the United States to the other, leaving the actual transit of freight in Canada about 13,300,000 tons. That same year the United States railways carried 552,074,752 tons, and we have therefore this result, that the carriage of freight in Canada was 3.27 tons per head and in the United States it was 9.12 tons per head, or about three times as much freight on the railways in the United States as upon Canadian railways. The number of passengers carried upon the railways of Canada was 10,608,638, and the passengers carried upon the United States railways amounted to 422,225,573, or 2.14 in Canada to 7 per head in the United States, again about three times the volume of passenger trade in the United States that there was in Canada. The total earnings of the railways in Canada was \$38,842,000 and on the United States railways \$931,385,154, so that the railways in Canada earned \$7.75 per head as compared with \$15.52 in the United States. We have the advantage of the United States in our railway system in one respect, for we have \$129,810,000 of Government money in our railways or \$26 *per capita*, while in the United States they have only \$65,000,000 invested, or \$1.08 per head, and that is not a subsidy but a loan. The statistics which I have quoted must prove pretty clearly that in the matter of the development of our trade, in the matter of increase of population, in the matter of debt burden, and in all the particulars which I have mentioned the comparison between the two countries show that it is not favorable to our country, and that a condition of things prevails here which

we should not desire. I do not parade the fact for the sake of deriving any satisfaction from it, but it is necessary for us to face the situation, and to know exactly our condition, and in making our calculations we should know what is necessary to be done. We want to know exactly the basis upon which our calculation should be made, and recognising the necessity for this knowledge it is perfectly proper that we should examine the question in this sense.

I referred a short time ago to the vast internal commerce of the United States, and I referred to that as proof of the great advantages derived by that country from unrestricted commercial intercourse between all those States. No more striking proof of this can be had than the statement made in the report that the internal commerce between the States was two and a-half times greater than the total export and import trade of the entire world in 1880. It was twenty-five times greater than the foreign commerce of the United States, import and export, which in 1886 was \$1,314,960,000. It was thirty times greater *per capita* than the commerce between Canada and the United States. I say that this vast internal commerce is one, which if we are wise, we should desire to enter into and to obtain the benefit of.

Mr. HAGGART. Where did you get those figures as regards the internal trade?

Mr. CHARLTON. From the report of Mr. Switzler, Chief of the Bureau of Statistics of the United States on the Internal Commerce of the United States for 1887, page 570.

I have just one more item of comparison to make between the trade of those two countries. My hon. friend the Minister of Finance was kind enough to refer to me the other night in very friendly and kindly terms in connection with my labors on the Mining Commission of Ontario, and he stated, as was true, that in that capacity I had been able to have my ideas as to the great extent and capabilities of this country, in a mineral sense, very much enlarged. I had. I found that we have enormous mineral resources. I was glad to see how widely they are extended and how great they were, and I found out another thing also; I found from Ottawa to Port Arthur, wherever I went, one universal cry—and there was not a dissenting voice to that cry—on the part of every man interested in minerals, copper, iron silver, gold, and structural materials. They all said: "Give us access to the American markets, we are languishing for the want of a market; we are cribbed, cabined and confined; our energies are repressed and we can do nothing. Right across the line

are unlimited markets for the products of our mines, but we are debarred from that market by the trade restrictions that exist between the two countries." I heard this complaint so often repeated that I finally became aware— and I am sure that a very few men of this country are fully aware of it— of the vast importance of this question as regards the mineral development of this country. No other great interest in Canada is suffering so severely or would be benefited so greatly by the removal of trade restrictions as the mining interests of this Dominion. Now, what is the state of our mineral development as compared with that of the United States? In Mr. Coste's report we find it stated that the mineral production of Canada last year was \$15,000,000; but he includes in that statement brick, coke, iron, steel and tiles. As iron, he gives both the ore and the iron; one is a duplicate of the other. The American report gives neither iron, nor coke, nor steel, nor tiles nor brick; and when we eliminate these articles from Mr. Coste's report for the sake of a comparison on a fair basis, we find that our mineral production last year was \$12,113,000, while the mineral production of the United States was \$542,284,000, or a *per capita* excess in the United States over Canada of 3.75, or nearly four times as much as ours. In these circumstances, we cannot flatter ourselves that our mineral production is on a satisfactory basis. Going into particulars, I find that the Americans produced *per capita* 12 times as much iron ore as Canada, 21½ times as much pig iron, 130 times as much lead, 4.03 times as much coal, 16.15 times as much coke, 3.07 times as much building stone, 3.2 times as much brick and tile, 4.25 times as much lime, and 8 times as much cement as we did. Consequently I arrive at the conclusion that our mineral development, compared with that of the United States, is by no means satisfactory. And when I come to sum up the comparative development of these two countries, I find that in increase of population in a decade, our increase amounts to 18.75 against the United States' increase of 30.8. In agricultural products their production exceeds ours greatly in corn, wheat, wool, sheep, swine, fruits, wine, cotton, tobacco and sugar. In manufacture they exceed us by 5.10 *per capita*, in the products of industry they exceed us 2.10, in wealth they exceed us by 5.10; in debt we exceed them in the ratio of \$47.33 against \$16.82 *per capita*. In railway commerce they exceed us by 9.2 against 3.27 *per capita*; in passengers they exceed us in the ratio of .7 against 2.14 *per capita*; in earnings they exceed us by \$15.52 against \$7.75 *per capita*. Their internal commerce is 360 times as much as our com-

merce with them, and 170 times as much as our commerce with the world; and in mineral development they exceed us according to the statement I have given. Now, from these facts I arrive at the conclusion that our progress is not satisfactory as compared with theirs in any of the respects that go to make up the growth of a great state. I assert that but for the exodus, this country to-day would have had a population of 8,000,000 in place of 5,000,000, and the Province of Ontario would have had a population exceeding 4,000,000; and let any man picture to himself the condition of things that we should have seen to-day if the Dominion had a population of 8,000,000 in place of the condition we find actually prevailing. Now, Sir, what is the cause of this state of things? Is it lack of energy and vigor on the part of the race that inhabits this country? No, Sir, it is not. There is not a more vigorous or energetic race on this continent or in this world than the population of Canada. Canadians in the United States are everywhere making their way, and are considered the most valuable element almost in the population of that country. Let two young men go to any business house in Chicago or any other part of the west, having equal education and equal advantages, a man from Canada, and a man from the Middle or Eastern States, and in nine cases out of ten the Canadian will get the preference, simply because he is a Canadian, because of the reputation Canadians have in the United States for energy, vigor and intelligence. Well, Sir, is it on account of bad laws or institutions? No, Sir, it is not. The laws of this country are good; the institutions of this country are good. It may be that they have been badly administered in some cases; I think they have. It is our business very often to criticise the administration of affairs; but on the whole, considering the circumstances surrounding us and the difficulties confronting the administration of this country, the administration of affairs has not perhaps been so very much worse than we might suppose was inevitable. But I assert that the laws and institutions of the country are in no wise responsible for the case I present to this House and the country. Well, Sir, is it for lack of natural resources? No, it is not. Our natural resources in our fisheries, our timber, our mines, our minerals, and our soil, are enormous—resources sufficient, Sir, for one of the greatest nations of the globe. It is not from lack of resources, from want of energy or vigor in our people, it is not from any fault in our laws and institutions, that this country has not progressed as it should have done. Well, what is the cause?

