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[Aller au sommaire du numéro](#)

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## EDWARD BLAKE, THE LIBERAL PARTY, AND UNRESTRICTED RECIPROCITY<sup>1</sup>

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In a country so complex as Canada political parties, as distinguished from political groups, are never very clear-cut in their advocacy of any principle or policy. But during the first generation after Confederation there is one continuous and persistent difference between the two major parties which comes out in all their debates and election campaigns. This is the difference in their attitude towards the United States. The new nationality which was brought into being by Confederation resulted primarily from the ambitions of great business interests to preserve the northern half of North America from American encroachment. The Conservative party which expressed their point of view in politics tended to be hostile to the United States, suspicious of too close commercial relations, truculent in its attitude on such questions as fisheries and canals, and, because the connection with Great Britain seemed to furnish the one abiding guarantee against American absorption, vociferously demonstrative in its imperial loyalty. The Liberals, on the other hand, mostly looked forward to a future of political independence for Canada in her relations with Great Britain and emphasized her present economic dependence upon the free entry of Canadian goods into the American market. "The Liberals," said Goldwin Smith in 1890,<sup>2</sup> "are the continental, their opponents the anti-continental party."

It is only on reading the newspapers and periodicals and party pamphlets of the 1870's and 1880's that one gets an adequate conception of this importance of the American market in Canadian thinking and of the persistent vitality of the idea of reciprocity. Later, with the growth of the West after 1890 and the concurrent growth of Canadian exports to Great Britain, a great east-west traffic developed and there emerged for the first time a genuine national economic structure. Then at last this question whether closer relations with the United States meant a threat or a promise to the future of Canada ceased to plague Canadian statesmen. But for twenty years or more the same issues are threshed over and over again. And the same uncertainty overhangs the discussion, not merely before but also after the adoption of the National Policy and the building of the C.P.R., as to the ultimate destiny of the new Canadian nationality. In the 1870 session of Parliament, L. S. Huntingdon's motion for independent treaty-making powers and for a customs union with the United States brought forth all the arguments on both sides which were to do duty until after the 1891 election—and also most of the slogans, including the sacred phrase "A National Policy," but not including John A. Macdonald's "A British subject I was born, a British subject I will die," which apparently he did not use till the middle 1870's.

I have no space in the present paper to deal with all the aspects of this continuous national debate during these years. My attention will be

<sup>1</sup>In this paper quotations from, or references to, private letters which passed between Blake and his friends are based upon the original documents in the *Edward Blake papers* in the Library of the University of Toronto.

<sup>2</sup>In the *Bystander*, May, 1890.

confined to Edward Blake's part in it during the eighties and early nineties.

Blake became leader of the Liberal party in 1880 just after the adoption of the National Policy. He had no liking for the crudely selfish ambitions of the business groups who were proceeding to exploit national sentiment in their own interests; and he could and did inveigh as heartily as any free trader against the cost of artificial industries "tariff-born, tariff-bred and tariff-fed" and against red parlour methods of tariff manipulation. But Blake also soon came to feel that it was dishonest to pretend that there could be a wide difference in practice between the actual National Policy tariff and any tariff which a Liberal Government would be compelled to impose. The greatly increased expenditure of the national Government was an inescapable fact; a certain part of it was due to extravagance and corruption, but it all left growing debt burdens which must be met. In the 1882 session of Parliament, Blake moved for treaty-making powers for Canada in commercial matters and supported his motion by the usual Liberal constitutional arguments. But in the election campaign of this year he began to modify his party's policy in the direction of a closer approximation to the National Policy. His election address declared that "free trade is for us impossible"; and he advocated an adjustment of the National Policy so as to put fuel and breadstuffs on the free list and to lower the duties on sugar, on the cheaper grades of cottons and woollens, and on raw materials used by Canadian manufacturers.

In the next general election, in 1887, Blake went further. His famous Malvern speech (Jan. 22) is devoted to driving home the points that the difference between the parties is not that of free trade versus protection, that a Liberal Government cannot now go as far in the direction of tariff revision as he had wished to go in 1882, and that the manufacturers as a whole have nothing to fear from a Liberal victory. The Malvern speech mentions reciprocity only in passing, though the passing reference, according to the printed Liberal campaign pamphlet, is received with "great applause." As long as he was leader Blake refused to push reciprocity forward as the chief plank of the Liberals to the exclusion of many other topics which he thought worth discussion.

