

ment have done everything that lay in their power to meet popular demand upon this question—they issued an order requiring lumbermen to employ Canadian labor and to purchase Canadian supplies; beyond that they were unable to go. The officers of the crown have decided not to change the condition of licenses until the 30th day of April next. I contend that they will be unable, when the 30th day of April next comes, to make any provision with regard to the export of saw logs, because in doing so they will be usurping the functions of the Dominion government, which, under the British North America Act, has exclusive control in all matters relative to trade and commerce; consequently they can do nothing in this at all. It would be an act *ultra vires* if the Ontario government should issue the order, and would be disallowed by the Dominion government.

Mr. Bertram: Is it possible for the Dominion government to stop an order-in-council?

Mr. Charlton: It is possible for the Dominion government to make an order that any province interfering with its functions is *ultra vires*. If the Ontario government were to take this step, and the result was that the Americans would prohibit the export of lumber from any country prohibiting the export of logs, that would apply to the whole Dominion; and the Dominion government could not permit an action to be taken by a province that would imperil the action of other provinces as well as that province. Consequently, I say, Ontario has done everything that lay in her power—they have made the order with regard to the employment of labor and purchase of supplies; they have informed you that they cannot change the conditions of the licenses until the expiry of the term, and they have promised to take into consideration what other action will be taken. Now, Mr. Bertram said in the course of his remarks that the action of the American government has rendered it impossible for us to impose an export duty, and why? Because, under the retaliatory clause the export duty would be added to the import duty on lumber. Now, it is proposed to prohibit the export of logs. If we prohibit the export of logs, I give it as my opinion that I would infinitely rather face the condition of an export duty than face the condition of the action now proposed. We want to take some action that will secure a mitigation of the lumber duties. Now it is proposed to reach this result in an indirect way, and I say that is not an advisable step to take, and I would rather face an export duty, because I believe that, in all human probability, the American Congress would prohibit the importation of lumber entirely. I don't want to face such a contingency. We have a reputation in Canada for fair play and justice. The position is that we have permitted certain men to invest money in timber limits, to acquire 4,000 square miles; they have acquired them at very high prices with an avowed purpose; they were permitted to make the best use of the property their money bought, and for a number of years have been permitted to export their logs. I hold it would be an act of bad faith on the part of the Ontario government to change radically and completely the conditions under which these men purchased their properties, and practically confiscate them. These men cannot manufacture lumber here facing the consequences of adding import to export duty, or having the lumber prohibited from entering the United States if logs are prohibited from going out of this country. They would not dare to do it, and consequently this act would be practical confiscation. We do not want to sell our record for fair dealing by action of that kind. It might be desirable to restrict the output from Canada—it is a great source of wealth that ought to be conserved. If the government wants to do that, let them refrain from putting timber on the market; but having sold this timber, don't then attempt to keep it, and keep bad faith with the purchaser. If it is sold it is beyond government control—it is the property of the purchaser; and that is a view of the case which I think every fair-minded man here, when he considers the matter fully and definitely, will arrive at. The chances that we possess of exercising influence in this matter by retaliatory regulations or legislation are not very good, unfortunately. I am sorry that this is the case. I wish we were masters of the situation; it would be a very simple matter if we were. We furnish the United States with less than 3 per cent. of the lumber consumed in that country. The United States have in the south an inexhaustible supply of pine—some of which is actually sold in our own market, contracts having been taken in our Canadian cities, under our own

noses, from the forests of Alabama. We have to face the facts as they are—that is the condition of things, and if we are wise men we will make our influence felt in arranging our commercial policy with the United States in some other way, and we can do it in a scientific and legitimate way that will tell. But it is no use going on a quixotic crusade of this kind and attempting to bring the United States to terms upon the lumber duty—it can't be done.

Ald. Scott: How are we going to bring our influences to bear on the government?

Mr. Charlton: When the Dingley Bill became law there was not a member of the Ways and Means Committee, not a member of the Finance Committee of the United States Senate, the two committees which dealt with this bill, who would say that that bill embodied his views. The members of the sub-committee of the Finance Committee of the Senate were in favor of free lumber. They simply said, "We have to have the votes of the men in favor of a two dollar duty, and in order to get those votes we have to forego our own convictions and allow lumber to be taxed two dollars." I was assured in Washington that the time to place this before Congress was when the tariff was out of the way and when the question could be considered upon its own naked merits, and not mixed up with other business interests, the support of each of which was necessary to the passage of the entire bill. The time to secure a reduction of the bill is before us; the time is when Congress meets again.

MR. RATHBUN FAVORS AN EXPORT DUTY.