Why, Sir, it is defiance of natural laws; it is defiance of the requirements of geographical affinity; it is defiance of race affinity; it is defiance of the requirements of common sense; it is because we shut ourselves out from our natural markets; it is the want of continental free trade;—that is the trouble with this country.

We are told that the National Policy is a grand institution. Our friend the Minister of Finance told us the other day that he could not sacrifice that one little feature of our policy on any consideration whatever. He told us that if we could get commercial intercourse with the United States in natural products, shut out their manufactures, and continue to foster our National Policy, we should be all right; but as for sacrificing the National Policy, it was not to be for one moment thought of; and in connection with that, the hon. Minister made an assertion that seemed to me rather astounding. He was descending on the desirability of opening up foreign markets, and he told us in explicit terms that our cotton mills were able to find a profitable market for their products in those neutral markets where they must meet British competition on equal terms. If that be true, if they can find a profitable market in China, India, and Japan, where they must sell in competition with goods from Manchester without any advantage of tariff on their side, I want to ask why they cannot do it here—why it is necessary to have from 25 to 35 per cent. duty against those goods coming into Canada. I would like to know how that is; and I am afraid that if that is the case, this arrangement made by Secretary Fairchild, Secretary of the Treasury of the United States, against the protective tariff of that country; has a vast amount of truth in it which will apply to this country. The Secretary of State says in this annual report for 1888:

“ Beside the vexed economic question as to whether a country can make itself prosperous by a tariff, whether it can increase the relative average comfort of its whole people by diverting a portion of its labor and capital from the employments which could be most profitably followed under natural conditions, thereby making certain of the necessities of life more costly than they would be otherwise, there is a higher moral question which may well be asked, and that is, can a government be kept pure and free which, through the agency of its laws, offers vast pecuniary temptations to some kinds of business?

“ There are many indications that this question must be answered in the negative. There are many proofs that large classes of our business men have come to depend for success upon their skill in manipulating Governmental agencies, rather than upon industry, intelligence and honorable competition.”

**Does the hon. the Minister of Finance know anything about that?**

“ Is it not possible that eagerness for the money which men assume comes to them only through government, may lead them to use an

overgrowing proportion of their gains to possess and influence the supposed source of their wealth. And will not the endeavor to make men rich soon become the chief function of our government? Is not this already the case? If these dangers exist, if they are not overestimated, then can it be doubted that the true welfare of our people calls for the rescue of the government from them as speedily as may be? This can only be done by severing government from private business; steps should at once be taken in that direction, always, however let me repeat, bearing in mind interests which may have become established under present laws; to the end that they may not suffer unduly while beneficent reforms are made."

Now, I fear that is the case in this country. I fear that these interests which seek to control the government do, in a large measure, control it; and instead of relying on their own energy, skill and capital, rely on undue favors from the Government for the profits which they seek to make. In fact, I am certain this is the case. But supposing we concede the National Policy is all it claims to be, conceding that it may actually create a home market in this country and will serve the purposes it is intended to serve, conceding all this, we have to the south of us a country that has been engaged in the same business of building up a home market for the last 25 years. During that time they have imposed heavy duties on their imports, they have fostered and created to some extent a great manufacturing interest, and I hold it would be the part of wisdom for Canada to seek access to that great market, created by the taxation of that country for 25 years, rather than undergo the expensive and not very desirable process which that country has undergone in the creation of that market. Break down the barriers, and instead of waiting 25 years to create a market in Canada, let us get access to the American market which is already created. If the National Policy is a correct policy, here is a short cut to the very result you are striving for, and which otherwise it will take you 25 years to attain, and which when you have attained it will not give you one-thirteenth the market that will be opened to you by the adoption of the policy of free trade with the United States. I commend this policy to the hon. the Minister of Finance. It will be a stroke of genius on his part, and obviate the difficulties which beset the delusive course the Government have adopted.

Mr. FOSTER. It would be a great Hitt!

Mr. CHARLTON. It would be a very good Hitt indeed.

Sir RICHARD CARTWRIGHT. It is the best way to Foster a market.

Mr. CHARLTON. I wish to say a few words upon a very important branch of that part of my subject,

which relates to the desirability of securing access to the American markets; that is the bearing which continental free trade would have on the mineral development of our country. Last year we produced in Canada 76,330 tons of iron ore, while the production of the United States amounted to 11,300,000 tons. We exported last year from Ontario 13,534 tons of iron ore, and from the whole Dominion 13,544 tons, and the total export of ore from Ontario since 1869 has been 524,511 tons. When we compare this trade with the volume of trade for a single year from Lake Superior, we will be astounded at its small proportions. It must be borne in mind that we have enormous deposits of iron ore, mines that are accessible and easily reached by railway, at quite convenient distances from lake navigation, and it is supposed we are capable of placing an unlimited amount of ore in the American market. The shipments of ore from Lake Superior ports to Lake Erie ports last year amounted to 5,023,279 tons, and that ore was worth at the point of shipment about \$20,000,000. In its transportation about \$6,000,000 was paid for freight. That volume of ore from Lake Superior was 350 times greater than the entire export from Ontario for last year, and nine and a half times greater than the entire export from Ontario since 1869—nine and a-half times greater in one year than the whole exports of Ontario during twenty years. We have enormous quantities of ore. We have discovered west of Port Arthur the Minnesota iron range projecting into our territory, of unknown extent, which it is believed contains sufficient ore to supply the whole consumption of this continent for centuries. That ore can be easily reached, yet, under the depressing policy of this Government, we have only a beggarly showing of 13,534 tons exported from Ontario while 5,023,000 long tons have been exported from Lake Superior. From the port of Two Harbors on Lake Superior the shipments from the Vermilion mine on this range, in 1884, amounted to 62,124 tons, and reached, in 1888, 511,539 tons. There are vast possibilities for the development of this trade, but it can be developed only on the condition that the duty shall be removed, and this ore admitted to the American market free. Last year we produced 24,827 tons of pig iron, and the United States produced 6,417,000 tons. The charcoal production of Michigan was 180,000 tons. If the duty were removed we could supply the whole of that trade as advantageously as Michigan. We could produce enormous quantities of iron in Nova Scotia. I am told by men conversant with the business that there is but one point in America where iron can be produced at a

