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THE POPULAR CHARACTER OF THE POLICY OF THE LIBERAL GOVERNMENT IN DEALING WITH CORPORATE POWER.

AN ADDRESS DELIVERED BY

MR. HARTLEY DEWART, K. C.

BEFORE THE YOUNG MEN'S LIBERAL CLUB AT

TORONTO, JANUARY 22ND, 1906.

One of the favorite stock-charges made by our opponents against the Laurier administration is that it is a Corporation Government. This is so reiterated without proof that it may not be unprofitable to examine the facts that rebut this charge and the record of the Government during the last nine years in dealing with corporate power and the rights of the people in Canada. There is a common tendency to hit at all corporations simply because they are corporations, without regard to the question whether they have or have not abused their powers. But it must not be forgotten that even in our own time there has been a remarkable change in the methods of transacting the business of every-day life. The corporation is now the recognized form of institution through which the combination of individual interests exercises its influence and conducts its multifarious business enter-

prises. It must be and is properly clothed by legislative enactment with the power to do the business of a partnership in the wider sphere. As Mr. Goldwin Smith recently said, "it is a mistake to treat all the private corporations as malefactors and enemies of the people." It is absurd therefore to speak of a Government that encourages the organization of large corporations to develop the resources and conduct the growing business of the country as if it were the enemy of the people. The real question is whether or not, as the need arises, restrictive and regulative measures are adopted to curb and prevent the improper use of power and protect public rights. It is by this test that our position in the Dominion to-day must be considered.

The present importance of this question is emphasized by the message of the President of the United States to Congress last month. While the struggle between despotism and democracy holds the boards in Europe, the greatest republic the world has ever seen is at the mercy of the despotism of corporate combination. So enormous are the fortunes that have been amassed by corporate organization in the United States and so tremendous its powers, that President Roosevelt calls upon Congress "to give to the sovereign — that is the Government which represents the people as a whole — some effective power of supervision over their corporate use." He particularly demands "an unequivocally administrative commission" to deal from the federal standpoint with the great corporations engaged in the business of transportation and cognate matters. The contrast between the situation in the United States and the advanced state of legislation here is exceedingly instructive. There, a party that has achieved notable triumphs by the aid of the funds and influence of the Trusts finds the President who owes his election to this overmastering power attacking his political creator. It is not surprising that an English writer should regard this "hopeless enterprise" as "sawing off the branch of the tree on which he is perched next to the trunk."

Equally interesting is a comparison of the attitude of the Conservative administration towards the corporations from 1878 to 1896, with that of the present Liberal administration, as evidenced by its restrictive and beneficial legislation. In tracing the development of corporate power in Canada, we find one of the most interesting chapters in the rise and growth of the Canadian Pacific Railway Company which owed its enormous corporate powers that enabled it for years to fetter the North West to a Conservative Government which it in turn so long assisted to keep in power. Improper trade combinations and combines in Canada only became possible because of an unnecessarily high protective system and red parlor conclaves. Throughout a long term of power the Conservative policy was based upon the fostering, not merely of necessary and beneficial industrial and commercial

corporations, but upon the aggrandisement of the corporations that it had brought into existence at the expense of the people, that they in turn might repay their benefactors in political coin.

The Liberal Government had a difficult condition of affairs to face in 1896. The industrial interests that came into existence as a result of a high protective policy had to be considered. Capital had been invested. The interests of the working classes had to be considered. A sudden change might bring disaster to many. Indeed, there was no more potent factor in keeping the Liberal party out of power for years than the fear of a radical change in tariff conditions which was sedulously developed by our opponents. But the record shows that without disturbing the commercial and business conditions that had arisen, the Liberal Government made a wise reduction in the taxation so that customs duties are on the average to-day more than thirteen per cent. less than they were in 1896.