Mr. E. W. Rathbun: There are two or three points referred to by Mr. Charlton that I would like to review with you, and with your permission I will give you the way they appear to me. In the first place, as to the remark that the Ontario government could do nothing further than what they have done, it appears to me that if the Ontario government can legally sell limits with the condition that the logs shall be manufactured in this country, and the Dominion authorities do not interfere with that as an infringement upon their rights, then it is quite within the province of Ontario to say upon the renewal of licenses what the other conditions shall be. ("Hear, hear.") Now, it appears to me quite out of reason to suppose that the licenses that have been issued year after year, with the conditions of change vested in the power of the Ontario government, and which have been recognized and applied and new licenses sold with the very conditions that we ask for, it seems to me quite out of reason that the Dominion government should in any way interfere with these rights—they honored them all through the past. Then, again, about the Alien Bill—I don't think the action of the Ontario government amounts to anything at the present time. We have suffered in very many parts of the province from the labor coming in from the United States, but it was under abnormal conditions. To-day, with the normal conditions of trade existing in the United States and here, there is no danger, I think, of any amount of labor coming from the United States into Canada. The difficulty we have to consider, though, is this: The government, in their reply to the resolution that was presented, speak of a future action, but, under some understanding, the American lumbermen are into the woods to a greater extent than ever before, and we are confronted with the fact that not less than four or five hundred million feet of pine will be taken out and towed to Michigan. The effect of this simply adds to the cost of every log the Canadian takes out, and increases the handicap we are laboring under. They take these logs to the United States, and, having an advantage of not less than three dollars a thousand feet over what we can produce lumber from the logs from the same territory at, compete with the Canadians, with Canadian timber, in Canadian markets and in the markets of the world. That is a most unfortunate position for the trade to be in. What is the remedy? I do not think Mr. Bertram's resolution will prevent the injury that will be done from the avalanche of logs that will be taken off this year and put into the American mills—not only one year's supply, but almost two years. Consequently, while I support heartily the resolution as being the earliest application that the Ontario government can consistently apply—that is, when the present licences are renewed to stipulate that the timber cut shall be manufactured in this province, I contend that the injury that will take place this year will be of the severest character, not only during

the coming season, but the season to follow. What can we do to counteract that influence except by the application at once of an export duty? I would not put that export duty in force at the present time, for, when the lumbermen at Ottawa met and considered this question, we finally came to an unanimous conclusion (and the Ottawa gentlemen here were parties to it and even seconded the resolution) that the Dominion government should take power to apply this export duty, and we asked that it should not be on the logs taken out during the current winter, but it should be on the logs taken out during the winter of 1897-8. It appears to me that if we can get the Dominion to at once give notice according to their power that the logs taken out during the winter of 1897-8 would go into the United States market subject to this export duty, that would prevent the imposition of the retaliatory clause on any of the stock that would go over this year or next winter until the new logs went over. Then Mr. Charlton in the meantime would have full scope and opportunity at Washington to go ahead with his negotiations. (Great applause.)

MANUFACTURE OUR TIMBER AT HOME.

Now, said Mr. Rathbun, I hold that Mr. Charlton makes one serious mistake in connection with this whole matter. I believe I speak the sentiments of the people of Ontario when I say that we want these logs kept in Canada to be manufactured. We are not trying to get this to induce better terms from the United States, but we are fully convinced that we have no more logs than we can properly manufacture in this province, and our undivided opinion is that they should be kept here for manufacture. It is a duty we owe to our labor, our banks, our loaning societies, our railways. Every one of these great interests demand that the timber shall be kept in this province to be manufactured. It is not retaliation. Further, supposing we put on the export duty; it is not retaliation. Mr. Charlton talks about adopting a conciliatory policy. I ask you, gentlemen, who broke the bargain? There was a bargain made in 1890. There are gentlemen here who know that the United States authorities, this same Republican government which has been referred to by former speakers, made a bargain by which for a one-dollar duty on Canadian lumber there would be free logs. Now, representatives of our new government went there and they received a very cold reception, and returned hopeless of accomplishing anything. We have stuck to the bargain, and the people of Canada would continue to honor it, but the people of the United States have broken it without consideration of Canadian interests, and have coupled with it a threat which is humiliating to every Canadian. (Applause.) The interest of the two-dollar people at Washington is to have free logs, and if we do nothing they will do nothing. This resolution is good and should be accepted, and I don't want to interfere with it, but follow it up with a resolution that the lumber trade of Canada want this export duty applied in the way I said, on the logs that are cut this winter when they go in next year. I contend that is ample notice, and it is in accordance with the resolution of the House; there is no retaliation about it; it is in accordance with the united opinion of the representatives of both parties in parliament assembled. You speak of injurious effects. I want to ask Mr. Charlton if he advocates the policy which his leader, Laurier, advocates—twenty-five per cent. discrimination against the American. Are the Americans going to take any stronger measures to do injury to Canadians because we protect our own interests in the sawing of logs and support it by the whole country. There is nothing that would inspire the United States to make a stronger effort to have a more solid arrangement with Canada than that twenty-five per cent. clause. We are determining to-day whether we shall simply employ men to take out logs and drive them to Michigan and give them the benefit of our skilled labor and manipulation, or whether we shall develop the lumber industry in our own borders.

Mr. Bertram then introduced Mr. George W. Stevens, of Buffalo, as a gentleman who had an intimate knowledge with what took place at Washington last winter.

EXPECTS CANADA TO TAKE ACTION.

Mr. George W. Stevens: Mr. Chairman and gentlemen—I spent about three months in Washington, or perhaps a little more, representing the Arthur Hill Company, in the interests of a little tariff or no tariff on lumber. I had access to the homes of half at least of the United States senators, where I had the privilege of going evenings and conversing with them on this matter of a tariff on lumber.