cheaper rate than at Pictou, and that is at Birmingham in Alabama. With free access to the American market, there is no reason why we should not see an enormous production of iron in the mines of Nova Scotia, and of charcoal iron in Ontario, where the timber is contiguous to the ore, and the iron can be cheaply manufactured.

In coal we produced 2,368,891 tons last year, while the United States produced 116,049,604 tons of anthracite and bituminous. We exported from Nova Scotia to the United States, 92,176 tons. Now, when I look at the position of Nova Scotia mines, they being the only coal mines on the Atlantic seaboard, being the most favorably situated for supplying every port on that seaboard,—when I look at the position of these mines, I am astonished that the exports should be but 92,000 tons in one year. The New England States require, according to a rough estimate, 4,000,000 tons of bituminous coal a year, and New York requires a large quantity also. Were these duties removed, there is no doubt that Nova Scotia could sell to the New England States and New York three million tons, or thirty times the amount of the present export. There cannot be any doubt that an enormous development of the coal business of Nova Scotia would result from the removal of these duties.

Then, with regard to copper, we have many mines of copper in this country, but many of them are not large enough to warrant the erection of smelting works, and copper mine owners tell me in every case that it would be of great importance if they could ship their copper to the American market. At present, they are charged 50 cents per pound duty on the copper contained in their ores.

Then there is the question of salt. We have in the Lake Huron basin probably an extent of 1,200 square miles of a salt district producing the best salt on this continent. The product in 1887 was 425,000 barrels, while the product in Michigan was 3,900,000 barrels. Were that market open to our producers, and were the duty on coal slack removed, there is no reason whatever why we should not compete with the Michigan producer, or share with him the enormous product of 3,900,000 barrels a year.

Then, as to building stone, we have at various points in Ontario marble, granite, freestone, and sandstone of the most excellent quality. At Nepigon Bay, on Lake Superior, there are immense quarries of freestone of a quality which stands the test of fire and frost better than any freestone in the market. We have mountains of marble. The Commission visited one marble quarry near Sault Ste. Marie, which was



close to navigation, where vessels could load the stone without difficulty. It was 5,000 feet wide, and 500 feet high, and it went down into the bowels of the earth below the possibility of reckoning, and it went back into the country for several miles. But for the duty on marble, the manager told us that he could do a very large trade in that stone, and would, if the duty were removed, erect a mill for sawing and polishing that would employ 300 men. In 1887, the United States produced \$25,000,000 of building stone and marble, while Canada produced only \$558,491 worth. The exports of Canada to the United States of stone amounted to \$65,300, of which Ontario exported \$21,224. There was the beggarly amount of \$21,000 worth of stone of all kinds exported to the United States from Ontario, as compared with the produce in the United States of \$25,000,000 worth. The quarries of Ontario are so situated that marble, granite, freestone and sandstone could be exported, if it were not for the duties, at the least possible cost to Chicago with its 900,000 inhabitants, to Milwaukee, Detroit, Cleveland, and Buffalo—all first-class cities which are using great quantities of stone in construction every year; and we, with the facilities for conveying that stone by water, combined with the superior quality of our stone could defy competition but for these duties, though, as a matter of fact, we only exported this small amount of \$21,000 worth. Then, as to brick, cement, lime, and so on, Canada produced in 1887 \$1,635,525, while the United States produced \$75,561,000. Of this we exported \$238,625, of which Ontario exported \$21,217. There is a great chance of development in this trade, and we have just as good a chance for reaching these great cities with this class of production as we have with stone, provided the duties were removed, and we could extend our communication with more distant parts of the United States by means of the Erie Canal and other means of communication. In the production of these structural materials, the opportunity opening for trade with a free American market is without limit. The business might employ million. of capital and tens of thousands of laborers but for the tariff. The total export of minerals from Ontario during the years from 1869 to 1888 was of the value of \$17,675,391. Of that, \$14,332,497 went to the United States, \$3,340,317 to Great Britain, while \$2,577 went to all the rest of the world. We have vast mineral resources in Ontario, as well as in British Columbia and Nova Scotia. We have silver and gold in this country. The Commission visited a silver district west of Port Arthur which, I believe, will prove to be the finest silver district on

this continent. I believe my hon. friend the member for Algoma (Mr. Dawson) will bear me out in the statement that that it is likely to be the most productive silver region known on the American continent. That district would receive a vast development from the removal of trade restrictions. It is true that there is no duty on silver ore, but, if we could obtain the introduction of machinery free of duty and could attract the attention of American capitalists to that region, we would obtain a great impetus to the development of the silver resources west of Port Arthur and the gold resources near the Lake of the Woods.

I recently visited the south, and I saw that millions of dollars were pouring into that country, that a magical era of development had commenced, and that a new south was being created. Birmingham, Alabama, is a town of 50,000 inhabitants, which has grown up, I might say, like Jonah's gourd, in a night. I saw another city, called Bessemer city, with great furnaces and rolling mills, where not a tree was cut twenty months ago. I saw towns being built up, cities springing into existence, railways under construction or recently built, and agriculture benefited by the vast amount of capital which was poured into that country, and I asked myself: Why do we not share in this swelling tide progress? The answer is that the duties keep the capital out. Americans look upon Canada as a foreign country. The truth is that the duties deprive us of the advantages which we might otherwise obtain, and of the millions of capital which would come in here, the railways which would be constructed, the cities which would be built, and the vast development of our interests which would result if those duties were removed. I believe that in five years, with free trade with the United States, our mineral production would receive a development equal to \$20,000,000 a year, and that would involve an expenditure of \$12,000,000 per annum for labor alone. I want to know if the laborers of this country are not interested in a policy which, in minerals alone, would add, in all probability, \$12,000,000 a year to the expenditure for labor.