In the very first Budget brought down by the Government in 1897, the Government, apart altogether from the provisions of the Criminal Code, took the power to punish trusts and combinations that "unduly enhance the price of any article or that by any other method unduly promote the advantage of the manufacturers or dealers at the expense of the consumers." The punishment or retaliation adopted by that tariff was the reduction of the duty on the article in question. This power has proved particularly effective. In the case of the combine in the paper-making trade of the country, a Royal Commission in 1902 reported that prices were unduly enhanced by reason of the operations of this combine and the Government accordingly reduced the duty on printing paper from 25 to 15 per cent in the interest of the consumer. The unfair practices of the American Tobacco Company were similarly passed in review. If there are evils existing because of the action of other combines, it is not because the Government has not provided means for their repression, but because those who know of their existence fail to lay the facts before the Government.

Throughout there has been a consistent regard for the rights of the people. Not only is this true in regard to tariff matters, but all along the line the Liberal party has been true to its best traditions and by wise legislation has anticipated, regulated and relieved in Canada the very evils which are threatening free commercial development in the United States to-day.

THE RAILWAY COMMISSION.

In considering the wise legislation of the present Government in the interests of the people, I believe that the first place in importance, though not in point of time, must be given to the

Railway Act of 1903. Its far-reaching importance is too little understood or appreciated. The passing of this Act was a bold move. Nothing is more difficult than for a Government that has attained power to deliberately divest itself of sources of political influence. We had become so accustomed to the political log-rolling that preceded the hearings and "judicial" decisions of the Railway Committee of the Privy Council that we almost regarded it as an incident of popular government. The new Railway Act not only created new rights that common justice to the shipper and the public demanded, but vested the power of enforcing these and all existing rights in an impartial and independent Commission whose decisions on all questions of fact within its jurisdiction are binding and conclusive upon all companies and persons and in all courts.* It is as free from political influence as any Court of Judges in the land and has the same powers, rights and privileges. Unlike the Interstate Commerce Commission of the United States, our Commission is not hampered by the conflict between State rights and Federal control, and has powers for the enforcement of its orders that the other body does not possess.

Look at the powers of our Railway Commission. Every question that concerns *the construction of a railway* under Dominion control — the location of its lines, its user of the land of public or private owners, the compensation to be paid, its crossings and junctions with other roads, its bridges and viaducts, the rights of municipalities, the protection of its lines in the interest of the public, the right of the farmer to his farm crossing — these are only instances of the matters over which it has jurisdiction. There is scarcely a week that passes in which the Board does not issue orders providing protection for the public at level crossings, or for the construction of overhead bridges or subways, after hearing the report of their own competent engineers who have personally inspected the local conditions.

When a railway is constructed, there is not a detail relating to *the equipment and operation of the road*, from the appliances that are used or the accommodation that is afforded to the public, down to the investigation of the smallest accident that may occur, which does not fall within the purview of its powers. In

*The Railway Act (Section 44) provides for a discretionary right in the Governor in Council to review the decisions of the Railway Commission. While this saving clause might be important in case perverse findings were made by a Commission, it does not take away what is conceived to be the chief merit of the Commission, namely, its independent character in dealing with matters that should not be subject to political influence and negotiation. This discretionary power has not so far been exercised, which is not only a tribute to the character of the decisions of the Commission, but also an evidence of the plain intention of the Government to leave it untrammelled and independent. Under certain important restrictions, an appeal lies to the Supreme Court of Canada on questions of law and jurisdiction.

every department of its work it is aided by the inspection and report of its own special and independent officers, and has not to rely upon the partial testimony of interested witnesses or corporations. It is a popular, common-sense tribunal where urgent matters may be disposed of without tedious delays and more irritating appeals. Unlike the old Railway Committee, it does not bring the individual to Ottawa at large expense to fight the wealthy corporation but holds its sittings as occasion may require wherever its work is to be done, from Halifax to Victoria, inspecting personally or through its special officers the conditions complained of and thus placing the poorest citizen who has a grievance on a footing of equality with the greatest railway corporation. When a Railway Company recently applied for an order to fill up a trestle bridge under which a farmer in the Township of Ancaster had a farm and cattle passage, and to replace it by a level crossing the farmer was able to state his case at the city of Hamilton, and because the application was not in the public interest but solely to save expense to the Company, the rights of the farmer were protected and the application was refused.*

