

**CIHM
Microfiche
Series
(Monographs)**

**ICMH
Collection de
microfiches
(monographies)**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques

© 1995

Technical and Bibliographic Notes / Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- Coloured covers/
Couverture de couleur
- Covers damaged/
Couverture endommagée
- Covers restored and/or laminated/
Couverture restaurée et/ou pelliculée
- Cover title missing/
Le titre de couverture manque
- Coloured maps/
Cartes géographiques en couleur
- Coloured ink (i.e. other than blue or black)/
Encre de couleur (i.e. autre que bleue ou noire)
- Coloured plates and/or illustrations/
Planches et/ou illustrations en couleur
- Bound with other material/
Relié avec d'autres documents
- Tight binding may cause shadows or distortion
along interior margin/
La reliure serrée peut causer de l'ombre ou de la
distorsion le long de la marge intérieure
- Blank leaves added during restoration may appear
within the text. Whenever possible, these have
been omitted from filming/
Il se peut que certaines pages blanches ajoutées
lors d'une restauration apparaissent dans le texte,
mais, lorsque cela était possible, ces pages n'ont
pas été filmées.

- Coloured pages/
Pages de couleur
- Pages damaged/
Pages endommagées
- Pages restored and/or laminated/
Pages restaurées et/ou pelliculées
- Pages discoloured, stained or foxed/
Pages décolorées, tachetées ou piquées
- Pages detached/
Pages détachées
- Showthrough/
Transparence
- Quality of print varies/
Qualité inégale de l'impression
- Continuous pagination/
Pagination continue
- Includes 'nd/x(es)/
Comprend un (des) index

Title on header taken from: /
Le titre de l'en-tête provient:

- Title page of issue/
Page de titre de la livraison
- Caption of issue/
Titre de départ de la livraison
- Masthead/
Générique (périodiques) de la livraison

Additional comments: /
Commentaires supplémentaires:

This item is filmed at the reduction ratio checked below/
Ce document est filmé au taux de réduction indiqué ci-dessous.

10x	12x	14x	16x	18x	20x	22x	24x	26x	28x	30x	32x
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						

The copy filmed here has been reproduced thanks to the generosity of:

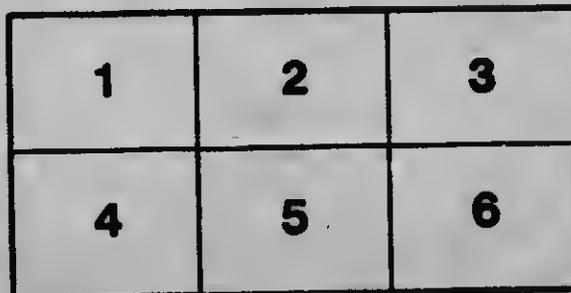
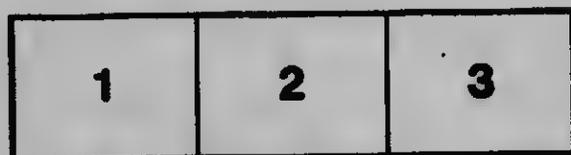
Université de Montréal

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagram illustrates the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

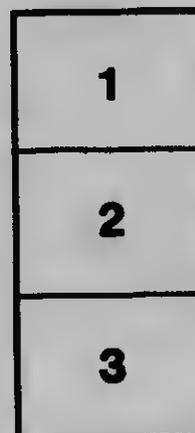
Université de Montréal

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaître sur la dernière image de chaque microfiche, selon le cas: le symbole \rightarrow signifie "A SUIVRE", le symbole ∇ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.



MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



1.45

1.56

1.68

1.81

1.92

2.05

2.18

2.32

2.46

2.60

2.75

2.90

3.05

3.20

3.35

3.50

3.65

3.80

3.95

4.10

4.25

4.40

4.55



APPLIED IMAGE Inc

1653 East Main Street
Rochester, New York 14609 USA
(716) 482-0300 - Phone
(716) 298-5989 - Fax



HAND BOOK

ON

CANADIAN POLITICS

shewing the

Splendid Record

of the

Liberal Government.

1896 to 1908.

**On the last page of this book
will be found a summary and
index of the contents of the
book.**

INTRODUCTORY.

The purpose of this book is to set forth as clearly as possible the record of the Liberal Government since 1896 and to show what it has done for the nation.

The record is a magnificent story of progressive, enlightened and courageous statesmanship, of wise and prudent administration, and of careful and judicious financial management. It is a story which ought to stir the blood, stimulate the pride and fire the imagination of every good Liberal. No government in any civilized country in the world ever had a finer record of achievement to place before the people. They have been doing things all the time.

The Liberal who will not take his coat off and fight with vim and enthusiasm until the last vote is polled at the next election is not worthy of the name.

To fairly and properly appreciate what has been done, it is necessary to consider the conditions that prevailed when the Liberals took office in 1896. It is no exaggeration to state that the country was then practically at a standstill; business was and had been for years stagnant; manufacturers were discouraged; farmers were dissatisfied. THE NATIONAL POLICY HAD NOT MADE US RICH. The Conservative Government had brought disgrace upon the country by fighting like "pot boys" among themselves. They had, moreover, stopped doing things. Scandal after scandal were brought to light. The Public Debt was being largely added to every year, notwithstanding that the burden of taxation was very high. The country was almost rent asunder by tyrannical handling of a delicate school question in the West.

RECORDS OF PROGRESS AND PROSPERITY UNDER LIBERAL RULE.

	1896	1908
Total Foreign Trade.....	\$239,025,360	\$650,738,200
Total Imports.....	118,011,508	370,731,594
Total Exports.....	121,013,852	280,006,606
Total Trade of Canada with Great Britain.....	95,542,446	220,556,507
Exports of Canadian Produce to Great Britain..	62,717,941	126,194,124
Exports, produce of the farms of Canada, to all Countries.....	50,591,002	121,171,199
Exports, produce of the Mine.....	8,059,650	39,177,133
" the Forest.....	27,175,686	44,170,470
" the Fisheries.....	11,077,765	13,867,368
" Manufactures.....	9,365,384	28,507,124
Railway Traffic, tons carried.....	24,266,825	63,866,183*
Railway Mileage.....	16,270	22,452
Discounts in Banks at 30th June.....	224,507,301	584,732,914
Deposits in Chartered and Savings Banks.....	245,029,143	650,126,232
Capital of Banks.....	61,701,007	96,057,255
Assets of Banks.....	320,937,643	945,685,708*
Net Life Insurance in force.....	327,800,499	689,324,506*
Public Debt per capita.....	\$50.82	\$40.50

(*) Figures are for 1907—the last available.

ANOTHER RECORD OF PROGRESS.

	12 years from 1885 to 1896, under Con- servative Rule.	12 years from 1897 to 1908, under Liberal Rule.
Total Foreign Trade.....	\$2,626,221,618	\$5,152,259,709
Total Exports.....	1,223,269,429	2,445,580,746
Exports, Farm Produce.....	531,512,525	1,106,237,882
" the Mine.....	62,646,897	336,488,492
" the Fisheries.....	86,153,089	141,027,256
" the Forest.....	283,379,991	396,769,109
" Manufactures.....	69,281,235	214,443,075
" Bacon and Hams.....	18,827,928	135,156,311
" Butter.....	10,513,348	51,680,095
" Cheese.....	127,611,428	247,790,332
" Wheat.....	45,338,791	212,677,659

PROGRESS OF MANUFACTURING INDUSTRIES.

According to Statistics published by the Census and Statistics Department of the Government in 1907, based upon the Census taken early in 1901, and an intercensal enquiry made in 1906, it would appear that astonishingly great progress has been made in manufacturing in Canada. The record is as follows:

	1900	1905
Capital invested in manufacturing establishments.....	\$446,916,487	\$833,916,155
Wages paid to labour in factories.....	113,249,350	162,155,578
Value of products of factories.....	481,053,375	706,446,578

According to the Census taken early in 1901, the population of the North West Provinces, Manitoba, Saskatchewan, Alberta, amounted to.....

419,512

By a special Census taken in 1906, it appeared that such population had increased to.....

808,863

The number of Farms in the said North West Provinces in 1900 were.....

54,625

and in 1906.....

120,439

The Immigrants that came into the country between the 1st January, 1897, and the 31st March, 1908, numbered 1,219,943.

During the last 12 years of Conservative rule, the Homestead Entries made in the West only amounted to 36,926. Compare this with 233,064 for the 12 years the Liberals have been in power.

The Tariff Policy of the Government.

THE TWO TRADE POLICIES COMPARED.

SPLENDID RESULTS FROM THE LIBERAL POLICY.

We propose in this chapter to review the business policy of the Liberal Government, to compare it with the results of past Conservative Policy, and to discuss the present attitude of the two great political parties on the trade question.