This painfully honest recognition that the tariff was here to stay, and that the possibilities of reciprocal trade concessions between two high-tariff countries such as Canada and the United States were limited, was not to the liking of many of Blake's followers. Conservative commentators pointed out how markedly the emphasis in Blake's speeches differed from that in those of Cartwright and Charlton. Behind the scenes in Liberal party circles there must have been a good deal of pressure to revise the party policy, to drop Blake's careful compromise, and to take up commercial union with the United States. In the *Blake papers* there are letters from L. S. Huntingdon in 1881 and 1882 proposing to start a campaign in Quebec Province for commercial union, and offering to do it in an independent role in order to ascertain the public reaction if Blake doesn't see fit to commit the whole party. In 1886 there is correspondence between Blake and J. W. Longley of Nova Scotia on the same subject; and one of Blake's private letters to Longley anticipates all the criticisms of commercial union which he was later to elaborate in the public West Durham letter of 1891. This latter document itself refers to some of the discussions that took place during these years. "Long ago, while leader of the Liberal party, it became my duty to examine into a similar design,

submitted by a political architect of some reputation. I thought the foundations insecure, the lines defective, and the estimates of cost inadequate." John Charlton in his autobiography tells us that he was the political architect to whom this passage refers.<sup>3</sup>

Blake retired from the leadership in ill health immediately after the 1887 election, and Laurier was chosen to succeed him. Whether the change in leadership had anything to do with the emergence in Ontario during the spring and summer of that year of a vigorous campaign for commercial union I do not know. At any rate commercial union quickly became the chief political topic of the day.<sup>4</sup> After much discussion in the press and on party platforms at summer picnics, the Liberals under Laurier decided to adopt as the official party policy a modification of commercial union which they designated Unrestricted Reciprocity. Commercial union would mean a complete *zollverein*, the disappearance of all customs houses along the international border, and a tariff wall erected in common by the two countries against all overseas countries whose goods might enter by Atlantic or Pacific ports, with a pooling of the common revenue and a distribution of it between Ottawa and Washington on an agreed basis. Unrestricted reciprocity included free trade between the two North American countries, but each Government was to remain free to make its own tariff against overseas countries, and thus Canadian independence of Washington would be preserved in whatever tariff relations Canada should see fit to maintain with Great Britain. "We have adopted Unrestricted Reciprocity," Laurier wrote to Blake (in Europe) on March 29, 1888, "We are still engaged in the debate. . . . We have narrowed the issue to the mere commercial aspect of the question and we intend to keep it strictly on that line. There are political aspects which will spring up, but for the present it is better to leave them out."

The debate to which Laurier refers was that initiated by the official Liberal resolution moved in the House in the 1888 session by Cartwright and Charlton. It was in his speech on this occasion that Cartwright made the much-quoted statement that all that Canada owed to Britain was a great deal of Christian forgiveness for the way in which British Governments had handled Canadian-American questions. At the next session, in 1889, Cartwright moved a motion, similar to that of Blake in 1882, in favour of obtaining for Canada the power to make commercial treaties through her own plenipotentiaries; and he explained that he wanted this power so as to be free to treat directly with the United States for unrestricted reciprocity. In these discussions Liberal speakers admitted frankly that unrestricted reciprocity did mean discrimination against Britain in favour of American manufacturers; they maintained that Canada had different interests from those of Great Britain, that the mother country invariably looked after her own interests, and that Canada had a perfect right to look after hers.

Blake was away in Europe during the 1888 session trying to regain

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<sup>3</sup>Charlton left a manuscript diary and autobiography. See an M.A. thesis on him by L. J. Curnoe, in the University of Toronto Library.