Now, I wish to call attention to the Provinces in this Dominion whose exports of the produce of Canada to the United States exceed their exports to Great Britain. First, we have Ontario, which in 1888 exported \$23,074,733 to the United States and \$4,000,360 to Great Britain. Nova Scotia exported \$3,115,641 to the United States, and \$1,823,832 to Great Britain. Prince Edward Island exported \$915,951 to the United States and

\$80,626 to Great Britain. British Columbia in the same year exported \$2,228,385 to the United States, and \$1,029,110 to Great Britain. So that, from those Provinces, there were \$29,334,710 worth of exports to the United States, and \$6,933,928 to Great Britain. What does that teach? Here are four of the seven Provinces that export to the United States almost five times more than their total exports to England. When I come to the classification of these exports, the produce of Canada to the United States and the exports to Great Britain, I find the following:

	United States.	Great Britain.
The Mine .....	\$ 3,341,308	\$ 478,260
The Fisheries .....	3,123,853	1,544,901
The Forest .....	10,622,338	8,932,177
Agricultural Products.....	10,306,278	4,292,640
Miscellaneous Articles.....	701,616	66,340
	<hr/>	<hr/>
	\$28,095,393	\$15,314,318

This shows the vast volume of our trade with the United States, and the character of that trade; it shows that four Provinces of the Dominion have enormously greater transactions with the United States than with Great Britain. In the items of agricultural produce exported from Canada to the United States and Great Britain, I find the following, and this is a table worthy of careful scrutiny:

	United States.	Great Britain.
Horses.....	\$2,402,371	\$ 36,750
Sheep.....	1,027,410	211,881
Poultry.....	122,222	1,962
Eggs.....	2,119,532	262
Hides, horns and skins.....	515,220	25,634
Wool.....	223,125	.....
Barley.....	6,488,317	700
Beans.....	124,214	.....
Hay.....	800,632	64,781
Malt.....	154,145	.....
Potatoes.....	357,570	973
Vegetables.....	93,102	269
	<hr/>	<hr/>
	\$14,427,900	\$343,220

Sir, these returns require no comment. They show how vast our trade is with the United States, and they show that in all these important productions our trade is almost exclusively with the United States; and the constructive loss of the country through being debarred of access to that market that we enjoyed between 1854 and 1866, is actually and positively beyond computation or belief. Now, the duty paid on our exports of \$37,323,161 to the United States last year amounted, at a rough estimate, to \$5,750,000, of

which \$2,500,000 was upon our agricultural products. It is an interesting question, and I referred to it last year, it is indeed a matter of prime importance, to understand the bearing of the case—who pays this duty—of probably \$5,750,000 on the productions of Canada that went into the United States, on which duty was collected in that country. Now, I propose to examine the proportion that our imports to the United States bear to the total production of that country in the same line:

	Canadian Export.	United States Production.	Proportion.
Mine .....	\$ 3,341,908	542,284,000	160
Fisheries.....	\$ 3,123,853	42,538,000	13
Forest.....	\$ 10,622,388	291,588,000	27
Horses.....	No. 19,925	13,172,936	665
Horned cattle.....	No. 40,047	49,235,000	1230
Swine.....	No. 1,276	44,346,000	3400
Sheep.....	No. 353,999	43,544,000	122
Eggs.....	doz. 14,147,739	.....	50
Hides and skins....	\$ 515,220	.....	.....
Wool.....	lbs. 954,189	285,000,000	300
Barley.....	bush. 9,360,521	60,000,000	7
Wheat.....	bush. 777,698	457,213,000	580
Hay.....	tons. 84,063	41,796,000	497
Malt.....	bush. 193,154	18,273,000	90
Potatoes.....	bush. 2,486,441	168,051,000	67

Now, Sir, under these circumstances, with the small volume of our importations to that country as compared with the production of the same article in that country, it is preposterous to suppose that the duty levied upon these articles depressed the price of the enormous bulk of these several articles in that country to whose amount the volume of our importations bore such an insignificant proportion. We paid the duty. We receive for our horses, for our coal, for our barley, for every article upon that list that we exported to the United States, just exactly the amount received in that country, less the duty taken from it. In fact, that is not a fair statement of the case, because we lose more than that. The purchaser of an article for importation into the United States, if that article is for sale, and he expects to make a profit upon it, will add his profit to the amount of the duty, as it is a part of the cost. Then the existence of trade restrictions all operates to prevent competition and to keep out a certain class of buyers. Whenever a purchase is made for importation to the United States, the purchaser must take out a consul's certificate; he makes the entry at the Customs and runs the risk of seizure. There is a large class of purchasers who do not care to embark in trade under these conditions, and we are suffering from these disadvantages in the duties.

First of all, we lose the amount of the duties; then we lose the profit that the dealer importing these articles to the United States receives upon this duty, which is part of the cost; then we lose the benefit of that active competition which will exist in this country if the purchaser is free to trade without any restrictions or any customs regulations to deter him. I believe it is a fair calculation that there is a loss in these three respects of not less than \$10,000,000 a year on the importations from this country to the United States. That is the amount that would be realised under the present system of importations from the United States as measured by the returns of last year, to say nothing of the increase of trade that would ensue if the duties were removed. The rate of duty paid upon our various exports to the United States are, on coal and iron ore, 75 cents per ton; canned fish, about 20 per cent.; lumber, \$1 to \$2; shingles, 35 per cent.; horses, cattle, swine and sheep, 20 per cent.; wool, 10 cents per pound; barley and wheat, 10 cents per bushel; malt and flax seed, 20 cents per bushel; peas, 10 cents per bushel; hops, 8 cents per pound; butter, 4 cents per pound; hay, \$2 per ton; potatoes, 15 cents per bushel, &c.

Let us see what we buy from the people of the United States. Among other things we bought last year, in large quantities, coal, iron and steel manufacturings, tools, pianos and musical instruments, paper, coal oil, printing presses, watches, clocks, furniture, books, cotton goods, cordage, glassware, plated ware, boots and shoes, India-rubber goods, castings, hardware, iron, sewing machines, straw goods, hats, jewelry, &c. We paid in duty last year \$7,131,000 on dutiable goods of the value of \$27,097,680, imported from the United States, and imported from the same country free goods amounting to \$21,384,168. We paid in addition profits upon duty as part of cost amounting to \$3,000,000 more, and between the loss to this country on importations from Canada into the United States and on importations from the United States into Canada on dutiable goods, we were \$20,000,000 worse off than we would have been under free trade. So much for the advantages which would be derived from the removal of the present restrictions between the two countries.

