

gave incontrovertible evidence of the increase in trade and the development of our natural resources to a degree hitherto unknown. We have also the declaration of the Bank of Montreal, the greatest financial institution in Canada, indeed one of the greatest in the world, which gives us definite reports of the most encouraging kind with reference to the future. These institutions declare that all branches of trade are very active, and that, notwithstanding keen competition, profits are growing, and there is an increase of confidence on the part of capital invested in the development of our natural resources, particularly in the pulp and paper industry, in mining, and in the utilization of the country's water-powers. Such authorities are among the most reliable.

It is also shown by official figures that since the first of April of the present year no less than 42,026 Canadians who had crossed the boundary in the hope of improving their fortunes have returned to Canada with the intention of remaining here.

Immigration during the first six months of the year 1926 reached a total of 122,848 persons—an increase of 63 per cent as compared with the figures for the corresponding months of last year.

In the face of all this evidence we cannot but believe that an era of increasing prosperity has begun.

Furthermore, if we examine the railway situation in Canada, we observe with pleasure, and even surprise, the progress that has been made in the operation of our National Railways. The latest report of the Deputy Minister of Railways of Canada sets forth the improvement that has taken place since our railways were taken over by the Canadian National Board. The impression created by the report for 1925 is so favourable that we begin to perceive the possibility that during 1926 the Canadian National System may be able to pay out of its own revenues the full amount of interest due to the public; and this means that for the first time the System can discharge all its obligations without borrowing, for the payment of interest, from either the Government or the people.

In this report of Major Bell it is stated that during the fiscal year 1921-22 it was necessary to provide the sum of \$183,000,000 on account of the Canadian National Railways, whereas in 1925-26 the amount supplied by the Government was only \$10,000,000. In 1920 the addition to the railway debt reached \$145,000,000, of which \$14,000,000 came from the Government and \$131,000,000 from other sources. In 1925 the addition to the railway debt amounted to about \$63,000,000, com-

prising \$31,000,000 from the Government and \$31,000,000 on account of running expenses. The report shows that the annual deficit has been reduced from \$80,000,000 to \$41,000,000. That gives us, I think, great encouragement for the future, and it is to be hoped that the same wise management will insure the continuation of this period of prosperity. The increase throughout Canada in the traffic of our Canadian railways leads us to believe that they will not only meet their expenses, but become a source of revenue for the country.

Coming as I do from the Maritime Provinces, I find in the Speech from the Throne certain clauses which are very reassuring. I desire to refer to the report of the Royal Commission which has been investigating the economic situation of the Maritimes. This Commission was appointed by the Government last session—in the month of March, I believe—and was authorized to enquire into the causes of the numerous complaints coming from the Maritime Provinces in recent years. The Speech from the Throne announces that the conclusions contained in the Commission's report are at present under consideration by the Government, and that a Bill will be introduced for the purpose of carrying out these recommendations. With due reserve, I venture to express the hope that the Government and Parliament will give effect to the recommendations in so far as they are found practicable and constitutional. Honourable members of the Senate are aware that I have always been sensitive about any attempt to change our Constitution, which the experience of years has taught me more and more to respect.

One of the recommendations which I appreciate most is that concerning the fuel problem. We are told that measures will be submitted for the purpose of providing assistance to works constructed for the production of domestic coke from Canadian coal.

Coal mining is the chief industry of Nova Scotia. The production of coal in that province has decreased, and the cause is largely the importation of coal from the United States, especially into the provinces of Quebec and Ontario, which have not the advantage of possessing this great natural resource. The proposal is often heard that the duty on American coal should be increased. Honourable members of this Chamber are aware that I have never been a great admirer of high tariffs, particularly on the necessaries of life. An increase in the tariff would naturally raise the price to the consumers in the two provinces which I have just mentioned; whereas the establishment of an industry