THE HISTORY OF FISCAL LEGISLATION.

We will go back to 1879, when what was known as the National Policy, introduced by the Government of Sir John MacDonal, became law. As most people know, that policy had for its chief object the protection of native manufacturing industries. Protection was declared to be necessary to enable infant manufacturing concerns to secure a sure footing. The promoters of the policy heralded it with a great flourish of trumpets. It was to make Canada a great manufacturing nation; it would develop a large home market, which would greatly benefit the farmer; the land was to be dotted with the tall chimneys of busy factories; immigration would be attracted, and the great North West would be rapidly peopled. Business men were advised to "clap on all sail," and take no heed for to-morrow, for that was assured.

WHAT WERE THE RESULTS?

For a few years all went well. Business prospered and considerable activity was manifested in manufacturing circles. Men with money, tempted by the bait of large profits to accrue from the policy of stiff protection, invested freely in manufacturing concerns. A return of general good times all over the world helped the policy along, and all the indications seemed to point towards the fulfilment of the promises held out to the people. But unfortunately for Canada the policy did not wear well. After the first four or five years there came a lull, and to a certain extent, a re-action was witnessed. The promise of a greatly enlarged home market was not realized, but the bait of large profits from manufacturing had been too tempting, and as a result too many factories in certain lines had been established. Over production followed, internal competition became very keen, and institutions unable to stand the strain went to the wall. IT WAS A CASE OF BEING PROTECTED TO DEATH. From then down to 1896, the country made some progress,—good progress the champions of the National Policy called it—but compared with the recent past, it was very slow, and certainly not in anything like the proportions the great natural resources of the country warranted.

The manufacturers themselves, who were supposed to be the parties who would benefit most by the policy, while fairly well employed, did not seem to make the progress that had been anticipated. They were practically confined to the home market which had not enlarged appreciably, or to the extent for which preparations had in some cases been made.

As time went on the dimmer grew the hope that there would be a complete realization of the promises made for the National Policy. In the middle nineties the Conservatives themselves became alarmed, and made an attempt to lop off what they termed "mouldering branches" on the ultra protectionist tree.

They had, to a great extent, lost faith in their policy. The facts were against them. Driven about in the storm of public opinion with their anchor dragging, they finally hacked at their main mast "High Protection" in the effort to save themselves, rather than go down to defeat sticking to their principles. The evidence of this, as many manufacturers know, is to be found in the Tariff of 1894, as compared with the previous one.

The conditions prevailing in the country then could scarcely have been much worse. Business was in a stagnant state. The spirit of enterprise was notably lacking. Our population was dwindling, there being a steady exodus to the United States. Deficits were recorded with frequency in the annual national accounts.

THE FAILURE OF THE NATIONAL POLICY.

THE NATIONAL POLICY HAD CERTAINLY NOT MADE US RICH. We made progress during its lifetime, as we have said—the great natural wealth of the country being bound to make itself felt, even under the most disadvantageous circumstances—but the progress was not what it should have been in this young and inherently wealthy country—and compared with the recent past it was snail-like indeed.

THE LIBERAL POLICY OF A REVENUE TARIFF.

The Liberals came into power in June, 1896, with a declared policy, to substitute for the Conservative Tariff a sound fiscal policy, which, while not doing injustice to any class, would promote domestic and foreign trade and hasten the return of prosperity to our people. They had also declared that the Tariff should be reduced to the needs of honest, economical, and efficient Government, that it should be so adjusted as to make free or bear as lightly as possible upon the necessaries of life, and should be so arranged as to promote freer trade with the whole world, particularly with Great Britain and the United States.

After an exhaustive enquiry by a committee of the Government, a new Tariff was introduced which

(1) Materially reduced duties on many necessities and staple commodities used by consumers generally.

(2) Placed on the Free List certain articles of prime necessity to the farmer, the miner, the fisherman, and the manufacturer.

(3) Reduced duties on iron and steel, which form the staple raw material of many industries; duties on other raw materials were also lowered.

(4) Simplified the classification of articles for duty purposes, and thereby ensured more uniform administration.

(5) And last, but not by any means least, gave a substantial preference to the products and manufactures of Great Britain over the rest of the world.

As most fair minded people recognize, the Government in 1897 made an earnest and honest effort to solve the Tariff problem, and give the people a law which aimed at equality of treatment, which endeavored to reconcile conflicting interests, as far as possible without doing injustice to any class, and which further, had for its object the promotion of the general welfare. No class or interest was singled out for undue favor. The Government recognized to the full that the varied producing interests of Canada necessitated and DEMANDED A FISCAL POLICY FRAMED, AS FAR AS PRACTICABLE, IN A SPIRIT OF MODERATION, and so adapted as to distribute the burdens of taxation, as well as the benefits arising therefrom, as equally as possible.

Look at our position for a moment: we have five great sources of national wealth, namely, the farm, the forest, the fisheries, the mines, and our manufacturing industries. We keep national house on the income derived from them. Now it will be apparent that the interests and needs of these various producing branches are not identical. They conflict in some instances very strongly. The farmer, for instance, has to pay higher prices for his articles of necessity and comfort by reason of Customs duties being imposed thereon—whereas, on the other hand, the prices of his principal products are largely determined in the markets of the world. So far as the selling value of his principal products are concerned, a Customs Tariff cannot assist him. The miner, too, could buy most of his supplies and machinery cheaper if they were free from duty. Then, again, look at the case of the fisherman. They are chiefly located in the Provinces forming the extreme boundaries of the Dominion, and by reason of distance from our centres of population, are unable to supply the markets there, and consequently are obliged to export the hulk of their catch to foreign markets easier to reach, but where they have to encounter stiff competition. The lumberman, too, is affected by the Tariff on his commodities.

Now we want to conserve and develop all our income producing interests, manufacturing, farming, mining, fishing, and lumbering. We require them all—none can be spared. We submit, therefore, again, that the true fiscal policy for Canada is one of reasonable moderation, and where assistance or protection by means of a Tariff be necessary to any interest, the measure of such State aid should be carefully considered, if in its nature there is a tendency to diminish the productiveness of any of our other sources of national income, by decreasing the purchasing power of the producers. The aim should be to promote the utmost development in all industrial pursuits, particularly such as the country is most naturally adapted for, and provide for the people generally the maximum amount of profitable labor.

MANUFACTURING AND THE TARIFF.

Manufacturing interests always hulk largely in Tariff discussions, and deservedly so, but though they are of immense benefit to the country, they are not more so than the agricultural industries. Indeed, if we take the population engaged, and the capital invested in farming and ranching, these industries bulk greater in the national wealth. No one wants to hurt the manufacturers, on the contrary, there is a general desire, irrespective of politics, to see them prosper. Everybody recognizes that manufacturing institutions (of a varied character, too) are necessary to build up a great nation, and acknowledges that it would be undesirable to continue our attention to purely pastoral pursuits. Most people admit, too, that a certain measure of State assistance to manufacturing is necessary. The question is largely one of degree.

Liberals claim that it is equally important to make the farm enticing and to encourage manufacturing; and in making the farm enticing you help manufacturing in the best possible way. One of the greatest handicaps the Canadian manufacturer labors under is the smallness of the home market. How better can you enlarge that market than by populating the hitherto unsettled farming and ranching districts; and how better can you do that than by making farming and ranching life as enticing in a financial sense as possible?

We confidently submit that compared with the National Policy, the Liberal Tariff is an immense improvement, that it is based on better and truer principles, and that experience has proved it to be the best Tariff that Canada has ever had.

A DISTINCTION BETWEEN THE TWO POLICIES.

At this stage we wish to point out one very important distinction between the policies of the two great parties. It is this: when the Conservatives were in power they considered the Tariff to be almost everything. They introduced the National Policy, blundered through the construction of the C. P. Ry., and then fell asleep, waking at intervals only to quarrel among themselves in true Tory fashion.

The Liberals, on the other hand, have backed up and supported their scientific Tariff policy with a sound, vigorous and progressive business policy. They realized that the farmer could not be benefited much, if any, by protective duties on his products, but they also saw that they could benefit him by cheapening the cost of transportation, and they devoted their best energies towards improving and enlarging transportation facilities all over the country. A most vigorous policy in this respect was pursued with first-class results. They saw, too, that the manufacturer could be greatly benefited by enlarging his home market, and they instituted a vigorous immigration policy which has been marvellously successful.