I am occupying the time of the House longer than I had intended, but I wish before resuming my seat to refer briefly to the objections raised to this policy of unrestricted reciprocity. I desire to meet, as well as I can, any and all the objections raised by hon. gentlemen opposite or by their friends in the country with

respect to it. First, they tell us—and I have met this objection in a measure before—what is the use of this agitation; in what respect is your position different from our own? We are in favor of reciprocity with the United States, you have not a monopoly of that principle, we are in favor of it. I deny it. Hon. gentlemen opposite are not in favor of it, because they persistently refuse to make advances to secure it on terms which they know are the only admissible terms, and if they will not accept admissible terms but insist on seeking to secure impracticable terms, it is no use of their talking about being in favor of this policy. It cannot be secured on the terms they propose. Reciprocity in natural products the United States will never grant. Why? Because the former treaty did not work to their advantage or satisfaction. What was the volume of free importations each way during the 12 years from 1855 to 1866? The free importations from the United States to Canada amounted during that period to \$124,872,283. The free imports to the United States from Canada amounted to \$239,792,284, or almost double. The treaty did not work satisfactorily to the United States. Everything we wanted to sell to the Americans we sold to them, but we did not allow them the privilege of sending to us the products and manufactures they could exchange for our natural products, and it was not a fair reciprocity treaty. And, Sir, if we wish to have a fair reciprocity treaty now, it must be unrestricted reciprocity, a treaty permitting unrestricted interchange of commodities of every nature and character between the two countries, and that is the kind of reciprocity treaty the United States are willing to grant and it is not the kind of reciprocity which our friends on the Government benches are willing to accept.

The next objection is, that we cannot get unrestricted reciprocity, that it is no use agitating about the matter or talking about it or holding out inducements to lead the people to believe that it is a feasible project. I deny it. I think we have abundant reason for saying that this is not so. We have as a reason the resolution of Congress passed the other day by a nearly unanimous vote, and which only failed to be taken up by the Senate by a technical objection being raised by a single member to its immediate consideration, although it had been unanimously reported by the Committee on Foreign Relations. But for that circumstance we would have had the resolution of the House passed by the Senate.

Mr. McNEILL. What was the resolution?

Mr. CHARLTON. It was a resolution of Mr. Hitt in favor of commercial union. It indicates, on the part of the United States, a willingness to treat, for unrestricted reciprocity is one of the outcomes of commercial union, and commercial union is one way of arriving at unrestricted reciprocity, and another way is that which we prefer, and we are warranted in the belief from the passing of this resolution, that a good opportunity is presented to enter into negotiations for the attainment of our object, and that they would be willing to grant us terms somewhat different to those which they now propose. At all events it is worth trying. This objection that we cannot get unrestricted reciprocity is negatived by the passage of this resolution, and at least we are warranted by its passage in attempting negotiations to secure unrestricted reciprocity in a different way from that in which it is presented to us by the resolution passed by the House of Representatives. The feeling in the United States, and I saw it evinced in Washington when I was there lately, is an unmistakable desire on the part of American public men to cultivate friendly relations with Canada, to impress upon Canadians who visit their capital, their desire to treat us fairly and in a friendly spirit, and to show that they are ready to enter into a reciprocity treaty on a fair and equitable basis. There can be no doubt we can get it if we desire it, and the assertion that we cannot get it is not borne out by the facts.

The next objection is, that it is disloyal. To whom is it disloyal? If a policy is calculated to benefit the great mass of the people of this country it is not disloyal to them; because the highest requirement of loyalty is to be loyal to your own people and to promote their best interests. It may be a disloyal policy if you take into consideration exclusively the benefits accruing to a small ring of manufacturers in this country. It may be disloyal if you take into consideration the interests of another ring of manufacturers in Great Britain. Our imports from Great Britain last year amounted to the value of \$39,000,000. We will assume they were all manufactured goods. I do not believe unrestricted reciprocity would diminish that trade; it would increase our prosperity and our purchasing power, and the tendency would be to increase rather than diminish the trade with Great Britain. But we will suppose that trade was obliterated, that we blotted out the entire importations to the value of \$39,000,000, what interests would be affected? How much capital is invested to produce those goods? Not more than \$20,000,000. How

many operatives are employed? Not over 26,000; at least not over 100,000 are directly or indirectly employed in connection with our importations from Great Britain last year. Is our policy disloyal which would benefit five millions of Canadians at the expense of the owners of \$20,000,000 of capital, and at the expense of 100,000 people in England employed in manufacturing the goods we import? My sense of the requirements of loyalty would lead me to prefer the interests of 5,000,000 here to 100,000 people in England. My sense of loyalty would lead me to prefer the interests of English capitalists who have invested \$600,000,000 in Canada to the interests of British capitalists who have invested \$20,000,000 in manufacturing English goods imported into this country. The true loyalty is such as promotes the interests of our own people at home, and that is the object of the policy we advocate.

Then we are told that England would not sanction such an arrangement. I do not know about that. England did sanction a treaty called the Brown Draft Treaty, which amounted almost to unrestricted free trade, which put a very large number of articles on the free list. Here is an incident which has a bearing on this case:

"In 1874, when the Reciprocity Treaty was being negotiated by Minister Thornton, the English Government instructed him to modify it at the suggestion of the Canadian Ministry and make such additions to the list of American goods to be admitted free into Canada as the Canadians desired."

He did so and made out a long list of American articles to be admitted free of duty, so long that it was almost free trade. Not one of these articles coming from England was to be admitted free of duty. This draft of a treaty was sent to Lord Derby, who answered that the whole proceeding was approved, and the English Government assented to the arrangement admitting American goods free to a British colony, where a tariff of 20 or 40 per cent. was to be laid upon the same kind of goods coming from England or any other country than the United States. That was done by Lord Thornton and Lord Derby in 1874, and in view of that precedent, I do not think we have any reason for saying that if we desire unrestricted reciprocity with the United States and arrange the basis of a treaty, that England would refuse assent to that treaty any more than she refused assent to the Brown draft treaty of 1874.