<sup>4</sup>Willison in his book, *Sir Wilfrid Laurier and the Liberal party* (Toronto, 1903), has a good account of the commercial union movement. "It was a time," he says, "of gloom and doubt, of suspicion and unrest, of rash opinion and premature judgment, of failing faith in our institutions, of hostile examination of the central props and pillars of the national edifice."

his health by a long holiday. So he was not on hand to be consulted when the party adopted unrestricted reciprocity, though he expressed objections by letter to Laurier. On his return he apparently had a good many discussions with Laurier and other leaders and protested strongly against the official trade policy of the party. But he yielded to their request not to bring the matter up in the party caucus. In their written correspondence Laurier more than once mentions to Blake his own preference for a bolder policy than unrestricted reciprocity, meaning thereby, one assumes, that he would like to come out for a complete *zollverein* with the United States.

In the 1890 session William Mulock moved an address of loyalty to the Queen, giving as his reasons the need, not to reassure anyone in Canada or Britain about Canadian sentiment, but to make clear to the American public that there was no basis for their feeling that Canadian institutions were breaking down and that the country was on the verge of either independence or annexation. The motion was passed unanimously after a very short debate in which Macdonald on behalf of the Government supported Mulock. Laurier supported him also but went on to declare: "Our connection with Great Britain cannot forever remain what it is at the present day. As long as the powers of self government which we now enjoy are adequate to our national requirements, for my part I endorse and will endorse every word of the resolution but . . . I do not expect that Canada will remain forever a colony." Blake, according to Willison, who was at that time the *Globe's* press gallery correspondent, walked out just as the division was about to be taken, declaring that he would not be party to a sham.<sup>5</sup>

We cannot tell how the difference between Blake and the party leaders might have been resolved had time been allowed for them to thresh the matter out at leisure and to watch American developments after the adoption of the McKinley tariff in May, 1890. One may remark in passing that it is extraordinary how thoroughly the party committed itself to unrestricted reciprocity without first trying to discover what terms could be obtained from the United States. Whether unrestricted reciprocity was making headway with the Canadian electorate after its apparent initial popularity in 1887 is very difficult to determine. At any rate, at the beginning of 1891 Macdonald decided to spring an election before another crop season should make Ontario and Quebec farmers still more dissatisfied with their loss of the American market under the McKinley tariff schedules.<sup>6</sup> Parliament was dissolved on February 3 and the election date set for March 5.

This compelled Blake to make an immediate decision. Personally he wanted to explain in public his objections to unrestricted reciprocity. But Laurier and his friends had pressed him to remain silent lest he disrupt the party. If, however, he again ran in West Durham, he could not avoid a public declaration of his opinions. For the sake of the party he decided not to seek renomination. The story of how he was kept from speaking at the West Durham nomination meeting and from publishing a letter to the Reform Association of the constituency, which set forth his criticisms of unrestricted reciprocity has been told by Willison and need not be

<sup>5</sup>Sir John Willison, *Reminiscences political and personal* (Toronto, 1919), 225.

<sup>6</sup>See his letter of March 31, 1891, to Sir George Stephen, in J. Pope (ed.), *Correspondence of Sir John A. Macdonald* (Toronto, 1921), 485.

repeated here.<sup>7</sup> Under pressure Blake yielded. But he felt that he was making a great personal sacrifice; he was giving up his own political career and doing so without a word of explanation to the public which had been accustomed for twenty years to regard Edward Blake as one of the chief men in Canadian public affairs. When the news of his retirement was known, a stream of letters from friends and political followers poured in upon him. He had to tell his correspondents that he was not free to say anything more at the moment. To some of his intimates he wrote bitterly: "I die dumb." As always happens in these party crises, the other party learnt pretty accurately about the differences between Blake and his fellow Liberals. Conservative speakers and editors began to say that Blake agreed with them in their interpretation of what unrestricted reciprocity really meant. Through all this excitement Blake had to keep his opinions to himself; his only part in the campaign was to send two brief messages, to be read at Liberal meetings, wishing success to his party. He determined to explain to the country at the first available opportunity his stand on the question. And so on March 6, the day after the election, in the same issues which announced that the Conservatives had won by a narrow majority, Canadian daily papers published a revised and elaborated edition of the letter which Blake had drafted on January 28 to the West Durham Liberals.

