

added to the United States import duty on lumber. This drastic act tended directly to encourage the transfer of lumber manufacturing from Ontario to the United States, and the consequent shipment of saw-logs across the border. Moreover, the operation of the automatic clause, raising the import duty to the extent of the export duty which might be imposed by the Dominion on logs, made it impossible for the Dominion to deal effectively with the situation. A resort to an export duty would simply have closed the American market against us entirely, and have paralyzed the Canadian export lumber trade with the United States.

#### Action Became Imperative.

It became clearly the duty of the Ontario Government to grapple with the problem. Accordingly, after a full consideration of the arguments on both sides of the case, the Liberal Government laid down the principle that all future sales of limits should contain a condition requiring all the lumber cut to be sawn "in Canada," not "within the Province," as the Opposition resolutions demanded, and that with the issuing of the yearly licenses after April 30th, 1898, the timber on all limits, no matter when sold, would also be required to be sawn in this country. This policy met with the approval of the Legislature, and was embodied in the Act of 1898.

The policy of the Government has been judicious, clear and consistent throughout. While there was a reasonable expectation of securing, by agreement, such favourable legislation by the United States, as would admit Canadian lumber either free or under a moderate duty to their markets, the Ontario Government, realizing that the broader question of the reciprocal concessions affecting the general trade relations of the two countries, naturally fell within the scope and functions of the Dominion, refrained from action calculated to hamper their negotiations. When an important advantage had been gained by the understanding arrived at in 1890 they refused to disturb and unsettle a favourable situation to secure a petty advantage. But as soon as the hostile character of American Legislation had made

it evident that all hope of favourable conditions in the nature of reciprocity were at an end, and the terms of the U.S. tariff law placed it beyond the power of the Dominion to give relief by an export duty, and conditions were created injurious to the interests of the Province, the Liberal Government took effective action to secure the manufacture of lumber in Canada, as promptly as it could be done with a due regard to vested interests and existing obligations.

#### Political and Business Policies Contrasted.

The Opposition policy—if it can be dignified by the name, has been vague, erratic and ill-considered, embodied in disconnected claptrap utterances, without regard to the changing conditions, special exigencies and broader issues involved. The Opposition sought party advantage, the Government acted throughout with the object of protecting and promoting the interests of the Province, as represented by its timber resources and lumbering industry.

Thus it would be seen that the claim of the Opposition that the Government stole their saw log policy, is absolutely without foundation, and that the Government pursued the only course open to them in the public interest. Their action was not playing a game of politics. Their acts were the acts of business men, feeling the full responsibility of their position, and knowing that they were dealing with what was the most important industry in the province. These statements were facts, as the records show, and he (Mr. Stratton) would leave it with the audience to say if the course of the Government had not been wise and prudent under all conditions. (Hear, hear.)

#### The Sum of the Matter.

In reviewing the course of the Government as to our timber interests, Mr. Stratton pointed out that the Government had exercised the utmost care in regard to their promotion. Forest Reserves had been created to preserve standing timber, and permit of the growth of a new crop. A system had been adopted to prevent or to reduce to a minimum the loss or danger of loss by forest fires. When the time was