The next objection raised against this treaty is that it would lead to annexation and it strikes me that the Government party are a little inconsistent in this matter, when they state that this policy will lead to annexation, that the



Americans want annexation and that the Americans will not give us a treaty. There is an apparent contradiction there. The charge that this treaty will lead to annexation implies a good deal. It implies that the treaty will work so well and that the prosperity of the country under this treaty will be so great that Canadians will want more of it, that they will want to go the whole figure and not only have commercial union with the United States but political union as well. Now, I think, Sir, that the fact is that unrestricted reciprocity would give us just exactly what those who want annexation would desire, that is free trade relations with the United States. I do not believe there is one man in a hundred in this country who is an annexationist because he is dissatisfied with our political institutions or because he believes that American political institutions are superior to ours, but he is an annexationist because he desires to see this tariff wall broken down and he sees no other mode of obtaining that object than annexation. Give to that man the advantages that follow from the obliteration of those tariff restrictions and you give him all he wants and he ceases to be an annexationist. Just as in 1854, following the manifesto of 1849 which was signed by many of the friends of the party opposite, the existence of the annexation party ceased when the reciprocity treaty of 1854 was agreed upon, and we heard no more of annexation during the continuance of that treaty. We would not hear of annexation now if we had unrestricted reciprocity with the States. In any event I am disposed to take the prosperity that will result from this arrangement and run the risk. The future will take care of itself. Nature has destined these two countries to live on intimate terms, nature has decreed that we should be geographically and commercially very closely allied with each other, and the endeavors of our friends on the opposite side to prevent the consummation of this decree of nature reminds me of the reported efforts of Mrs. Partington who one morning went down to the Atlantic beach and attempted to keep out the tide with her broom. You cannot keep back this tide of commercial free relations between the two countries. You cannot prevent these two peoples from securing free intercourse with each other. Your efforts in this direction will be surely unavailing. The people are bound to have this continent open to free play and interchange of these mighty agencies that have vivified the United States and made it the great nation which it is to-day. The population of this Dominion will be satisfied with nothing less than this and those

paltry objections that are raised by the party in power will be swept away by the people as cobwebs disappear before the brush of the sweeper, and the tide will roll in as it did that morning down at Long Branch when Mrs. Partington stood on the beach and tried to keep it out with her broom.

**Mr. FOSTER.** That was a fable.

**Mr. CHARLTON.** Not so much a fable as it is an illustration of the puny efforts of man to counteract the forces and oppose the decrees of nature.

The next objection that is raised to unrestricted reciprocity is that it will lead to direct taxation. Well, this was a serious difficulty, and although as I have shown we will save in this arrangement twenty millions a year to the people of this country besides the prospective profits resulting from greatly increased trade, yet the people would not hesitate I presume if they thought that these twenty millions of dollars were to be purchases at the expense of direct taxation of two or three million dollars a year. But I do not believe that direct taxation would be the result, and I know that perhaps this is the only really plausible and strong objection to the consummation of this arrangement. Now, Sir, I wish to-night to indulge in a little theory in regard to this matter; a little theoretical speculation upon a branch of the argument that is not exactly pertinent to the subject. We have from the United States a proffer of commercial union, and it is something that is not expressed in the resolution before you. We expect if we make this arrangement to get it on a different basis, but as a mere matter of theory and to get into a region of speculation I wish to enquire for a moment what will be the probable result to us as regards this question of direct taxation if unrestricted reciprocity is secured upon the basis of commercial union—a basis be it observed which as I have said we do not propose to accept, a basis upon which we are not proposing a treaty, but it is only fair to give some degree of attention to this proposal so as to enquire what its effects would be. The United States customs last year amounted to \$219,091,173, their excise tax \$124,296,871 or a total of \$343,388,044. Our customs and excise amounted to \$28,177,412. Under commercial union the total customs and excise of each country would go into a common fund. Now on the supposition that this arrangement was talked of that common fund would have amounted last year to \$371,565,456. This arrangement would have however involved a sacrifice of the duties collected by the United States upon Canadian imports as

well as duties collected by Canada upon United States imports, amounting to an aggregate of thirteen million dollars. The consolidated fund would be diminished by that sum, and deducting that the total would amount to \$358,565,456. The percentage cost of collection would be somewhat reduced on this fund by the taking away of the interior line of customs houses in both countries. This common fund would be divided on the basis of population, giving to us one-thirteenth, or we would lose one-thirteenth of the total loss that resulted from the loss to both countries of the revenue derived by each from the importations from the other, and it would leave to us a share, on this basis of division, after deducting this \$13,000,000 from the consolidated fund of \$27,582,000, or \$595,000 less than the revenue derived last year from customs and excise. But if the United States should reduce their tariff, as they propose to do, to the extent of \$40,000,000 and we should deduct from that consolidated fund \$40,000,000, in addition to the \$13,000,000 joint loss of revenue, we should then have, as our share of this revenue, \$24,500,000. That would be the financial aspect of the case under commercial union. Now, we must always bear in mind that our tariff on importations from outside countries would be somewhat increased. We must also bear in mind that these two countries are expanding rapidly, that our expansion would be much more rapid than it is now, so that the tendency would be to have a largely increased revenue year by year. But if we were limited to the same rate as at present, we should have \$3,675,000 less revenue from customs and excise taxation under the circumstances named than we have at present. Could we make good that deficiency? We must bear in mind that we would save the cost of our whole interior line of customs houses. We could easily make a large saving in our militia appropriations; living on terms of peace with our neighbors, we would not require to prepare so fully for war. We could make a large saving in expense on public works, in subsidies, in the cost of the civil service, in the cost of the franchise. Then, we would enjoy an increased prosperity in trade, and the extension of business would produce a great increase in the traffic on Government railways and consequently a large expansion in their earnings, enabling them to wipe out that annual sum which we have to contribute to make up the deficiency in their expenses, and probably produce a surplus in their earnings. Under this proposed arrangement of Mr. Hitt, if we were to nego-

tiate on that basis, I assert that if it were carried into practice, there would be no revenue difficulty whatever to meet.

Next, I come to the consideration of the question of unrestricted reciprocity. This is more difficult. Last year we had a revenue of \$28,177,000. If we should enter into this arrangement, we would sacrifice the duty on American importations, amounting to \$7,131,000, which would leave us a revenue of \$21,100,000. Well, that is a considerable shrinkage. Of course, we have to consider that the new arrangement would greatly increase our population, our resources, our trade, and our wealth, and that the exodus would be stopped.

Mr. WHITE (Renfrew). Would it not increase our importations from the United States? There would be no revenue from them.