But important as these matters are, and numerous as are the instances that might be given of the beneficial exercise of these powers, I desire to refer this evening more particularly to the tremendous effect of this Commission in dealing with tolls and tariffs, *the great questions of Transportation and classification of freight and the prevention of any kind of unjust discrimination*. Next to the power of a Government to foster trade and encourage wise industrial development by prudent tariff legislation, there is no greater force in existence for the advancement and protection of the trade and commerce of this country, the preservation of individual rights and the regulation of corporate railway oppression than the Railway Commission has proved itself to be. Coming into existence less than two years ago, on the 1st day of February, 1904, it has already issued over 1500 orders, tried out over 350 cases by public hearing, and by the fairness and justice of its decisions amply justified its existence and revealed the luminous foresight of the statesmen who were its authors.

The Railway Act requires that all the tariffs and tolls proposed to be charged for all the classes of traffic carried by any Company upon its railways or in vessels shall be submitted to the Board of Commissioners, who have the fullest power of approval, alteration or variation. Every detail must be submitted. Unjust discrimination is prohibited. Where any discrimination is shown, the onus is on the railway company to prove that it is not unjust or unfair. These provisions and the powers of the Board are elaborated in great detail in the Act, both export and local or domestic traffic, long and short hauls and the technical details of

* Anderson v. T. H. & B. Ry. Co., 3 Canadian Ry. Cases, 444.

the various ramifications of the transportation business being carefully worked out, and the employment of experienced traffic men by the Commission provided for.

What has been the practical result? The result is that the manufacturer and the shipper are no longer at the mercy of the railway companies and feel a sense of security such as never existed before. I can best illustrate the great change that has been wrought by citing a few of the cases that have been dealt with and the decisions that have been rendered. And I feel that we are entitled to claim that if the powers granted have proved effective, and the interests of the people have been looked after by the Commissioners, as it was intended they should be looked after, then the credit is due to the Government which legislated to such purpose.

THE TELEPHONE CASE.

The Telephone case* was one of the earliest cases dealt with by the Railway Commission. The towns of Fort William and Port Arthur had each their separate municipal telephone systems. The Bell Telephone Company and the Canadian Pacific Railway Company had entered into an absolute agreement whereby each gave to the other reciprocal privileges, and the Canadian Pacific Railway Company agreed to give exclusive privileges to the Bell Telephone Company in all their stations and offices throughout the Dominion of Canada. The agreement therefore affected the rights of every local telephone company in the Dominion and of the general public who were dependent upon the local telephone systems. After a full hearing, the Railway Commission decided that the Fort William and Port Arthur municipal systems should be allowed access to the stations and offices of the Canadian Pacific Railway Company and the Company was directed to allow the installation of the local telephone systems at their stations subject only to such compensation as might be fair. The importance of this decision rests in the fact that previous prosecutions under the Criminal Code had failed to reach this combination between the two large corporations, but the powers of the Railway Commission without tedious litigation were found sufficient for the purpose.

THE RAILWAY JUNCTION CASE.

Take another case. It strikes one, at first blush, that the shipper or purchaser of goods must be largely at the mercy of the railway which runs nearest to him and may because of its greater proximity charge him higher freight rates, yet the manufacturer

* Re-Bell Telephone Co., &c. 3 Can. Ry. Cases, 205.

and the merchant have each redress against the arbitrary conduct of any Railway Company, through the powers of the Railway Commission. In the *Stamford Junction case** a junction was ordered between two separate lines of railway, the Niagara, St. Catharines and Toronto Railway and the Grand Trunk Railway. This was done to ensure that all reasonable and proper facilities for the handling, forwarding and interchange of traffic shall be afforded to the shipping public. Although a railway company opposed the application, the junction was ordered without its sanction and against its will because it was in the public interest and in the interest of traffic, and the ruling that was made in this case has been applied to the trunk railways of Canada in cities like London and Woodstock, and may be applied at any point in the Dominion where the public interest demands it.

THE MANUFACTURERS' CASES.