Cold storage facilities of an excellent character were provided for the products of the farm and orchard, also for bait for the fishermen of the Maritime Provinces. Postage rates were substantially reduced, and many reforms in the Post Office Department were instituted. Combinations in restraint of trade were checked. The country's credit was bettered. Postal rates were reduced. Agriculture was aided. The great North West was developed. The country was made favorably known throughout the world. The Canal system was rushed to completion. Crow's Nest Pass Railway was built. The Intercolonial Railway was extended to Montreal and modernly equipped. Ocean ports, harbors and rivers were vastly improved. CONSTRUCTION of a National Transcontinental Railway WAS ENTERED UPON. Colonization and other railways were assisted all over the country by subsidies and guarantee of bonds. Canal tolls and steamboat dues were abolished. Railways, Telegraphs and Telephones were placed under the complete regulation and control of a Railway Commission. Labor strikes were averted. Commercial agencies were appointed in a great many countries. The resources of the country were splendidly exhibited at every exposition held throughout the world.

To carry out their plans the Government needed large revenues—the Tariff was designed to produce them, and it has achieved its object. The increased moneys have been freely but wisely expended, and the Government were enabled thereby to assist the producing interests of the country by providing necessary public works, railways, etc., and in many other useful ways. It is undoubtedly true that the prosperity of recent years has to a considerable extent been brought about by the action of the Government in these respects. When the Conservatives were in office they defrayed the cost of public works by adding to the public debt.

Under the promised Tory Trade Policy of complete exclusion, large revenues would not be obtainable, and consequently, if great public works were to be carried on, we would have to go into debt again to pay for them.

THE STRIKING FEATURES OF THE GOVERNMENT'S TRADE POLICY.

Perhaps the most striking features of the Government's Trade Policy have been its progressiveness, originality and adaptability. Sir Wilfrid Laurier and his colleagues are imbued with the progressive spirit of the age, and they have

adapted their policy from time to time to meet the changes in circumstances and conditions. They have boldly faced new conditions, and dealt with them not theoretically, but in a careful, practical, business-like way. They have, moreover, cut out new paths in fiscal legislation for themselves.

PREFERENTIAL TARIFF.

First, they promulgated the policy of giving a preference to the manufactured products of the Mother Country and her colonies over all other countries in the world. This was admittedly a splendid stroke of business, which has redounded to the great advantage of Canada.

Not only did it benefit Great Britain—our best customer for our agricultural and other natural products—but it directly and indirectly helped the Canadian consumer. The Conservatives talked and theorized for years on the subject of Preferential Trade, but never got within a hundred miles of the firing line. The Liberals acted promptly, wisely and well. In this great question Canada has led the way to the Empire.

THE SURTAX.

The next important and radical step taken by the Government was the imposition of a Surtax, in addition to the ordinary Customs Duty, upon the products of Germany. That country had attempted to intimidate us by classing our products under their maximum or penalty Tariff, because, forsooth, we had given a preference in trade to our Motherland. Such a position was, of course, absurd for a country like Germany to take, but notwithstanding the protests of our Government, they maintained it. Every possible effort was made by the Government to get the Germans to take a more reasonable view, but without avail, so retaliation was resorted to, a stiff Surtax of one-third the ordinary Customs duty being imposed. Here again the Government scored a triumph, not only for Canada, but for the whole British Empire. It was an excellent Canadian Roland for the German Oliver. The trade of Germany with us has fallen off 50 per cent. since the Surtax was imposed. The German attitude was an attempt to thwart the movement for Preferential Trade relations within the British Empire, which, if submitted to, would perhaps have been the death blow to the movement.

THE ANTI-DUMPING LAW.

At a recent session of Parliament a still more important and striking departure in fiscal legislation was made. We refer to the adoption of what is popularly known as the "anti-dumping law." Here again the Government had to face changed conditions, requiring bold and drastic treatment. Under this law Canadian manufacturers are effectually protected against the slaughtering of manufactured goods in Canada in unfair competition with them.

TRUSTS AND COMBINATIONS.

The attitude of the Government as regards trusts and combinations in restraint of trade is also worthy of attention. In their Tariff of 1887, as will be remembered, they took the power to punish trusts and combinations that "unduly enhance the price of any article or that by any other method unduly promotes the advantage of the manufacturers or dealers at the expense of the consumers." The method of punishment or retaliation adopted was the reduction of the duty on the article in question. In 1902, it was established by Royal Commission that a combine existed in the paper-making trade of the country, under the operations of which, prices were unduly enhanced, and the Government accordingly reduced the duty on Printing Paper from 25 to 15 per cent.

A law was also passed restraining the monopolistic practices in Canada of the American Tobacco Company.

TARIFF REVISION 1907.

The Tariff was changed from time to time after the first revision in 1897, and a complete revision took place again in 1906. In these changes the Government kept steadily in view the one object, to deal fairly by the whole people, and not favor unduly any particular section.

PREFERENCE EXTENDED TO BRITISH COLONIES.

The Preferential Tariff was extended to most of the British Colonies, and in return Canada secured a Preference in the markets of New Zealand, South Africa, and Barbados.

As a result of the Preference in New Zealand, the Canneries of British Columbia captured almost the entire trade of that country, and shut the canneries of the United States out.

TREATY WITH JAPAN.

By a Treaty entered into with Japan the Canadian products in that country are guaranteed Most Favoured Nation Treatment, that is to say, are placed under the Minimum Tariff of Japan. This will undoubtedly prove of great advantage to Canadian manufacturers and producers and particularly to those located in British Columbia.

CANADA LED THE WAY TO THE EMPIRE.

The example of Canada in establishing the Preferential Tariff has been followed by nearly all the British Colonies.

CANADA NOW PRACTICALLY MAKES HER OWN TREATIES.

Recently the Hon. W. S. Fielding, Minister of Finance, and the Hon. L. P. Brodeur, Minister of Marine and Fisheries, acting for Canada by virtue of pleni-potentiary powers given to them by the British Government, concluded a trade Treaty with France, which has been approved by the Parliament of Canada, and now only awaits the approval of the French Parliament to bring about its ratification.

If this Treaty be ratified, as is confidently hoped, it will be found to be of great advantage to Canadian trade. The list of articles covered by the Treaty, is very much larger than the list of articles specified in the old French Treaty, and it is in every way a much better Treaty for Canada.

It is worthy of special note that this is the first Treaty ever made by negotiation of Canadian Statesmen without the assistance of Statesmen representing Great Britain, our Mother Country.

In connection with this Treaty the British Government took the wise view that Canada ought to know her own business best, and should be left free to negotiate her own Treaties, subject, however, to the concurrence of the British Government. This is undoubtedly a long step forward in the Nation-building of Canada.

INTERMEDIATE TARIFF.

The adoption at the last revision of the Tariff of an Intermediate Tariff places a lever in the hands of the Government to bargain for favors in other countries. Favor for favor is the principle underlying this legislation

REDUCTION OF TAXATION.

In 1896, under the Conservative Tariff, \$18.28 was the average amount of Customs duty paid upon every hundred dollars worth of goods imported into the country.

Under the Liberals the average rates have been as follows:—

1897.....	\$17.87
1898.....	16.95
1899.....	16.70
1900.....	15.98
1901.....	16.06
1902.....	15.09
1903.....	15.87
1904.....	16.28
1905.....	16.04
1906.....	15.73
1907.....	15.66

If since the Liberals have been in power the Conservative average rate of taxation in 1896 had been levied upon all the imports, nearly fifty million dollars more duties would have been collected. That is the fair measure of the reduction of taxation brought about by the Liberals.

INCREASE IN TRADE.

The next test to apply to the Tariff is the growth of trade, and here we have a record of wonderful progress.

Foreign trade:

1896.....	\$239,025,360
1908.....	650,738,200

During the last twelve years the aggregate foreign trade amounted to \$5,152,000,000, as against \$2,626,000,000 during the last twelve years of Conservative rule.

These are only sample figures, see front pages of this book for complete records of the progress and prosperity of the country under Liberal rule.

THE PREFERENTIAL TARIFF.

The adoption of a Preferential Tariff in favor of British goods was probably the most popular step ever taken by any Government in Canada, and it has been productive of beneficial results, alike to Canada and the Empire. It was the best advertisement the country ever received. The whole Empire rang with it, and our national status was markedly increased.

This preference was at first a reduction of 1-8th in the Customs duties; in a year the reduction was increased to 1-4th and later to 1-3rd. At the last revision of the Tariff, a varying instead of a flat preference was adopted, but on the average the preference is 1-3rd.

THE EFFECTS OF THE PREFERENCE.

The practical effects of the Preferential Tariff are, briefly, as follows:—

(1) The Tariff has resulted in largely increased sales of British goods to Canada. For years prior to its adoption Great Britain's exports to Canada had steadily fallen off. The Preference at once arrested the decline and the trade has increased ever since.

IMPORTS FROM GREAT BRITAIN.

1896.....	\$32,824,505
1908.....	94,302,383

(2) It also has resulted in a wonderful increase in the exports of farm products of Canada to Great Britain. The British heart was touched by the

action of the Canadian Government, and, although there is no law on the Statute Books, British merchants are buying Canadian products as they never did before. The Conservatives tried to bargain in a huckstering spirit for a preference in the British markets for Canadian produce; the Liberal Government did not bargain for it, but actually got it through their wise actions.