Mr. CHARLTON. It might increase our importations from the United States; if it did not, it would be of very little use. It would double and treble our importations from the United States. The profit derived by our farmers from their trade with the United States would be three times as great as it is now. The ability of our people to purchase would be vastly increased, both from the United States and from all foreign nations in the world, and that would increase our revenue; there is no doubt of it. Our hon. friends opposite will insist on looking upon Canada as the country it is to-day with 5,000,000 inhabitants, increasing at the rate of 18 per cent. in a decade, instead of Canada we would be then, with rapid expansion, rapid growth, rapid increase of population, importations and wealth. But can we make this revenue up? We can. What was our revenue in 1880? It was \$18,479,000, and we had a deficit of \$1,543,000, making our expenditure in that year \$20,022,000. Now, how rapidly did we increase that expenditure from 1880 to the present time? Ought we to increase it faster than our population has increased? I think not. I think our expenditure to-day should bear that proportion to the expenditure of 1880 that our population to-day bears to the population of 1880; and if that proportion had been maintained, our expenditure to-day would not have been increased more than 20 per cent., or \$4,000,000, which would have left the revenue from Customs and Excise last year at \$24,022,000 instead of \$28,177,000. Now, can we raise that \$24,000,000? Can we get our expenditure back to that figure? I think we can; I know we can; but to do so there would have to be a greater inducement than that which rests on

the Minister of Finance now, something more than a bare desire; it would have to be the imperative inducement of necessity, and under that pressure the thing could be done. How could it be done? We could save \$200,000 in the cost of the collection of customs revenue, because we would not need so many custom houses as we have now. We could abolish such custom houses as that recently established at Hagersville for the benefit of Mr. Montagué. We would save \$100,000 in the cost of the collection of excise revenues; we could save \$200,000 of the expenditure on immigration, or for the matter of that the whole cost of immigration; we could save \$500,000 in the cost of militia; in our appropriations for public works, we could save \$1,000,000 or \$1,500,000; we could save on civil service, and superannuation, if necessary \$250,000 at least; we could arrange our tariff on sugar so as to take the money we put into the pockets of the refiners at present and put it into the revenue, and at the same time secure to our people their sugar as cheaply as they get it now; in that way we could save possibly \$1,750,000. Then, the increased earnings on Government railways, owing to increased business, would probably amount to \$750,000 a year. And all these items would sum up to about \$5,000,000. I think we could meet the expenses under the rigid economy which would be necessary; the thing could be done, and it would be a benefit to the country. Our expenses to-day are enormously great. The United States in 1840, with a population of 17,000,000, spent but \$24,000,000 a year on the army, the navy, pensions, Indians and miscellaneous appropriations—everything in connection with the administration of the Government; and we are told that we cannot get down to the same limit with a population of 5,000,000, a population less than one-third as great. I do not believe it; I believe the thing can be done, and done easily. Then, other sources of revenue could be discovered. If necessary we could readjust the tariff. There are articles in the tariff on which duties could be imposed, if it were necessary to subject the country to that deprivation. Then, it must always be borne in mind that there would be an enormous saving to the country in the cost of goods imported, and in enhanced prices received for goods exported, besides prospective gains resulting from large operations in trade.

The next objection is that the Yankees would make our tariff. Well, that would be rather humiliating. But they certainly would not make it under unrestricted reciprocity the only basis on which we propose to secure this arrangement. It gives us perfect control of our tariff, and the only

concession we would make to the Americans would be the admission of their goods free of duty. That dismisses the charge, so far as the scheme before the House is concerned. But even under commercial union, the Americans would not necessarily have control of our tariff. In the arrangement of that treaty, there would be two parties to be consulted, and each party would possess exactly as much power as the other. One party will be Canada, the other the United States. The smallest iota of difference between the two powers with regard to that treaty will prevent the consummation of it. We must consent to every feature of that tariff. We must have granted to us such terms as we would require with regard to any future changes in that tariff. We would be one of the contracting parties with the same power and weight as the other; and unless that power be conceded, it is not necessary to make a treaty. It is preposterous to say that we will delegate to the United States the power to make our tariff under such an arrangement. In our own hands will be the regulation of every detail of the treaty and of every detail regarding the mode in which changes shall be at any subsequent time brought about.

The next objection is that it will ruin our manufactures. I might say with justice and truth that our manufactures are ruining us. I might say that they are bleeding our producing classes in this country. I might say that they are a great octopus which is sucking the life blood out of all except the small favored ring, and I do not know that I would sympathise very much with these men if they were punished. I do not believe, however, that it would hurt them; and if it would, I do not know that I would sacrifice the interests of the farmer, the lumberman, the fishermen, the miner or the laborer even to save the manufacturer. I would proceed upon the sound old adage, of the greatest good to the greatest number, and if the policy was to benefit a thousand men and only injure ten, I would not feel bound to do any more for the ten than extend them my sympathy. But I do not believe it would injure the manufacturers. I find a remarkable tendency in the United States to expand in manufactures in the newer districts. I find by the census returns from 1871 to 1881, that the increase in manufactures in the Dominion was 40 per cent., and that in Ontario the increase was 38 per cent. in those ten years. I find that in the older manufacturing States, the increase in manufactures, in the ten years from 1870 to 1880, has been as follows:—

Massachusetts.....	14	per cent.
New York.....	37	do
Connecticut.....	15	do
New Jersey.....	50	do
Pennsylvania.....	5	do
Michigan.....	59	do
Illinois.....	101	do
Wisconsin.....	67	do
Minnesota.....	228	do
Iowa.....	52	do
California.....	74	do

In every one of the newer States the proportion of increase has been vastly greater than in the old manufacturing States. The figures showing increase for a decade are as follows:—

1871 to 1881.		
Canada.....	\$88,000,000	40 per cent.
Ontario.....	43,283,000	38 "
1870 to 1880.		
Massachusetts.....	77,223,000	14 "
New York.....	295,502,000	37 "
Connecticut.....	24,632,000	15 "
New Jersey.....	85,143,000	5 "
Pennsylvania.....	32,984,000	5 "
Ohio.....	78,585,000	30 "
Indiana.....	39,389,000	36 "
Michigan.....	56,000,000	59 "
Illinois.....	209,224,000	101 "
Minnesota.....	52,955,000	228 "
Iowa.....	24,511,000	52 "
California.....	49,624,000	74 "

In some of the principal cities of the west the increase in production of manufactures from 1870 to 1880 is as follows:—