Again, let us see how the rulings of the Railway Commission have protected the Canadian manufacturer against the imposition of excessive freight rates or discrimination in rates which would have paralyzed or embarrassed important Canadian interests. There is the case of the *Sydenham Glass Co.*, of Wallaceburg,** presented in June of 1904. This Company had been shipping glass bottles in carloads from Wallaceburg to Toronto, Hamilton, Montreal and other points. After the Detroit and Lake Erie Company (afterwards acquired by the Pere Marquette Railway Company) had been constructed, and the point of interchange to the trunk railways was shifted from Chatham to St. Thomas and London, the trunk line railways established an increased freight rate (18 cents per cwt., instead of 15 cents to Toronto) while at the same time they were carrying the product of American factories at a lower rate from Detroit (13 cents per cwt. to Toronto, with a longer haul by 29 miles), and giving as effective a preference to the American goods in a Canadian market as any tariff assistance could have given. On the other hand, German bottles landed in Montreal were carried to Toronto for 13½ cents per cwt., being 4½ cents less than the rate from Wallaceburg to Toronto, though the distance was greater by 134 miles. It was contended by Mr. D. A. Gordon, M. P., the President of the Glass Company, that with the increased freight rates demanded by the railways, it could not maintain its position in the home market against United States and foreign competition. The company was already handicapped by having to import its coal from Ohio or Pennsylvania, its sand from Illinois, its soda-ash from Liverpool: all these conditions were taken into consideration by the Railway Commission and the result was that the rates were reduced and

* 3 Can. Ry. Cases, 256.

** 3 Can. Ry. Cases, 409.

made practically the same as the Detroit rate, so that an important Canadian industry was preserved and the interests of the men that it employed protected. The decision is important because it shows the powers of the Commission in proper cases to preserve Canadian industries which have a right to exist, and to effectively regulate the freight tariffs of railways, no matter what their foreign connections may be.

Many other cases of the same kind might be cited, such as *the Oiled Clothing Company's case*,* where a reduction in car-load rates was made when the rate asked for by the shipper would reasonably pay for the service and refusal to give it would injure his business. *The Almonte Knitting Company's case*** illustrates another phase of these powers. There, because the Company was thought to be at the mercy of the railway, a discriminating freight rate was levied by the railway on the coal that the Company had to use. This the Commission reduced to the same rate as charged on other products similar in character to coal. Even the individual is not without redress, as witness the case of a gentleman at Atherley Junction who successfully protested against the rate that was being charged him upon the coal that he required.

One of the most interesting cases that was decided by the Commission related to the rates charged on *cooperage stock*.† There had been large shipments of cooperage stock from Wallaceburg in the western part of Ontario to Montreal and other points, on which higher rates had been charged than were charged on common lumber. The case was evidently felt to be a test case of considerable importance, for not less than twelve persons appeared and seven different railway systems were represented upon the hearing before the Commission. It was urged that the Commission should not interfere with the right of the Railway Company to distinguish between the rates on different classes of lumber, but because it was shown that the exports of cooperage had fallen off materially since the increased rates had prevailed, it was held that the Railway Company must not interfere with Canadian trade, and the freight rate was reduced to the rate charged by the railways upon common lumber.

THE ACT PROTECTS THE INTERESTS OF THE FARMER.

The farmer's interests have not been neglected, for the rates to the seaboard on Ontario cattle for export have been reduced by the action of the Commission so as to bring them into line with the rates from Chicago and other United States shipping points. The Farmers' Association made out a strong case before the Com-

* 3 Can. Ry. Cases, 417.

** 3 Can. Ry. Cases, 441.

† The Cooperage Stock Rates Case, 3 Can. Ry. Cases, 421.

mission. It was shown that the Grand Trunk Railway Company charged a rate on cattle shipped from Port Huron to the seaboard of 22 cents per hundred pounds, but just so soon as the line was crossed and Sarnia was reached the rate was jumped up to 25 cents. The farmers in Bruce and Grey and other counties, off the main line of railway, were still worse off, for they were charged 27 cents per cwt. on cattle shipped to the seaboard, while from Toronto the rate was 25 cents, or 3 cents higher than it was from Port Huron. Surely the Government that brought redress from such impositions, by the appointment of a Commission, is entitled to the gratitude of every farmer in Western Ontario.