EXPORTS CANADIAN PRODUCE TO GREAT BRITAIN.

1896..... \$62,717,941
 1908... .. 126,194,124

(3) It involves a very large direct reduction in the duties paid by the Canadian consumer, as compared with the duties paid by him under the Conservative tariffs.

(4) It also operates indirectly to the benefit of the Canadian consumer. The foreign competitors of Britain in our markets must reduce their prices to meet the preference in duty granted to Britain. The Canadian consumer, therefore, is benefited by the reduction in prices.

(5) It greatly increased the prestige of Canada throughout the world.

(6) By it the hearty good-will of British capitalists and the British people generally was secured.

(7) It brought about the denunciation of the Belgian and German Treaties which prevented British colonies from making Preferential trade arrangements with the Mother Country

THE FOLLOWING IS A COMPARISON OF THE RATES OF DUTY UNDER THE CONSERVATIVE TARIFF OF 1896, AND UNDER THE PRESENT TARIFF, ON CERTAIN WELL-KNOWN ARTICLES:

ARTICLE.	CONSERVATIVE TARIFF.	LIBERAL TARIFF.		
		British Preferential Tariff.	Inter-mediate Tariff.	General Tariff
Indian Corn.....	7½c. per bus....	Free	Free	Free
Rape Seed, sowing.....	10 p.c.....	Free	Free	Free
Seed Beans from Great Britain.....	15c. per bus....	Free	Free	Free
Binder Twine.....	12½ p.c.....	Free	Free	Free
Cordage.....	1½ c. per lb. and 10 p.c., equivalent to from 28 to 35 p.c..	20 p.c.	22½ p.c.	25 p.c.
Books on the application of Science to Industries of all kinds.....	6c per lb.....	Free	Free	Free
Books for the use of Mechanics' Institutes, Libraries of Universities, Colleges or Schools.	6c. per lb.....	Free	Free	Free

ARTICLE.	CONSERVATIVE TARIFF.	LIBERAL TARIFF.		
		British Preferential Tariff.	Intermed- iate Tariff	General Tariff.
Cream Separators.....	27½ p.c.	Free	Free	Free
Barbed Fencing Wire of iron or steel.....	¾c. per lb.....	Free	Free	Free
Galvanized Wire, iron or steel, 9, 12 and 13 gaug..	25 p.c.....	Free	Free	Free
Wire Fencing, woven wire fencing of iron or steel..	27½ p. c.....	10 p.c.	12½ p.c.	15 p.c.
Wire of all kinds, n.o.p...	25 p.c.....	15 p.c.	17½ p.c.	20 p.c.
Ferment Cultures for But- ter-making.....	Rates varying from 20 p.c. upwards.....	Free	Free	Free
AGRICULTURAL IMPS.				
Farm, Road or Field Rollers	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Forks, pronged.....	35 p.c.....	15 p.c.	20 p.c.	22½ p.c.
Hay Tedders.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Hay Loaders.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Potato Diggers.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Hoes.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Spades and Shovels.....	50c. per doz. & 25 p.c., equi- valent to abt. 38 p.c.....	15 p.c.	20 p.c.	22½ p.c.
Fanning Mills.....	35 p.c.....	20 p.c.	30 p.c.	32½ p.c.
Grain Crushers.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Windmills.....	30 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Threshers & Separators...	30 p.c.....	12½ p.c.	17½ p.c.	20 p.c.
Fodder and Feed Cutters...	35 p.c.....	15 p.c.	17½ p.c.	20 p.c.
Mowing Machines, Har- vesters and Reapers....	20 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Stoves of all kinds.....	27½ p.c.....	12½ p.c.	17½ p.c.	17½ p.c.
Table Cutlery of all kinds..	32½ p.c.....	15 p.c.	22½ p.c.	25 p.c.
Pumps.....	30 p.c.....	20 p.c.	27½ p.c.	30 p.c.
Locks.....	32½ p.c.....	15 p.c.	25 p.c.	27½ p.c.
Nails, wire of all kinds...	1c. per lb.....	15 p.c.	25 p.c.	27½ p.c.
Butts and Hinges.....	32½ p.c.....	4-10c. lb.	5-10c. lb.	6-10c. lb.
Sleighs.....	30 p.c.....	15 p.c.	25 p.c.	27½ p.c.
Coal, Bituminous.....	60c. per ton...	17½ p.c.	22½ p.c.	25 p.c.
Coal Oil.....	6c. per gal....	35c. per ton	45c. per ton	53c. per ton
Lubricating Oil, composed wholly or in part of Petroleum.....	6c. per gal....	1½c. per gal.	2½c. per gal.	2½c. per gal.
Candles.....	30 p.c.....	1½c. per gal 15 p.c.	2½c. per gal 22½ p.c.	2½c. per gal 25 p.c.

ARTICLE.	CONSERVATIVE TARIFF.	LIBERAL TARIFF.		
		British Preferential Tariff.	Inter- mediate Tariff.	General Tariff.
Common and Colourless Window Glass.....	20 p.c.....	7½ p.c.	12½ p.c.	15 p.c.
Cotton Duck.....	25 p.c.....	15 p.c.	17½ p.c.	20 p.c.
Grey Cotton Fabrics.....	22½ p.c.....	15 p.c.	22½ p.c.	25 p.c.
Cotton Sheets.....	32½ p.c.....	17½ p.c.	22½ p.c.	25 p.c.
Cotton Shirts, costing more than \$3 per doz...	\$1 per doz. and 25 p.c., equiv- alent to 37 p.c. ad val....	If dyed, 25 p.c. If undyed, 17½ p.c.	If dyed, 30 p.c. If undyed, 22½ p.c.	If dyed, 32½ p.c. If undyed, 25 p.c.
Cotton Sewing Thread....	25 p.c.....	17½ p.c.	22½ p.c.	25 p.c.
Cotton fabrics, undyed...	25 p.c.....	17½ p.c.	22½ p.c.	25 p.c.
Socks and Stockings.....	10c. per doz. prs and 35 p.c....	25 p.c.	32½ p.c.	35 p.c.
Blankets.....	5c. per lb. & 25 p.c..... Equivalent to 39 p.c.....	If wholly of pure wool, 22½ p.c. If not of pure wool, 30 p.c.	30 p.c. 35 p.c.	35 p.c. 35 p.c.
Woolen Socks and Stock- ings.....	10c. per doz prs. & 35 p.c.....	25 p.c.	32½ p.c.	35 p.c.
Undershirts & Drawers...	35 p.c.....	22½ p.c.	30 p.c.	35 p.c.
Woollen Cloths.....	5c. per lb. & 25 p.c..... Equivalent to ad val. duties ranging from 39 to 60 p.c....	30 p.c.	35 p.c.	35 p.c.
Flannels, plain.....	5c per lb. & 25 p.c.	22½ p.c.	30 p.c.	35 p.c.
Wheat Flour.....	75c. per bbl....	40c. per bbl.	50c. per bbl.	60c. per bbl.
Rice, cleaned.....	1½c. per lb....	50c. 100 lbs	65c. 100lbs.	75c. 100lbs.
Oranges.....	Specific rates, equivalent to 15 p.c.....	Free.	Free	Free
Wall Paper.....	Average rate, about 39 p.c..	22½ p.c.	32½ p.c.	35 p.c.
Head Ropes, for fisher- men.....	1½c. per lb. & 10 p.c.....	Free	Free	Free
Refined Cotton Seed Oil, for canning fish.....	20 p.c.....	Free	Free	Free

Very many more items could be added to this list, but as it stands it conveys a fair idea of the character of the changes that have been made by the Liberal Government.

In the foregoing list no reference is made to articles used by manufacturers. A great many reductions were made in the duties on raw materials or semi-finished products used by manufacturers.

In considering the Liberal Tariff, and comparing it with the Conservative Tariff, the fact should be borne well in mind that the British Preferential Tariff rates, which are, on the average, about one-third less than the General Tariff rates, are the determining rates in the matter of price. Such British Preferential Tariff rates are very much less than the old Conservative Tariff rates.

To illustrate operation of the British Preference and the effect it has in reducing prices to the Canadian consumer, we submit the following:—

Assume, for the sake of argument, two Commercial Travellers, one from Great Britain and the other from the United States, interviewing a merchant in Montreal or Winnipeg, with the object of selling him goods. The articles they have for sale are identically the same, but the rates of duty are considerably different. The rate from Great Britain being 22½ per cent. as against 35 per cent. from the United States. The Montreal or Winnipeg merchant naturally will figure the laid down cost of his goods, and, if he gives the order to the United States' traveller, he will certainly make him reduce his price to correspond to the reduction in duty under the British Preferential Tariff.

