

with Canada. Territorial Governments were established in the sparsely settled districts that were not ready for admission to the Dominion with Provincial status. By an Act of the Imperial Government, Labrador and the lands surrounding Hudson's Bay were placed under the jurisdiction of Canada, and now with the exception of Newfoundland and Alaska, the Canadian ensign is recognized throughout the whole of the northern half of North America. The geographical cleavage is, therefore, complete and distinct.

A similar policy of cleavage has actuated recent commercial movements in Canada. The Canadian Pacific transcontinental railway was projected for the double purpose of affording communication with the provinces of the West and for preventing as far as possible, the trade of Manitoba and the Territories being diverted to American channels. For the construction of this road the Dominion Government has contributed well nigh one hundred million dollars. A second road has also been subsidised—known as the Canadian Northern—which discharges its trade at a Canadian port on Lake Superior, and the remainder of the route to the sea is under Canadian control. A third line was projected last winter, flanking the south side of Hudson's Bay, with Port Simpson on the Pacific coast as its western terminus and Moncton in New Brunswick at the head of the Chignecto Bay as its eastern terminus. By the terms of its charter this railway line is not allowed to divert the trade of Canada towards American seaports on the Atlantic coast. As a result of these efforts to retain control of our commerce, Montreal now handles the greatest portion of the grain products of the West. Canada is therefore commercially, as well as geographically and politically, receding from, rather than approaching towards, closer relations with the United States.

And what shall I say of the movement recently inaugurated by the Right Honorable Joseph Chamberlain, to federate the colonies on the basis of imperial protection against the world? It requires no argument to show that the establishment of commercial relations within the Empire on the basis of preferential tariffs would greatly strengthen the ties which bind all the colonies, including Canada, to the Empire, and remove still further into the background whatever inducements remain for closer political or commercial relations with the United States.

And now, lest I should have left the impression upon you that Canadians look with aversion upon your form of government and the extraordinary enterprise which you have exhibited