Equally important is the reduction that the decisions of the Commission have effected by its rulings affecting the rates on grain. The long-standing discrepancies between the rates on products of the mills of Ontario and the mills of the Western States were adjusted. It is hardly conceivable that throughout Western Ontario the railway companies were charging higher rates on grain than on its milled products. Yet this was the fact. Chopped oats were charged a higher rate than was charged on oats. Beans were classified as vegetables and paid not only a higher rate than grain products but a higher rate than was charged on grain itself. But owing to the representations of the farmers' representatives, despite the opposition of the railways, these anomalies were abolished when the Commission reduced the rates on grain to the same level as the rates upon the milled products.

A most instructive case in this connection was the *Pea Millers' case*.* There were many instances of the converse proposition, but in this case the Railway Companies were charging higher freight rates on split peas for export shipment than for local shipment and higher than the rate on flour and rolled oats. There had been a fair rate in existence, but it was raised by the Grand Trunk Railway Company because of the pressure of United States railways. When it was established that the increased rate was causing the loss of the British market to the Canadian shipper, the Commission ordered that the rate should be reinstated upon the same basis as upon flour for export.

It is gratifying to know that the practical effect of these decisions is recognized by the farmers and to have the expressed appreciation of independent journals like the *Weekly Sun* on behalf of the farming community. While speaking of the value of organization in the presentation of the farmers' case, the *Sun* added: "The value of the Commission itself for the purpose for which it was created has been demonstrated with equal clearness. The old Railway Committee of the Privy Council, which the Commission has supplanted, could not have dealt with the grievances presented as they are being dealt with by the new body. The

* 3 Can. Ry. Cases, 433.

Railway Committee consisted of members of the Government of the day, men with a thousand political and other duties to attend to, and who would have found it absolutely impossible to have spared time for the threshing out of the freight rate as it has been threshed out in Toronto".*

THE LUMBER INTERESTS CONSIDERED.

One of the most instructive and interesting decisions that has been given by the Railway Commission related to what is known as the *Cedar Lumber case*.† A gentleman, named Mr. F.A. Scobell, made an appeal to the Railway Commission and subsequently appeared in person without legal assistance to state his case. He was the owner of land near the line of the Kingston and Pembroke Railway on which he had valuable cedar. This Railway afforded him the only means of shipping the wood and obtaining a return from what would otherwise be valueless. But the Railway Company wanted to get his cedar for their own use at their own price. Believing that they had the matter in their own hands they proceeded to charge him more than double the rate on cedar poles as compared with other poles and no rates or prohibitory rates on cedar ties. Mr. Scobell personally presented his case and his appeal to the Commission was opposed by the Railway Company and its legal advisers. But when it appeared that the Railway was obstructing instead of encouraging business — was retarding shipment, and was restraining the output of cedar that the Railway's future needs might be supplied — the Commission made a summary order that the Railway Company in question should charge the same rate on all classes of lumber, and the rate on cedar was fixed at the rate on common lumber. The immense importance of this decision rests in the fact that it shows the discretionary power of the Commission, practically without appeal, of determining what tolls for the carriage of merchandise are just and reasonable and free from discrimination. But the ball that Mr. Scobell had set in motion did not cease to roll when his particular case had been dealt with. It was apparent to the Commission that an evil had been disclosed that affected every owner of cedar throughout the Dominion. A man might be in poverty because of the action of the Railway Company and yet have the cedar that would make him rich. So a general order was passed applying to all railways in the Dominion of Canada the ruling that had just been applied to the particular Railway whose action had brought the facts into prominence. If I cited no other case decided by the Railway Commission except this, it is sufficient to show the popular character and effect of the legislative policy of the Government in dealing with corporate railway powers.

**Weekly Sun*, issue of June 29, 1904.

† The Cedar Lumber Products Case, 3 Can. Ry. Cases, 402.

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AN EFFECTIVE POWER FOR SETTLEMENT.