THE CONSERVATIVE ATTITUDE ON THE TARIFF.

What has been the Conservative attitude in regard to the Liberal fiscal policy? The question is not an easy one to answer. So many different positions have been taken by them, that it is difficult to say just "where they are at." The truth is that they have been very much disappointed. Their ideas have been shattered by actual experience. They expected that the Liberal Tariff would operate disastrously and when experience showed that it was the best Tariff Canada ever had, they were at their wits end to know what criticism to offer.

In 1897, when the Liberal Tariff was introduced, it was met with a "wail of woe" from Sir Charles Tupper and his colleagues. Here are the words of Sir Charles as reported in Hansard.

"The result is that this Tariff goes into operation and the hon. gentleman knows that the industries of this country are already paralyzed in consequence, while honorable members gloat over the destruction of Canadian industries. I was reading the wail, the sorrowful wail, of these industries in the Montreal Gazette, where one manufacturer after another declared that those industries were ruined, that their mills must close, and that they saw staring them in the face a return to the deplorable state of things that existed when the hon. gentleman last addressed the House was in charge of the fiscal policy of this country. I say that a deeper wrong was never inflicted upon Canada.

"I feel that so far from rejoicing at it from a party standpoint, I deplore from the bottom of my heart the ruin that is going to be inflicted upon the best interests of Canada, and upon its great industries. Still, I unhesitatingly say that, from a party point of view, the hon. gentlemen are doing our work; they are showing the people of this country that no reliance can be placed upon the most solemn declarations that they make either in the House or out of it; they are showing the people of this country that, having

"obtained power, which was all they wished for, they are now prepared to abuse that power at a cost of sacrifice of the industries of Canada."

The next position taken by the Conservatives was that the Government had retained the National Policy practically in its entirety, and that that was the reason why the country had been so prosperous. That is excellent Tory doctrine. It is the pet notion of Conservatives that they were sent on earth with a special mission to govern, and that none other have the capacity to do so. With such ideas, it was no doubt easy for them to persuade themselves, even in the face of adverse facts, that the National Policy had been retained. Not only was the wish father to the thought, but they believed the Grits could not possibly frame a policy which could produce prosperity, consequently when prosperity followed the Tariff, it was quite apparent to them that the National Policy had been retained. To them that was as plain as that two and two make four.

Absurd though such a position is, if the Conservatives had stayed by it, we could know where to place them, but almost in the same breath, they abused the Government for reducing duties, and thereby, as they alleged, ruined certain industries.

They voted, spoke against, and denounced the Preferential Tariff, claiming that it was injurious to Canadian manufacturing interests, yet they profess to be advocates of Preferential Trade within the Empire.

One of their leaders fought a campaign in Manitoba during the general elections of 1900, chiefly on the cry of free agricultural implements, which he declared he was in favor of, and that notwithstanding the declared Tory policy of protection.

What do you think of such inconsistent and irreconcilable attitudes? Do they inspire confidence?

WHERE DO THE CONSERVATIVES STAND ?

Where do the Conservatives stand? At the session of Parliament of 1903, they introduced the following motion as an amendment to the Budget:

"Moved that this House, regarding the operation of the recent Tariff as unsatisfactory, is of opinion that this country requires a declared policy of such adequate protection to its labor, agricultural products, manufacturers and industries, as will at all times secure the Canadian market for Canadians."

A somewhat similar resolution was introduced in the House during the session of 1902.

The phrase "adequate protection" is a very specious one, and might mean anything. The Leader of the Opposition when pressed for a definition of it evaded the question, but his chief lieutenants have been more frank, and from their speeches we learn that the Conservative policy is one of high protection to the point of complete exclusion of imports that would conflict with Canadian manufacturers or other products.

Mr. Rufus H. Pope, Conservative M.P., for Compton, is reported on page 2419, Hansard, 1902, as follows:

(1) THE RESOLUTION THAT I WOULD HAVE PREFERRED WOULD BE A RESOLUTION FOR A CHINESE WALL ALL ROUND.

Mr. Blain, the member of Parliament for Peel, during the same session, made use of these words, *vide* p. 1499, Hansard.

"I hold that the Tariff should be so arranged that every institution in this country which is manufacturing goods to be consumed by the Canadian people should have sufficient protection to keep out the same

"class of goods made in any foreign country; and I have no hesitation in
"saying that, if that country should be England, the policy of Canada
"should be framed in the interests of the Canadian taxpayer as against
"the people who are producing the same class of goods even in the old
"country under the same flag."

Mr. Henderson, the old time Conservative member for Halton, is reported
on page 2384, Hansard, 1902, thus:

"It was said in the early days of the present Tariff, that the Liberals
"had stolen our clothes. I have never said so, but, of course, when the
"preferential duty was only 12½ per cent., and when on colored cotton
"goods, and many other goods the duties were practically the same as under
"the Conservative regime, here was some reason for, perhaps, coming to
"the conclusion, without due consideration that the Liberals had stolen
"our clothes. But I do not consider that they have done anything of the
"kind. I am only sorry that they did not, for it would have been better
"for the country if they had. Their Tariff is instead, just the antipodes of
"ours."

Mr. George Taylor, the Conservative whip, during the Budget debate of 1902
said, page 1986, Hansard:

"Now I am willing to go to an amount sufficient to protect the industries
"of the country even if it is 100 per cent."

Speaking of agricultural implements he said: Hansard, page 1988.

"Thus we sent to the United States last year nearly \$2,000,000 to
"purchase these implements. In a very few years there will be nothing
"left of them but a heap of iron, and the Americans will have \$2,000,000,
"whereas, if we had a Government that would have given adequate pro-
"tection, every one of these articles would have been made in this country.
"Employment would have been given to our working men: Canadian
"farmers would be supplying a home market, and we would have those
"\$2,000,000 in Canada as a national capital to help on our progress and
"development."

During the same debate Mr. Henderson, of Halton, spoke thus (page 2087,
Hansard):

"But we say we will put a Chinese wall right around this country, and
"we will not allow those Americans to come in and monopolize the markets
"of this country."

The Hon. Mr. Paterson, Liberal, Minister of Customs, in his speech on the
Budget quoted the foregoing statements of Mr. Blain, and the following dialogue
ensued:

"(Minister of Customs)—But the hon. gentleman said more than that,
"he said this is in accordance with the principles enunciated in the amend-
"ment that Mr. Borden has moved.

"(Mr. Blain)—Hear, hear, I stand by that."

Referring again to Mr. Rufus Pope, M.P., we find on page 2425, Hansard,
1902, he is reported as saying:

"That policy which we shall propound will be one which will carry out,
"only in a more extended degree, the objects aimed at by the policy which
"our political fathers adopted in 1878."

"ADEQUATE PROTECTION" PLANK DISAPPEARS.

But a change has recently come over the spirit of the Conservative Tariff dream. Our old friend "adequate protection" has disappeared and has been replaced by still more evasive phraseology.

The one-man platform framed by the leader of the Opposition—and known as the Halifax platform, contains the following Tariff plank:

"We stand for a fiscal policy which will promote the production within Canada of all useful articles and commodities that can be advantageously manufactured or produced from or by means of our natural resources, having due regard to the interests of the consumer as well as to the just claims of our wage-earning population."

Discussing this plank in Parliament on December 22nd, 1907, Sir Wilfrid Laurier made the following pungent and caustic remarks:

CONSERVATIVES AND PROTECTION.

"Now, one would expect that in a platform of the Conservative party, the word "protection" would be writ very large indeed. But in this platform the word "protection" is writ very small, so small indeed that it is not visible to the naked eye. I do not pretend, however, that the idea is not there. It is there but so hidden that it is impossible to find it without great effort. The word "protection" has always occupied such a prominent position in the councils and the policy of the party that one cannot conceive how in this document it could have been omitted. It could not have been omitted accidentally.

There are protectionists in the city of Toronto, and in some other places who would have the Tariff raised as high as Haman's gallows, and in the west there are protectionists who would have the Tariff brought so low that protection would not be distinguishable from free trade. And between these two factions my hon. friend hesitated. But my hon. friend managed to give good hope to the one and to the other without committing himself to either. Some few years ago my hon. friend did give us his idea of what protection ought to be—that it ought to be "adequate" protection. But it would appear that in the course of time, and according to experience, "adequate" protection became inadequate. Therefore, under the work of commentators on the party platform adequate protection has given way to "reasonable" protection. But what is reasonable protection and what is unreasonable protection, no commentator has yet told us, and where the line is to be drawn between reasonable and unreasonable protection we are left to surmise. But my hon. friend simply ignored the difficulty and told us not what his policy was, but what his policy would be. These are the words of my hon. friend.

