ocean-going ships and are subject to any chance or mishap that may occur. As we have protected our products within Canada, the general consensus of opinion would seem to be that we should do something of the same kind from a naval standpoint.

I said that the 'Royal William' was built in Canada and that we had reason to feel that we could, with perhaps some instruction and assistance at the outset, achieve similar success in modern naval construction. One evidence of that is that Sir Edward Douglas, a Canadian, is in charge of the construction of the Japanese navy which is expected to be most up-to-date.

Another evidence of our ability would be the Canadian construction of the Ross rifle which has proven superior to all rifles throughout the empire, and is likely to be adopted by the imperial government, and I believe with a fair chance our success in naval construction would be equally satisfactory. From a commercial standpoint—and that side of the question has not been much touched upon—the expenditure of $12,000,000 would seem quite an amount. Yet, considering that it would mean the employment of an average of 3,000 people during this naval construction, it would increase our population by 3,000 heads of families, or, perhaps, 15,000 people. For, if people now in Canada are employed in naval construction, the places they now occupy will require to be filled by others. Consequently, this naval construction would stimulate immigration and increase population in Canada. And the people would have to be provided for in Canada. A population of 15,000 would consume products from Canadian agriculturists and manufacturers—largely agriculturists—to the amount of from $2,000,000 to $3,000,000 a year. We should in that way provide a home market for this additional amount of Canadian products during the construction. That would probably be equal to the results we shall receive from the French trade stimulated as a result of the negotiations during the past two years for better trade relations with that country. For, up to the present time, our trade with France has only amounted to about $1,250,000 a year. We have worried a great deal about our trade with Germany and about the German surtax. But our trade with Germany has amounted to only about $2,000,000 or $2,250,000 a year. So, Germany and France together have given us a trade of less than $4,000,000. The providing of a home market for between $2,000,000 and $3,000,000 of our product, would, I believe, be more profitable to the people of Canada than both the French and German trade combined. While I appreciate the advantage of these treaties, I am satisfied that the home market for one-half the amount of this foreign trade would be about as profitable, if not more so. And from an agricultural standpoint, I think it would be fair to assume that the agriculturists will have to contribute by way of revenue to a considerable amount of our naval requirements, because it is announced that the expenditure of $12,000,000—at the rate of $3,000,000 a year—is to be paid out of current income. That being the case, I think it would perhaps be fair for us to consider for a moment how we could make that as easy as possible upon the agricultural interests of the country and upon the people generally. And I venture the suggestion that, by a stroke of the pen, if my trade and commerce calculations are right, that could be done at once. We exported from Canada 800,000 cords of pulpwood for the year ending the 31st March, 1909, according to the trade and commerce returns. We received, according to these same returns, less than $4,500,000 for this pulpwood, or an average of about $5.50 per cord. After the purchasers outside of Canada had received that pulpwood they expended on it not $4,500,000, but a further sum of $34 per cord, or $26,200,000, to convert the pulpwood into the finished product. I have given some attention to how that expenditure was made. I find that half of it, or over $13,000,000, was expended for direct labour, which is equivalent to the employment of 15,000 people all the year round at an average of $3 a day. That 15,000, as heads of families, would represent 75,000 of a population. Over $13,000,000 was expended also in machinery, other materials, buildings, &c., and of this amount also fully one-half or about $7,000,000 went into direct labour. This would provide similar wages for 7,000 people, representing a further population of 35,000. If our conditions remained as they are to-day and provision were made for turning that pulpwood into the finished product here in Canada, it would mean an increase in our population of 110,000, or at the very least, 100,000. That population would require a supply of $10,000,000 a year, so that we should provide a home market for that amount of additional product, largely along agricultural lines. And an expenditure of $26,000,000, such as was made on this pulpwood, could not possibly be made without leaving a profit to the artisans, merchants and others, including farmers, of 20 per cent or upwards of $5,000,000. In that way we could provide for an expenditure of $3,000,000 on our naval construction, and also provide for the upkeep, which, I understand, will amount to from $3,000,000 to $4,000,000. And the upkeep, of the navy will also create a considerable increase of demand for our home products. If I understand aright, there are to be about 1,500 naval officers and men to man the navy. In that way, it seems