The West Durham letter is a long and closely reasoned analysis of the rival trade policies offered to the Canadian electorate in 1891. It occupies more than four columns of small print in the *Globe* of March 6. Blake begins by expressing his opinion that the best trade policy for Canada would be that of a moderate revenue tariff, approximating to free trade with all the world, coupled with liberal provisions for reciprocal free trade with the United States. But Canadian fiscal necessities make a high tariff inevitable, and the United States won't accept a limited reciprocity. So that what would be theoretically best is not practicable. Of the two party programmes, the National Policy of the Conservatives has failed so completely that its real tendency now is towards disintegration and annexation. The other alternative, the Liberal policy of unrestricted reciprocity with the United States, secured for a long term of years, would undoubtedly advance the material interests of Canada. But it involves several difficulties. One of these is the loss of revenue to the Canadian Treasury, a problem for which Blake can see no solution. Another is that it means differential duties against Great Britain, though Blake puts little emphasis on this point. More serious is the fact that it involves assimilation of the tariffs of Canada and the United States. Blake argues this at length and concludes that there is no essential difference between unrestricted reciprocity and commercial union. Assimilation of tariffs would mean that in practice Canada would adopt the tariff of the United States and would be dependent on Washington as to any future changes in tariff schedules. The more intimate trade and fiscal relations which would result from this condition would lead towards political union, a conclusion made more certain by the prevailing desire of the Americans for annexation and their willingness to use commercial pressure for political purposes. It is to be noted that Blake does not say that he thinks political union desirable, but he also does not denounce it as something which every patriotic Canadian should

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<sup>7</sup>See Willison, *Reminiscences political and personal*, chap. x.

indignantly repudiate. This leads him to his final and most important objection to the Liberal policy. If his argument as to the ultimate political implications of unrestricted reciprocity is right, then the Liberal party should frankly acknowledge that political union is the end, and proceed to educate Canadian opinion towards this end, or it should drop the policy. "Assuming that absolute free trade with the States, best described as Commercial Union, may and ought to come, I believe that it can and should come only as an incident, or at any rate as a well understood precursor of Political Union; for which indeed we should be able to make better terms before than after the surrender of our Commercial Independence. Then so believing—believing that the decision of the Trade question involves that of the Constitutional issue, for which you are unprepared, and with which you do not even conceive yourselves to be dealing—how can I properly recommend you now to decide on Commercial Union?"

The West Durham letter fell with a resounding explosion into Canadian politics. Discussion on it overshadowed everything else in all the papers for some time. Commentators agreed that the letter was too negative and critical in character, and many called on Blake to state his own positive policy, since he had rejected both the main policies before the Canadian people. Willison, who had been familiar with Blake's line of argument for some time, immediately gave a lead in the *Globe* which most of the Liberal papers followed. He interpreted the letter as meaning that Blake favoured annexation and wanted the Liberals to be frank in pushing commercial union as a prelude to political union. "He is for absolute free trade on the distinct understanding that it shall terminate in political union without which it cannot be carried or even so much as obtained. . . . The Tory press which alleged that he was not willing to go as far as his party made a crucial mistake—his party is not willing to go as far as he." For the rest of his life Willison continued to maintain that this was the correct interpretation of the West Durham letter.<sup>8</sup> But Blake's private correspondence shows that he bitterly resented the line taken by the chief Liberal organ. The *Empire* and most of the Conservative papers took the opposite line that Blake was repudiating the Liberal party because its policy necessarily involved annexation. The host of correspondents who wrote private letters to Blake in the next few weeks all took this interpretation for granted, and many Liberals revealed to him that, while they had stuck to the party through the election, they had been very uneasy about the trend of its policy.

In the midst of the controversy Blake wrote a second letter of one long sentence, which appeared in the papers on March 11: "The contradictory inferences to which a sentence in my Durham letter, detached from its context, has in several quarters unexpectedly given rise, conquer my reluctance to trespass again so soon upon your columns, and I crave space to

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<sup>8</sup>Willison appears to have maintained in conversation in later years that Blake's original West Durham letter was much clearer in its expression of annexation sentiments than was the printed version which appeared in the papers on March 6. But Blake requested D. Burke Simpson, the President of the West Durham Reform Association, to whom the letter was addressed, to return it to him when, under pressure of his friends, he finally decided to say nothing during the election about the reciprocity issue. The original letter, dated January 28, is in the *Blake papers*, together with several typewritten copies, and examination shows that the printed letter of March 6 is only an elaboration of this one of January 28.

say that I think political union with the States, though becoming our probable, is by no means our ideal or as yet our inevitable future." This, however, like the main letter, was negative rather than positive. Many demands were made for further elucidation, but Blake remained silent in the midst of abuse and praise.