In the course of the same debate the Hon. W. S. Fielding paid his respects to Mr. Borden on the Tariff question thus:

But it is not only in Parliament that hon. gentlemen opposite have abandoned the Tariff question; it is not only here that they have flung adequate protection to the winds. The leader of the Opposition recently made a tour of Western Canada. When a party leader goes through the country to discuss public questions, one would naturally expect that, as there are greater questions and minor questions, he would give the more important questions priority. But turn to the Toronto 'News,' to the letters of Mr. C. F. H., who cannot be regarded as a gentleman hostile to the leader of the Opposition. In his summing up of the whole tour of the hon. gentleman in the west, C. F. H. said: "Two delicate questions were for the most part skated over." What were they? "The Tariff

and the Northwest School Question." Why, sir, if any man in this House, any man on this side of the House at any rate, were asked to state what were the two biggest questions that have engaged the attention of Parliament since the general election, he would say that they were the Tariff and the Northwest School Question. And yet, the hon. gentleman in the whole of that tour out west, of which his friends have said so much, confined his talk to all sorts of little questions. He talked of the Robbins irrigation business, a hundred or a thousand miles from the scene of operations, but he did not talk of it at Medicine Hat, where the facts were known."

THE TRUTH WOULD APPEAR TO BE THAT ON THE TARIFF QUESTION THE TORIES ARE TRYING TO BE ALL THINGS TO ALL MEN. IN SOME SECTIONS OF THE COUNTRY NOTABLY IN THE WEST, THEY ARE POSING AS LOW TARIFF MEN, WHILE TO THE MANUFACTURERS THEIR ATTITUDE IS THAT THE TARIFF IS TO BE AS HIGH AS HAMAN'S GALLOWES.

FINANCIAL ADMINISTRATION.

No part of the record of the Liberal Government appears in a more favorable light than that pertaining to the finances of the country. Every Liberal should be immensely proud of it. It will warrant the closest criticism, and the more closely it is looked into the more clearly will it be seen that the administration has been prudent and sound.

Strong efforts have been made by Conservatives to alarm the public as to the state of the finances. Toward that end the most reckless and extravagant statements have been made, figures have been grossly exaggerated, and estimates have been palpably stuffed, all with the idea of confusing and beclouding the public mind. It is truly said that figures cannot lie, but it is equally true that persons who are not scrupulous as to the truth can figure.

It is therefore proposed in this article to give a clear statement of actual facts taken from the Government official publication, so that the general public may get a correct understanding of the situation. It will be obviously impossible within the limits of an article of this kind to fully explain every item of expenditure. We shall therefore content ourselves by showing and explaining the expenditure under its main heads.

In 1896, when the Liberal Government took office, the national finances were by no means in a rosy condition. For a number of years back there had been a series of deficits.

Deficits.

1896.....	\$ 330,551
1895.....	4,153,875
1894.....	1,210,332

The Public Debt has also been largely added to each year.

Additions to Public Debt.

1896.....	\$5,422,505
1895.....	6,891,897
1894.....	4,501,989
1893.....	549,605
1892.....	3,322,403

As a matter of fact during the 18 years the Conservatives were in power they increased the public debt by no less than \$118,000,000. The Customs Tariff—the principal source of revenue—was then high and bore heavily and unequally upon the people.

The people were clamoring for reduced postal rates—another important source of revenue—but in view of an annual deficit in the finances of the Post Office Department, amounting to, on the average, \$750,000 a year, the Finance Minister shut the door on their faces and declined to make the reduction. With such a poor financial showing, our national credit was not as high as it ought to have been and that told against Canadians seeking money in the London market for their industrial enterprises.

The British Government would not (although Sir Charles Tupper strenuously tried to persuade them for years) place Canadian Government securities on the favored trustee list in Great Britain, which comprises only the most gilt-edged securities. Securities admitted to that list usually command from two to three points more.

The plain truth is that Canada was then in very bad shape. The country was travelling in a limited and constricted business circle and seemed unable to pierce through to the greater circles beyond, which spell a greater Canada.

The Liberals promptly addressed themselves to the task of remedying the state of affairs, and to state that they have succeeded is to state only the actual bare fact. The degree of success achieved has been of a very high order.

First, they reduced taxation, believing that reduced rates of customs duties would mean increased imports, more life to business and greater revenue.

The rate of customs taxation in 1896 was 18.28. That is to say, \$18.28 were levied on the average on every hundred dollars worth of goods imported into the country.

Under the Liberal Tariff the rates have been as follows:

1897.....	\$17.87
1898.....	16.95
1899.....	16.70
1900.....	15.98
1901.....	16.06
1902.....	15.09
1903.....	15.87
1904.....	16.28
1905.....	16.04
1906.....	15.73
1907.....	15.66

If the Conservative rate of \$18.28 in 1896 had been levied upon all the imports since that year, nearly \$50,000,000 more customs duties would have been paid by the people. That is the measure of the reduction in customs taxation, and of the saving to the public.

Postal rates on letters mailed to places in Canada, United States, the Empire, on drop letters in cities and on newspapers, were very substantially reduced, as every Canadian knows. Here again the wisdom of the Government was manifested. The reduced postal rates, coupled with the progress of the country, brought about a greatly increased volume of correspondence—(a good thing for business), and consequently swelled the postal revenue. The increased revenue of this Department quickly made large surpluses give place to huge deficits.

Concurrent with the greasing of the wheels of industry and commerce by reducing the burden of taxation, the Government entered upon a bold constructive policy of building up Canada and of making its great potential wealth known among the other nations of the world. Our greatest want was more population. By a vigorous immigration policy immigrants to the number of

1,219,943 were brought into the country in twelve years, most of whom went on the lands and became producers. The exodus was stopped. Instead of our people going to the United States, as they did in Conservative days, to the number of 1,181,255 in about ten years, hundreds of thousands of farmers from that country are now settling in Canada each year. The great Northwest has been rapidly developed, the population there having increased from 419,512 to 808,863 in the first five years of the present decade. The number of farms also doubled there in the same period—from 54,625 to 120,439.

The acreage there in wheat and oats, two staple crops, increased as follows:

1900.....	6,495,211 acres.
1906.....	13,956,523 "

In this country with its magnificent distances, transportation is the all important problem to which our statesmen must give their best attention. The Liberal Government quickly recognized this and boldly grappled with the situation. They determined to do everything in their power, without straining the credit of the country, to provide the cheapest and best transportation facilities for our products and our imports. They further aimed to take the fullest advantage of Canada's geographical advantage in the grain carrying trade of the continent.

In the last twelve years the Government has spent on capital expenditure for the development of transportation facilities no less a sum than \$121,015,115. distributed principally as follows:

Canals.....	\$26,509,359
Extension and development of Government owned Intercolonial Railway.....	31,578,092
National Transcontinental.....	27,074,131
Bonuses towards the extension and construction of railways.....	20,150,921
Montreal Harbor, River St. Lawrence and Ship Channel.....	7,663,062
Harbors at Port Arthur, Fort William and Port Colborne.....	2,276,373
Quebec Harbor.....	765,225
St. Andrew's Rapids.....	474,572

The Crow's Nest Pass Railway was built, opening up the wonderfully rich Kootenay mining regions and providing a splendid market there for the farm produce of the Prairies. The Intercolonial was extended from Levis, a comparatively small place, to Montreal, the commercial metropolis of Canada. Its mileage was increased by purchase of branch lines—299 miles. It has also been brought up to a high point of efficiency, and it is to-day the equal of any railroad on the continent of America. By dredging, lighting and other improvements, the St. Lawrence has been made one of the best, cheapest and safest riverways in the world. Montreal is rapidly being made an up-to-date modern port.

From being away behind hand among other nations in the matter of Marine lighting, Canada was brought up to the first rank and is now recognized to be in the van of progress.

Canal and tonnage dues were abolished.

The Canadian Northern Railway, which is materially helping to build up the West, and which may ultimately develop into a Transcontinental Railway, was substantially aided by bonuses and by guarantee of bonds.

Wharves and breakwaters have been constructed at hundreds of places.

A generous broad-minded policy has been pursued in the matter of erecting Public Buildings. On this account, during the last 12 years, \$24,548,804. have been expended.

The Government have been criticized for spending too much money in small places for buildings, wharves and breakwaters, and too little in cities. The Conservatives forget, however, that the majority of the people of Canada live in small places, and that, by building up these places, and making it easier and more convenient for them to do business, the whole of Canada is undoubtedly benefited.

The construction of the National Transcontinental Railway was entered upon, and is now well under way. Under this head there have been expended, up to the 31st March, 1908, \$27,074,131,

A forward policy of subsidizing Steamboats was adopted, and, as a result, many new Steamship services were provided for, notably:

From St. John, N.B., to Glasgow, Belfast and Dublin.

From Montreal and Quebec in the summer, and Halifax and

St. John in the winter, to Manchester.

From Atlantic Ports to France, and South Africa.

