

ficit of \$600,000 in the year and a three-cent rate, we have a two-cent rate in all Canada, we have reduced postage to the old country, we have reductions all around, and yet, at the close of the last year, the Post Office Department shows a surplus on the year of \$1,440,000. That in itself is something to be proud of.

But that is not the whole record. Turn now to the question of accommodation. The hon. gentleman tells us that the accommodation provided for the people by the Post Office Department is entirely insufficient. Well, if it is insufficient, we will take good care that a more liberal policy is adopted in the future. But what are the facts? In 1896 there were 9,103 post offices in Canada; in 1907 there were 11,377 post offices in Canada. In 1896, the number of postal notes and money order offices was 1,310, and in 1907 the number was 9,091. In 1896 the post office savings banks numbered, 755, and last year the number was 1,043. I will not detain the House with further figures though I could give similar comparisons with regard to the miles of travel, the number of letters carried, the number of articles carried and so on. But I think the figures I have given are enough for the purpose. If the hon. gentleman finds that the post office accommodation for the people is insufficient to-day, what must have been the condition of the country in 1896 in the light of the figures I have given?

My hon. friend the leader of the opposition (Mr. R. L. Borden) has had something to say on the question of the provincial subsidies. In his speech at the Russell theatre the other night he said that I had had the audacity to speak of his action in British Columbia touching the subsidy to that province as an attempt to bribe the province. I said that, and I regret that I am obliged to adhere to the opinion I then expressed. There is no doubt in the world that the attitude of the hon. gentleman on that question was a most unfortunate, a most unhappy one, calculated to breed trouble amongst the several provinces of Canada. Let us glance at the history of these provincial subsidies. Twenty years ago an agitation began amongst the provinces for an increase of their allowances. The men engaged in Dominion affairs can easily imagine that it is not necessary to have a greater provincial revenue; but the men who had been engaged in the provincial legislatures—and there are many of them here—know how restricted those legislatures have been in their operations because of the lack of finances. I do not wish to discuss the merits of our system of provincial subsidies. It is enough to say that all the provinces of the Dominion complained that the share which they received from the public treasury was insufficient to enable them to carry on their business and that they appealed to the Dominion government for a readjustment. When the Conservative gov-

ernment was in power, they declined to listen to that appeal. Years rolled on, and, even after the Liberal party came into power, there were difficulties in the way of meeting the wishes expressed by the provinces. But, after a time, this government said to the provincial premiers: If you are able to agree among yourselves as to the distribution of this money, perhaps we can meet your views. Now that was a very reasonable proposition. This subsidy question has been one of the most delicate with which public men have had to deal since the establishment of confederation. I remember very well that when what are called 'better terms' were granted in 1869, to Nova Scotia, there was a very strong feeling of hostility in Ontario. Ontario was too big a province to feel the small amount which was given to Nova Scotia, but it was strongly disposed to claim that the granting of the sum was a breach of faith,—that these subsidies were in the nature of a treaty and should not be disturbed except by common consent of the provinces. And, as years went on, and some grant was given—for good reasons or without good reasons—to one or other of the provinces, there was a feeling of jealousy, or rivalry; and no province has manifested that so strongly as the province of Ontario. Not that Ontario would care—as I have said—about the small sum involved, for Ontario is a great rich province, too big to think of that; but the men in Ontario took it as a matter of principle, that these subsidies were a treaty between the various provinces and should not be disturbed except by common consent. So, when we came to deal with this matter with the provincial government, we said: We do not want to make difficulties, to cause dissatisfaction and jealousy and rivalry. But if your provincial governments will come together and reach something like a unanimous agreement as to the distribution of this money, we will take the matter up and see what we can do for you. And to that end a provincial convention was held in this city about a year ago. As a result of that conference, a scale of payments was adopted for the several provinces. Now, I turn to the attitude of my hon. friend the leader of the opposition in British Columbia. He goes to British Columbia and tries to disturb the arrangement made at that conference amongst the provincial premiers of the Dominion. I complain of the hon. gentleman in this, not only that what he did was a disturbance in itself, but that he conveyed the impression to the people of British Columbia that this was a quarrel between the British Columbia government and the Liberal party. He tried to lead the people of British Columbia to believe that they were being oppressed by the government of my right hon. friend (Sir Wilfrid Laurier) and that when the hon. gentleman himself (Mr. R. L. Borden) and his friends came