The silence was one of bitter agony of spirit. During these weeks after March 6, Blake received not a word from his intimates and late colleagues in the leadership of the party. Until the middle of July, save for one letter from David Mills in April, apparently not one of them wrote to him. Blake was profoundly shocked and depressed by the revelation of party feeling against him in the Liberal papers. (The Conservatives made great use of the West Durham letter in the by-elections which followed.) Then suddenly on July 20 came a letter from Laurier consulting Blake on a matter of constitutional law. "I venture to ask this favour, notwithstanding the apparent estrangement we are in. . . . I hope divergences of political views will not affect personal friendship. . . . You know how often and how sincerely I have offered you to resume the leadership of the party. My heart is no more now in the position which I occupy than it was four years ago; but since I am in it I must discharge its responsibilities to the best of my judgment. . . . May I not rely upon your indulgence and friendship . . . to give me help and assistance whenever you can do so consistently with your own views of public duty? Apart from the trade question I know of nothing in which we could not act as in the past."

Blake was greatly moved and replied immediately: "You say truly that you have often and sincerely offered to me the resumption of the lead. You know that the position has always been most distasteful to me. Neither of us has ever wanted that crown of thorns and no question can ever arise on that head." The two men resumed friendly relations and began to explore possible means by which Blake could return to political life as an active member of the party.

After the elections the Conservative Government had tried to get into direct touch with Blaine, the American Secretary of State, to find what the official American attitude was on trade relations with Canada. Laurier and Blake agreed that when the result of the negotiations was announced it would be desirable for the Liberal party leaders to consult as to a restatement of their party policy. It was not until February, 1892, that a Canadian delegation managed at last to have an appointment with Blaine, who resented the Canadian Government's tactics on trade, on fisheries, and on canals and who was anything but friendly. Blaine then made it clear that the United States would consider no reciprocity negotiations which did not include manufactured goods as well as natural products, which did not involve assimilation of the tariffs of the two countries, with discrimination by Canada against British manufacturers. These conditions, of course, could not be considered by any Canadian Conservative Government; and Foster, the Minister of Finance, announced a complete breakdown of negotiations when the delegation returned to Ottawa.<sup>9</sup>

To Blake this seemed to give the Liberal party a magnificent opportunity to escape from the embarrassing entanglements of its unrestricted reciprocity policy. He had always argued that unrestricted reciprocity was

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<sup>9</sup>A full official report by the Canadian delegation on these negotiations is printed in the *Sessional papers of Canada*, 1893.



impracticable because it could not be obtained from Washington save upon conditions which would make Canada too dependent upon the United States and which would be intolerable to Canadians as a whole, including the overwhelming majority of the Liberal party. Now Blaine had officially stated that a reciprocity agreement was unobtainable save upon these very conditions. Blake began eagerly to urge these points upon Laurier, Mills, Davies, and a few of the other Liberal leaders. He told them that they should hail Blaine's declaration as a godsend. He drafted a paper in which he set forth the position as he saw it, and which he thought he might publish, if they agreed, as a preliminary to his reconciliation with the party and his return to public life. Laurier and Blake's friends at Ottawa were delighted with the prospects of reconciliation; and during March and April of 1892 almost daily letters passed between Ottawa and Toronto, with personal visits to Blake in Toronto by Laurier, Mills, and Charlton. The party leaders, however, rather than lose face by announcing their abandonment of unrestricted reciprocity, preferred to try to find an interpretation of the policy which Blake could accept. Mills and Davies wrote to him that the phrase "unrestricted reciprocity" must not be taken too literally, and that it had never meant to them anything more than the widest measure of reciprocity which negotiations at Washington might demonstrate to be obtainable; the word "unrestricted" was merely adopted to distinguish the Liberal policy clearly from any sham policy of partial reciprocity which Macdonald and Co. might take up for tactical purposes; it was to show the extent to which the Liberal party was prepared to go rather than to have no reciprocity treaty at all. Blake replied, with his usual comprehensive marshalling of quotations, that of this esoteric interpretation of party policy there was not the slightest hint in the speeches of the leaders from 1888 to the elections of 1891. Laurier, however, was convinced that a Liberal Government could do much better at Washington than the Conservatives had done, and that in fact the Conservative delegation had gone to Washington seeking the very answer which Blaine had given, so as to smash all possibilities of reciprocity. Davies had been sent to Washington on a mission from Laurier to see Blaine in 1889, and later John Charlton had gone on a similar mission; their reports were much more optimistic about the possibilities of a trade treaty than Blake thought was justified. Blake himself had heard privately from Edward Farrer, whose sources of information were very good, that the situation at Washington was exactly as Foster had reported it.