Louisville.....	\$ 35,000,000
Chicago.....	249,000,000
Milwaukee.....	43,000,000
St. Louis.....	114,000,000
San Francisco.....	78,000,000
San Antonio.....	50,000,000

I am not very much alarmed about the manufactures of this country. I do not take any stock in the doctrine of Canadian inferiority. I do not believe in it. I believe that with equal chances we can compete with the Americans. I believe that we have the energy, we have as cheap capital, and cheaper labor, and I see no reason under Heaven why, with the whole market of this continent open to our manufactures, we should not have an equal chance with the Americans. It is certain that there would be a great impetus in certain natural lines. For instance, the production of lumber could not fail to be greatly increased. In the production of planed lumber, the American tariff absolutely prevents our engaging, while if the duty were removed we would find millions of dollars invested in it in

this country. In the production of doors and sashes, house trimmings, we are precluded by the American tariff. Yet this is a vast business which we would otherwise naturally, to a great extent, control. In the manufacture of furniture, wooden ware, leather, for which we have special advantages, we would inevitably vastly increase our business. We would increase the manufacture of iron and woollens, and there is one branch where the chances for expansion are limitless, that is the manufacture of paper from pulp. We have the facilities for this branch, in the possession of limitless quantities of the poplar and other woods required, and would naturally supply the continent with this article, the business in which would amount to millions of dollars a year. I have no fear as to the result of free trade on the manufacturing business in this country. Here and there perhaps a little exotic industry, pampered into existence by a high tariff, would be swept away, but as a whole our manufactures would vastly extend their business under the operation of free trade.

Now, some of our friends opposite—for it is not a party issue at present—propose an offset, and this proposition is at least an indication that there is a feeling of unrest in the country. It indicates that there is an acknowledgment of the desirability, if not the necessity of some change in the condition of Canada. That scheme proposed by them is Imperial Federation. I have no doubt that in some respects a closer union of the colonies with England would be advantageous to the colonies, based however upon one absolutely necessary concession upon the part of England, and that is the enactment of discriminatory duties in favor of the colonies. If England will give us the corn laws again; if she will place duties upon food and lumber, wool and raw materials imported from any country besides the colonies, and admit the productions of the colonies free, we would have advantages in the English market very great as compared with other countries, and it might be worthy of our consideration whether we would not go into such an arrangement. But have we any reason to suppose that she will? Have we not every reason to suppose that she will not? Have we not the express declaration of her leaders, not of one but of both parties, that England will never consider for a moment the propriety of levying duties upon the raw materials and the food of the people. She never will, and if she does not, then the scheme has no attraction for us. We would have our burdens increased by this arrangement, we would have an undue and undesirable interference with our autonomy, and it would not be desirable



for us to have our affairs settled by the Parliament at Westminster in which we had a small representation of twenty or thirty members. We would never consent to such a thing. We want no share in paying the expenses of England's foreign wars; we do not want to assist her in fighting the Afghans in Afghanistan, or the Arabs in the Upper Egypt, or the Zulus in South Africa. We do not want to bear a share of the expense of maintaining her army or navy. Such an arrangement would largely increase our burthens. We might be called upon, if England required it, to furnish a large quota of troops to help her. and we would prefer to run our own concerns, attend to our own business, and trade on equal and unrestricted terms with our neighbors to the south.

I am happy to say I am about through, and I feel as much relieved as my friend opposite. I have indulged perhaps in some criticism that may not be palatable to my hon. friends opposite, and if I have, I entreat them not to "bring in the Sepoy to shoot me in my tracks." I have spoken, as I believe, in the interests of the people of this country, and I believe I have advanced sentiments and opinions which will carry the vast majority of the people. If there is common sense, if there is a deep appreciation of what appertains to their best interests, this policy of unrestricted reciprocity with the United States must and will commend itself to the great majority of the people of Canada. Our friends on the other side may hoot, they may scout it, they may laugh it to scorn, but the logic of events will convince them that they have failed to interpret the signs of the times. If this arrangement is consummated, if these two great peoples are brought into more intimate commercial relations with each other, if the barriers that keep back the forces which have advanced the United States so greatly in their course are removed, and we are allowed to have the unimpeded play of those forces upon us, we will reach the position which we hope to see. Without the play of those forces upon us, without the intercourse with that people and the influence of the forces which have made the United States a people of sixty-two millions and the richest nation in the world, we will continue in the way we have been plodding on, in a ratio of progress which is unsatisfactory and slow. The bearing of this question as between England and the United States, were this arrangement consummated, would be most salutary. The only cause of trouble that I can see at present existing between these two countries is likely to arise in Canada itself, and, with free trade relations with unimpeded commer-

cial intercourse, with perfect amity which the removal of these causes of dissatisfaction and irritation would bring about, the relations between the United States and England would naturally become more amicable, and would therefore be more conducive to the prosperity and well-being of both of these great branches of the Anglo-Saxon race and of every other Anglo-Saxon community on the face of the globe. Those two great countries produced last year 63 per cent. of all the iron that was produced in the world; 69 per cent. of all the steel that was produced in the world; they had one-half of all the exports and imports of the whole globe; they had 68 per cent. of the shipping, and 60 per cent. of the manufactures of the world. These two great powers, acting in concert, with amicable relations between them, are able to sway the destinies of the world. The idea of Anglo-Saxon unity is a magnificent dream, but I believe it is destined to become a mighty reality; and with the United States, with its vast capabilities, its vast power, and its enormous wealth, creating, as it is, a mighty navy, with England commanding the approach to the Mediterranean and to the Red Sea, and swaying one-fifth the population of the world, with an Empire in India, another Empire at the Antipodes, and a third founded in South Africa, I say that these two nations acting in concert would promote the best interests of civilisation and realise the highest hopes of humanity. And the most pregnant step towards that union would, in my opinion, be to bring about uninterrupted, unimpeded trade between the seven commonwealths of the Dominion of Canada and the forty-two commonwealths of the United States of America. We can promote that great end, and at the same time promote our own interests by bringing to bear the forces that will make this country populous and wealthy, with its mines developed, with its agricultural resources developed, with its commercial resources developed, with the prairies covered with prosperous towns and thriving villages, and brought under cultivation by millions of people who will then populate them. The coming of the time when these results will be fully consummated will be greatly accelerated by the adoption of this proposed measure which forms the cardinal plank in the policy of the Liberal party of this Dominion. Believing it to be my duty to further that result as much as I can, I beg to second the motion of the hon. member for South Oxford and to pledge for the promotion of it my support in this House and outside of it.