*The Fruit Growers' Case** presents another aspect of the power of the Railway Commission. It is not always necessary that the whole of the facts should be tried out. When the growers of fruit complained of the cost of the transportation of fruit commodities, after argument had been heard, the Railway Company interested came to an agreement with them giving a substantial reduction in the cost of transportation by a more favorable classification of fruit products and a direct lowering of freight rates. Now that the powers of the Railway Commission are becoming better understood, it is a noteworthy fact that only a small proportion of the cases in which applications are made ever come to a hearing, because settlements are constantly effected and adjustments made without its intervention. When the Railway Commission went on its first trip west to Winnipeg the length of the list of applications that had been inscribed was appalling, but the actual work of the Commission only took a few days. Most of the complaints against the rates that had theretofore been charged by the Railways in Manitoba were adjusted about the time the Commission reached Winnipeg, a most practical testimony to the effectiveness of the remedies that had been provided. Although at the present time applications are pouring in at the rate of 35 per day, it is safe to say that not one-quarter of these will be tried for this very reason.

THE MILLING INTERESTS CONSIDERED.

The latest important case, not yet reported, was the decision in *the Dominion Millers' case*. Quite late in the fall of 1905, complaint was made to the Board that a certain Railway Company was not providing sufficient cars and equipment to receive and carry without delay the grain from Depot Harbor to local points in Ontario. It was represented that the preference was given to United States vessels with cargoes destined for through points. Canadian vessels were allowed to lie at the docks unloaded, thus possibly losing an extra trip, a matter of great importance at that season of navigation. The chief traffic officer was instructed and authorized to hold an investigation into the whole question of discrimination, allotment of cars, or preference in regard to traffic in grain or flour. When the *interim* report of the chief traffic officer showed that preference had been given by the Railway Company to grain for export shipment arriving in United States bottoms, against the Canadian milling industry, and that there had been discrimination in the allotment of freight cars, the Board made a temporary order, before the close of the season of navigation, directing the Grand Trunk Railway (the railway

* Ont. Fruit Growers' Assn. v. C. P. Ry. Co., 3 Can. Ry. Cases, 430.

complained against) in the case of shortage of cars at one of its lake ports in Ontario to apportion the available cars amongst shipping orders filed for more than one day in the order of filing until one car shall have been allotted to each order, the remaining cars, if any, to be proportioned *pro rata* amongst the remaining orders so on file for more than one day and not then filled. This order became effective before the close of navigation and was of the utmost importance to eastern Canadian millers.

I trust I may be pardoned for referring at such length to so many decisions, for it is only by bringing them together that we see the importance and wide effect of the powers of the Railway Commission. It is well that we should be able to give a reason for the political faith that is in us, and I know of no stronger argument in favor of the Liberal Government and no piece of legislation that has ever been placed upon the statute books of the Dominion of greater importance and more lasting advantage than the Railway Act of 1903, which created this important tribunal.

OUR LABOR POLICY.

Another most striking and popular feature of the Liberal policy has been the attitude of the Liberal Government towards the working classes. This bears directly upon popular rights and the powers of the Corporations. There was no clamor or outcry for the institution of a Labor Bureau, when in 1900 the Government acted upon its own initiative and established the Department of Labor, of which Sir William Mulock was the first Minister. True, a Commission appointed by a Conservative Government in 1886 had taken three years to report that a Bureau of Labor was needed. But that Government ignored the report; it was no part of its policy to curtail the powers of the corporate interests that controlled it. It was even thought that no Government would be bold enough to grapple with the question. Sir William Mulock, to his lasting credit be it said, appointed a Special Commissioner, Mr. W. L. McKenzie King, who is now the Deputy Minister of Labor and a foremost authority on social and labor questions on this continent, whose report showed that even in Government contracts the sweating system in its worst form had existed for years under Conservative rule. You all know how that report brought about the abolition of the sweating system and the introduction of a fair-wage policy. To-day every man who is engaged under a Government contract, whether it be in making the clothing for a postman or upon a great public work in our harbors or canals or public buildings, is entitled to a fair day's pay for a fair day's labor, and is protected by the terms of the Government's contracts.