From Atlantic and Pacific Ports to Mexico.

Generous additional expenditures have been made to directly promote the great agricultural interests of the country by cold storage, refrigeration, improved methods in making butter, cheese, bacons and hams, supervision and care of shipments from the point of production to the British markets, the extension of Experimental Farms, and in a hundred other ways. In this connection the expenditure during the last 12 years amounted to \$1,453,274, as compared with \$5,441,607, for the previous 12 year period under the Conservatives.

In the interests of the shipping of the St. Lawrence and the Maritime Provinces, and to promote trade and communication with the outlying districts of the Dominion, the Government Telegraph lines were largely extended. Under this head the expenditure during the last 12 years was \$4,262,789.

In addition to the large and heavy expenditures on public works—as above mentioned—of a productive character, which will return to the people in the future in an ever increasing measure, the Government has kept pace with the development of the country, and has kept all the various Departments of the Dominion in an up-to-date condition.

New Courts of Justice have been established, and others enlarged.

The increasing business of the country has necessitated a very considerable increase in the number of Civil Servants, and consequent increased expenditure therefor.

Law and order have been established in the Yukon.

The Iron and Steel, Lead Mining and Oil producing industries of the country were encouraged by bounties. The total amount of such bounties paid from 1897 to 1908 inclusive, was \$12,334,138.

Let us look now at the general financial results.

For the period of about 12 years from the 1st July, 1897, to the 31st March, 1908, the Revenues of the country exceeded the ordinary expenditure by \$113,039,106.

The average surplus for each year was \$9,463,257.

For the last 12 years the Conservatives were in office, the total ordinary expenditure exceeded the revenue by \$4,984,902. During each of these 12 years the average deficit per annum was \$415,508. The following Statement shows the Surpluses and Deficits for these two 12 year periods:

YEAR.	12 YEARS UNDER CONSERVATIVES.		12 YEARS UNDER LIBERALS.	
	SURPLUS.	DEFICIT.	SURPLUS.	DEFICIT.
1884-85.....				
1885-86.....		\$2,240,058.90		
1886-87.....		5,834,571.87		
1887-88.....	\$ 97,313.09			
1888-89.....		810,031.26		
1889-90.....	1,865,035.47			
1890-91.....	3,885,893.94			
1891-92.....	2,235,742.92			
1892-93.....	155,977.42			
1893-94.....	1,354,555.95			
1894-95.....		1,210,332.45		
1895-96.....		4,153,875.58		
		330,551.31		
1896-97.....				
1897-98.....				
1898-99.....			\$1,722,712.33	\$519,981.44
1899-00.....			4,837,749.00	
1900-01.....			8,054,714.51	
1901-02.....			5,648,333.29	
1902-03.....			7,291,398.06	
1903-04.....			14,345,166.17	
1904-05.....			15,056,984.12	
1905-06.....			7,863,089.81	
1906-07.....			12,898,719.12	
1907-08.....			16,127,167.20	
			19,413,054.22	

CAPITAL AND SPECIAL EXPENDITURE.

The total amount of Capital and Special Expenditure during the 12 years of Liberal rule to the 31st March, 1908, amounted to \$163,225,526.

The total amount of Capital and Special Expenditure during the 12 years of Conservative rule ended June 30th, 1896, was \$94,827,380.

Increase under Liberals, \$68,398,146.

PUBLIC DEBT.

When the Tories took office in 1878 the net Public Debt amounted to \$140,362,069, and when they left office in 1896 it had increased to \$258,497,432—an increase of slightly over \$118,000,000, or at the rate of about \$6,500,000 a year, for each of the 18 years they were in power.

The Public Debt at the 31st March, 1908, was \$277,960,859. This means that the Liberals increased the Debt by only \$19,463,427, or at the rate of \$1,621,952 per annum.

If the expenditure on the Trans-Continental Railway had not been incurred, there would have been an actual decrease of the Public Debt, under the Liberals, to the amount of \$7,677,209. The expenditure to date on the National Trans-Continental Railway amounts to \$27,074,131.

In 1896 the Public Debt per head of the population was \$50.82, and by reason of the increased population brought about largely by the vigorous immigration and business policy of the Government, the debt per capita is now \$40.50.

REVENUE.

In 1896 the total Revenues of the country amounted to \$36,618,590. It had remained within a few millions, more or less, of that figure for 12 years.

Under reduced rates of taxation, as has previously been explained, the Revenues swelled each year under the Liberals, until last fiscal year when they reached the large total of \$96,054,505. The following Statement shows the Revenues for each year from 1885 to 1908:

YEAR.	12 YEARS UNDER CONSERVATIVES.	12 YEARS UNDER LIBERALS.
1885	\$32,797,001.22	
1886.....	33,177,040.39	
1887.....	35,754,993.25	
1888.....	35,908,463.53	
1889.....	38,782,870.23	
1890.....	39,879,925.41	
1891.....	38,579,310.88	
1892.....	36,921,871.60	
1893.....	38,168,608.85	
1894.....	36,374,693.07	
1895.....	33,978,129.47	
1896.....	36,618,590.72	
	<hr/>	
1897.....		\$37,829,778.40
1898.....		40,555,238.03
1899.....		46,741,249.54
1900.....		51,029,994.02
1901.....		52,514,701.13
1902.....		58,050,790.03
1903.....		66,037,068.93
1904.....		70,669,816.82
1905.....		71,182,772.67
1906.....		80,139,360.07
9 months ending March 31st, 1907.....		67,969,328.29
Year ending March 31st, 1908.		96,054,505.81

ORDINARY EXPENDITURES.

The Ordinary Expenditure in the last year of the Conservatives amounted to \$36,949,142, and during the last fiscal year it was \$76,641,451. Submitted hereunder is a Statement showing the Ordinary Expenditure for each year from 1885 to 1908:

YEAR.	12 YEARS UNDER CONSERVATIVES.	12 YEARS UNDER LIBERALS.
1885.....	\$35,037,060.12	
1886.....	39,011,612.26	
1887.....	35,657,680.16	
1888.....	36,718,494.79	
1889.....	36,917,834.76	
1890.....	35,994,031.47	
1891.....	36,343,567.96	
1892.....	36,765,894.18	
1893.....	36,814,052.90	
1894.....	37,585,025.52	
1895.....	38,132,005.05	
1896.....	36,949,142.03	
1897.....		\$38,349,759.84
1898.....		38,832,525.70
1899.....		41,903,500.54
1900.....		42,975,279.51
1901.....		46,866,367.84
1902.....		50,759,391.97
1903.....		51,691,902.76
1904.....		55,612,832.70
1905.....		63,319,682.86
1906.....		67,240,640.95
1907. (9 months ending March 31st).....		51,542,161.09
1908, (year ending March 31st)		76,641,451.59

Let us look now for a few moments at the principal Sub-heads of the Ordinary Expenditure, in which increases have taken place:

First we will take the Administration of Justice.	
This service cost in 1896.....	\$ 758,270
And in 1908.....	1,224,510
An increase of.....	466,240

This increase is due to the fact that a large number of new courts have been provided, and others extended, to meet the development of the country, and it has also been necessary to increase the salaries of the judges.

No serious criticism has ever been advanced in regard to this additional expenditure.

CIVIL GOVERNMENT.

For Civil Government, by which is meant the Civil Service at headquarters at Ottawa, the expenditure for 1896 was \$1,396,628 and in 1908 it was \$2,088,416.

Here again the increased business of the country has necessitated large additions to the number of Civil Servants, and the increased cost of living has also necessitated higher pay to the Civil Servants.

If the Government is accused of extravagance in this connection, the obvious answer is that the Civil Servants themselves have been complaining about the insufficiency of their salaries.

IMMIGRATION.

Expenditure in 1896.....	\$ 120,199
“ 1908.....	1,074,696

This increased expenditure is absolutely and completely justified by the magnificent results which have accrued, and are accruing to the country.

SUBSIDIES TO PROVINCES.

In 1896 the Dominion Government paid to the Provinces by way of Subsidies—which is the largest source of income the Provinces have—the sum of \$4,235,664.

On two different occasions the Government, acting on the urgent and pressing requests of the various Provinces, increased the amounts of such Subsidies, and the amount now paid in that way is \$9,032,774 per annum, which is considerably more than double what was paid in 1896.

This is money returned directly to the people, at the request of the people's representatives.

COLLECTION OF THE REVENUE.

The Public Accounts has a main sub-division of expenditure entitled "Collection of the Revenue," which comprises the expenditure for Customs, Dominion Lands, Excise, Post Office, Public Works, Railways and Canals, and Trade and Commerce, for collecting the Revenue.

The aggregate of the charges under that head in 1896 amounted to \$9,291,162, and in 1908 to \$20,727,323.