At this point the negotiations reached a deadlock. Laurier, Mills, Davies, and the Ottawa group would not abandon unrestricted reciprocity, though they might reinterpret what they meant by it. So, early in May, 1892, Blake brought the correspondence to an end. "I see that our impressions of the past, our notions of the present and our views of the future so differ that there is no use in the prolongation of this correspondence." It was while he was in this mood that a message arrived unexpectedly from Justin McCarthy, the leader of the majority faction of the Irish Nationalists, inviting Blake to take an Irish seat in the British House of Commons and to join in the struggle for Home Rule. Without consulting his party friends in Canada, Blake accepted at once and went off to spend the next ten years of his life struggling in the midst of a crew of Tim Healys and William O'Briens and Dr. Jamesons and Joseph Chamberlains. What the devil was Edward Blake going to do in that galley?

By a strange irony, no sooner had Blake left Canada than the Liberal party began to modify its trade policy in the direction he had urged. Already in the 1892 session of Parliament, Davies had moved (April 25) a resolution in favour of lower duties on goods mainly imported from Britain, the first sign of a shift of interest in party thinking from the United States to Great Britain. In 1893 the great Liberal Convention adopted a tariff plank which stressed tariff for revenue and passed over the question of reciprocity with the United States in a few pious but somewhat non-committal words. Blake wrote back from England to his late constituents in West Durham rejoicing that the new plank had ended his differences with the party. Gradually, between 1893 and 1897, the party moved further, and by 1897 it was prepared to institute not merely lower duties against Britain but discriminating duties which gave British goods an advantage in the Canadian market over American goods. The transition in the Liberal attitude can be traced in the editorials of the *Globe* about reciprocity, which between 1890 and 1894 fell from two or three a day to two or three a month, and which by 1895 had almost ceased completely.<sup>10</sup>

I do not know what took place in the inner party councils to determine this development. No doubt the successive tariff bills of the American Congress had their effect in convincing even the most enthusiastic exponent of reciprocity that it was useless to make further trips to Washington. Perhaps also some light is thrown on the process by which the party sloughed off its reciprocity policy by a letter from James Young, one of Blake's oldest personal and party friends, to Blake in England in 1895. "Mr. Laurier was in Toronto last week to meet Mr. Walker of the Bank of Commerce and other leading Reformers who had been estranged at the last election by the Trade policy. His visit is said to have done much good in this respect." But back of all other developments lay the expansion of the new West with its tremendous effects upon internal national integration and upon external trade. In 1890 the British market absorbed 41½ million dollars' worth of Canadian exports as against 36 millions going to the United States. By 1895 the relative figures were 58 and 36; by 1900, 97 and 58. This rapid expansion of exports to England and the out-distancing of American by British purchases of Canadian goods changed the tenor of Canadian thought. It was no longer necessary to debate whether closer trade relations with the United States held out the chief promise or the chief threat to the future of Canada.

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#### DISCUSSION

Mr. Innis inquired whether the discussions which took place between Blake and the Liberal leaders constituted, in effect, an effort on the part of the party to get rid of its old leader.

Mr. Underhill replied that he was convinced, from the tenor of the correspondence, that the attempt to reach an agreement on policy was perfectly sincere on Laurier's part; but he agreed that party policy in respect of reciprocity changed radically after Blake's final retirement, and that this circumstance might leave the *bona fides* of the Liberal leaders open to some question.

<sup>10</sup>For an analysis of the *Globe's* editorial policies in these years I am indebted to an M.A. thesis on the *Globe* under Willison's editorship by W. Greening, in the University of Toronto Library.