As a logical sequence, the establishment of the Department of Labor followed, so that to-day we have a permanent power

dealing, as occasion arises, with the differences between corporation and employee and the many labor problems that are of vital importance to the community at large. Month by month the *Labor Gazette* is issued, and for three cents a month, or twenty-five cents a year, the working man has a publication of over one hundred pages which informs him of all the current phases of labor matters. He may read there the reports of correspondents from the working classes in every section of the Dominion, giving him the fullest information regarding the condition of the labor market in the chief centres in every province; the current hours of labor, the rates of wages and the demands for labor in every trade and occupation; the contracts that are being let, the great works that are being undertaken and the expenditures that are to be made; the immigration returns, the trade disputes, industrial accidents of the month and the legal decisions affecting the status of the working classes. In short he is furnished by the Government and practically at the Government's expense with the fullest information to put him upon a footing of comparative equality of knowledge with the corporation and the employer whose wealth enables them to command the information which, but for the action of the Government, would not be available to the working man. Surely this is not a small matter.

But the practical character of the Government's policy does not rest here. All the machinery of the Department of Labor is ready to adjust differences or disputes as they may arise, and they are dealt with and adjusted, as instance after instance shows. The Conciliation Act provides for the appointment of a Conciliator to effect a settlement of industrial disputes. This Act has proved a most effective instrument and the wise intervention of the Department has effected a settlement of disputes involving tens of thousands of employees. Look at the strike of the Valleyfield Cotton Mill workers in 1900. There through the intervention of the Department a settlement was made where 3,000 employees were involved, at a time when the corporation had appealed for military protection. So with the strike of the longshore men involving 1,200 employees at Halifax in 1902; the strike of the steel workers involving over 1,200 workers at Sidney in 1904, and numerous other cases in which it was the wise conciliatory measures of the Department of Labor that adjusted the acute differences which existed, without the bloodshed, violence and riots which have become too common a feature in connection with the large strikes in the neighboring Republic.

Equally notable has been the important work done by the Commissions that have been appointed in the last few years. In 1903 a Labor Commission was appointed to investigate the nature and the causes of the industrial troubles that existed in British Columbia, particularly amongst the miners. The report of this

Commission was of immense value in adjusting existing differences and anticipating causes of future trouble.

When the Government had launched its great Transcontinental Railway policy and the Grand Trunk Pacific Railway Company came into existence, there was no attempt to shield this corporation that had been created by the Government, but, on the contrary, a Commission was granted which investigated and reported upon the employment of aliens by the Railway Company and protected the rights of Canadian citizens. Similarly the fraudulent practices that had obtained in the employment agencies of Montreal were investigated and corrected so as to remedy the evils that had come into existence in the bringing of Italian laborers into Canada to compete with Canadian labor. These are practical measures that have an important bearing upon the general policy of the Government to which I am especially referring this evening.

THE IRON AND STEEL INDUSTRIES.

I can to-night only very briefly refer to some other acts of the Government which, though sometimes referred to as if they were part of a Corporation policy, are really in the interest of the people and the development of the resources of the Dominion. Take the case of the bounties to the manufacturers of Iron and Steel created by the Act of 1897. Under this Act payment was authorized of bounties on steel ingots, iron bars and pig iron made in Canada amounting in effect to \$3.00 per ton on what was produced from Canadian ore.

These bounties were granted as temporary expedients to enable important industries to be established, and are entirely in accordance with sound Liberal doctrine. They in no sense resemble the high protective policy of our neighbors to the south. Yet they are spoken of by our opponents as if they afforded evidence of the Corporation policy of the Government. On the contrary, a blow was aimed at an enormous trust that was being formed in the United States and threatened to control the whole iron industry of Canada. We all know how the United States Steel Corporation controls the iron and steel industries across the border. If our iron mines in Canada are developed to-day and Canadian workmen find profitable employment at Sydney, in Nova Scotia, and at Sault Ste. Marie, in Ontario, we owe it to the foresight of a Liberal Government. If both these great industries have passed through troublous times, it was not the fault of the Government. But even unwise capitalization and too great expansion have in good time been rectified. To-day our Canadian railways are buying their rails in Canada, and even from Boston are coming orders for rails that are required because of their better wearing quality, despite high tariff walls and United States corporate combination.

RAILWAY POLICY.

Then we are told that enormous railway corporations have been encouraged. Individuals do not build railways. Corporations cannot do so in comparatively young countries like Canada, unless they have Government aid. When a railway develops a new stretch of country, no matter how highly subsidized it may be, it may look for many lean years. But when a new railway opens up new and fruitful areas for the tiller of the soil, and at the same time relieves a large population from the onerous burdens that corporate monopoly have placed upon it, the Government that brings it into existence may well claim to be the friend of the people and not of the corporation. Judge by this test the Canadian Northern Railway. The people of Manitoba may be called as witnesses. And in a greater degree the National Transcontinental Railway will justify the far-sightedness and patriotic spirit of our great leader, Sir Wilfrid Laurier, who is himself erecting a popular and lasting monument which the people of Canada may look upon while he is still with us, guiding the destinies and protecting the rights of the people whose interest and welfare are his first, most constant and most sincere consideration.

THE TELEPHONE COMMITTEE.

There are other matters to which I have only time to very briefly refer. One is the Telephone question. We hear from time to time from the advocates of public ownership with reference to the nationalization of great franchises. The first step that must be taken by any Government is to institute an enquiry into the conditions that exist and bring together all the information that may enable such a subject to be fairly and fully dealt with. The appointment of the Telephone Committee during the Session of 1905 is the first practical step that has ever been taken by any Government in Canada that may result in a National Telegraph and Telephone system. Whether the evidence brought forward before that Committee, which will no doubt resume its sittings during the coming Session, shall result in the adoption of any large scheme for Government ownership or not, the work of that Committee in bringing out all the facts is a matter of the utmost importance so far as the whole question of independent telephone service is concerned, and instead of being blamed because it is not going further and faster the Government should receive credit for the first move that has ever been made in this important direction.

THE TARIFF COMMISSION.

Another matter in regard to which the Government is intitled to credit is for the way in which it has treated the revision of the tariff during the past year. There have been no Star

Chamber sittings or Red Parlor conclaves, such as were customary under Conservative administrations, to determine the policy that should be adopted. On the contrary, the leading Ministers of the departments most vitally concerned with tariff issues have gone throughout the length and breadth of the Dominion, hearing in public the representations that were made, not merely by the manufacturers, but also by those who represented every kind of interest in the Dominion. Every one who observed the Minister of Finance at Toronto presiding over the sittings of the Tariff Commission here must have been struck with the keen intelligence, accurate information and patient consideration which was brought to bear upon every case that was presented. Not merely in the appointment of the Commission, but in the manner in which it conducted its business, the people had evidence of its popular and democratic character, and may look forward with confidence to a tariff revision that will consider the interests of the people and not merely the desires of any corporate class.

And yet, with this splendid record, I was surprised to notice during the recent campaign in North York that the chief plank in the platform of Hon. Mr. Aylesworth's opponent was one of "public ownership and public rights against the encroachment of large corporations." It was thought by the use of broad general terms that some would be caught, but the farmers of North York gave such a cheap cry a decisive answer. These general terms mean nothing. I was reminded of the story of a Kentucky legislator who came to a friend of his who was a lawyer and asked him to draw up a "dog law" for him, as he wanted to introduce a bill in the House. The lawyer said, "Well, what kind of a dog law do you want?" to which the intelligent legislator replied, "Oh, a good, broad, safe, democratic dog law, one that will please my constituents and won't interfere with the rights of the dogs." There is a good deal of this shot-gun character in the "policies" that are often advanced by our opponents. We may safely commend to the people a party that has had a specific policy in the past on these important matters as it will continue to have in the future.

I congratulate the Club upon the renewed interest that is being taken in its meetings. We need no policy of "ward politics" such as our Conservative friends have adopted in Toronto. What the Liberal party wants is an educational campaign, for if the people only rightly understand what has been done and is being done by the Liberal Government we need have no fear of the result. In this work the young men of the country have an important part to bear. As "reading maketh a full man," so you cannot intelligently discuss with others the important political questions of the day unless you are yourself well informed. It is in the opportunities that are given by just such Clubs as this for the discussion of these important questions and the informing of members that your greatest usefulness lies.