The Revenues, of course, expanded largely during the period—the expansion being from \$36,618,590, to \$96,054,505.

The only true way to test whether there has been extravagant expenditure in this connection is to find out the percentage cost of collection of the Revenue. The fact is, that in 1896 the percentage cost of collection was 25%, whereas in 1908 it was only 22%, a difference of 3%.

If the same percentage had prevailed last year as obtained under the Conservatives in 1896, the expenditure would have been \$2,881,635 more than it was.

LIGHTHOUSE AND COAST SERVICE, OCEAN AND RIVER SERVICE.

Expenditure in 1896.....	\$ 647,508
“ 1908.....	3,716,763

The explanation of this is that Canada was away behind the age under the Conservatives, in this connection. The officials and ministers were altogether too conservative in their ideas, and did not have a proper appreciation either of the necessities of the country, or of its great possibilities for development. The Liberal Government is proud of its increased expenditure, to make the coasts and riverways, and inland waters of our country, easily and safely navigable. Canada is now in the van of progress among the nations of the world in these respects.

PUBLIC WORKS.

Expenditure in 1896.....	\$1,299,768
“ 1908.....	8,721,326

This large increase is due to the forward policy of the Government in promoting development and improvement of harbors and rivers, the construction of public buildings, the extension of telegraph systems, etc., etc.

ARTS, AGRICULTURE AND STATISTICS.

Expenditure in 1896.....	\$ 210,877
" 1908.....	1,218,242

This increase is largely in aid of the agricultural interests of the country. This expenditure needs no defence.

It has been productive of excellent results, and no one knows this better than the farmers themselves.

MILITIA AND DEFENCE.

Expenditure in 1896.....	\$1,136,713
" 1908.....	5,498,183

This increase is quite justifiable—the Militia having been brought up to a high state of efficiency. The recognized Conservative critic of the Militia in Parliament has repeatedly endorsed the policy of the Government. The only fault he has ever found has been that the expenditures were not large enough.

CAUSES OF INCREASED EXPENDITURE.

In considering these increases in expenditure, it is necessary, in all fairness to the Government, to remember that there has been in recent years a large increase in wages and in the cost of supplies of all kinds. It is impossible to state, with any degree of accuracy, the actual increased expenditure caused by this increase in wages and cost of supplies, but that they have been an important factor is undoubted.

The increased expenditures have not been more than proportionate to the increase in the growth and development of Canada, and of its trade and commerce.

An examination of the returns of the foreign trade of the country, and of the business of railways, banks, manufacturing establishments, and business houses, shows that the increase has been in even a larger ratio than the increased expenditures of the Government.

In this connection the following figures are instructive:

Total Foreign Trade, 1896.....	\$239,025,360
" 1908.....	650,738,200
Assets of Banks,..... 1896.....	\$320,937,643
" 1908.....	945,685,708
Discounts in Banks, 1896.....	\$224,507,301
" 1908.....	584,732,914
Deposits in Banks, 1896.....	\$245,029,143
" 1908.....	650,126,232
Railway Traffic, tons carried, 1896.....	24,266,825 tons
" 1907.....	63,866,183 tons

According to the reports of the Census Department, the capital invested in manufacturing establishments in Canada increased in the last five years from 1900 to 1905, from \$446,000,000 to \$833,000,000, while the value of the products increased from \$481,000,000 to \$706,000,000.

TO SUMMARIZE.

The Government claims that its financial policy has been wise, prudent and progressive. It has kept pace with the country, and it has provided largely for the future development of the country. The Government have been able to pay their way, and have spent the enormous sum of \$163,000,000 in Capital Expenditure, on great public works, to the present and future advantage of

the country, without increasing the rate of taxation, and without unduly increasing the Public Debt. On the contrary, the rates of taxation were lowered. The Public Debt was only increased \$19,000,000, as against \$118,000,000 by the Conservatives, and it is to-day \$10.32 less per capita than it was in 1896.

OPPOSITION ATTITUDE.

The attitude of the Opposition in Parliament has been the attitude of "little Canadians," without a proper appreciation of the greatness of their country.

Every year since the Liberals took office they have croaked and croaked. like the raven. According to them, the country was going to the "demnition. bow-wows" as Mr. Mantalini would say. Each year the gloomiest predictions of blue ruin were uttered, if the Government persisted in its forward policy. Mr. Foster that great Mephistophiles of Finance, has time and again laid the dust on the floor of Parliament with his crocodile tears, on the question of Liberal finance, As each succeeding year rolled by, bringing with it an ever increasing surplus, and little, if any, increase in the Public Debt, the Conservative predictions were shattered, but still they kept on croaking—that, apparently, being the Party attitude agreed upon. But, while the Party as a whole denounced the expenditure, individual Members of the Party in the House were not slow to recommend further expenditures, most of which would help them politically. Mr. Fielding, in his speech delivered in the House of Commons on the 17th July, 1908, exposed this inconsistency as follows:

CONSERVATIVES LIKE OLIVER TWIST ASK FOR MORE.

Mr. FIELDING. Is it not curious that at the very moment these gentlemen opposite are denouncing the Minister of Public Works and the Minister of Militia for the expenditure in their departments in connection with the Militia of Canada, we find my respected friend from Halton (Mr. Henderson)—who is slumbering so peacefully just now—

Mr. HENDERSON. Oh, no.

Mr. FIELDING. What is to be thought of my hon. friend (Mr. Henderson) who, while he is going to vote for this resolution against expenditures generally, thinks the Minister of Public Works should build an armoury at Oakville in his own county? My hon. friend from Marquette (Mr. Roche)—whom I do not see in his place—joins in this general condemnation of expenditure, and particularly on the militia, but he wants us to build him an armoury at Minnedosa. The hon. member for Beauharnois (Mr. Bergeron) would like to have an armoury at Valleyfield. The chief whip of the Opposition (Mr. Taylor) no doubt will vote for this amendment; he is against expenditure, but he quietly whispers in the ear of the Minister of Public Works: Send us along an appropriation for an armoury at Gananoque. The hon. member for East Elgin (Mr. Marshall) is going to vote for this amendment, but he would like a drill hall at Aylmer West. The hon. member for East Simcoe (Mr. Bennett) wants an armoury at Orillia, and the hon. member for Prince Edward (Mr. Alcorn) thinks we should have an armoury at Picton, while the gallant colonel from Victoria-Halliburton (Mr. Sam. Hughes) insists that there should be an armoury in the county he represents. And so we find that hon. gentlemen opposite are against expenditures; but when it comes down to expenditure in their own constituencies they are just as anxious for it as anybody else.

We are putting a good deal of money into improvement of harbours and rivers, and perhaps there is no class of expenditure which hon. gentlemen opposite

so generally condemn. But, when they come to consider the matter from the home point of view they see it in quite a different light. My hon. friend from West Hastings (Mr. Porter) is very anxious for improvements at Belleville harbour; the hon. member for Kent (Mr. Clements) wants improvements on the Thames river; the hon. member for Alberta (Mr. Herron) wants a breakwater in Macleod; the hon. member for East Grey (Mr. Sproule) also wants harbour improvements; the hon. member for East Northumberland (Mr. Owen) wants a wharf and a shed beside in his constituency. Then the hon. members from New Brunswick, (Mr. Crocket and Mr. Fowler) while they are prepared to condemn expenditures generally, they particularly serve notice on the Minister of Public Works that they want more money for wharfs on the St. John river and the inland waters of their province. The hon. members from Prince Edward Island (Mr. Martin, Mr. McLean and Mr. Lefurgey), are champions of economy when you are speaking generally, but all the same they serve notice upon us that they want harbour improvements, and breakwaters, and piers and wharfs, and in addition to that they venture to say they would like to have a tunnel. My hon. friend from St. John (Mr. Daniel) has spoken with gratification of the amount of money we are spending in improving the harbour of that important port, and he informs the Minister of Public Works that he had better go on with his expenditure because St. John needs more. My hon. friend from Jacques Cartier (Mr. Monk)—if he were here to-night I suppose he would vote for this amendment—he does not want us to spend money on wharfs and so forth in Nova Scotia, but he thinks it highly important that a wharf should be built at Lachine in his own constituency. The hon. member (Mr. Monk) is very anxious for economy generally, but at the same time he serves notice upon the Department of Marine and Fisheries that no effort must be spared to deepen the channel of the St. Lawrence so that there will be 30 feet clear navigation from Montreal to the ocean, and more than that, he has again and again condemned this government because we have not made a rush order of the report of the Transportation Commission which calls for expenditures running up to possibly \$100,000,000. And so I might follow through the long list.

An hon. MEMBER. Go on.
Mr. FIELDING. The list is too long and the time too brief—Oh, yes. I had nearly forgotten that in the midst of professions of economy the other evening, most of the western members sitting on your left Mr. Speaker, wanted this government to buy up all elevators in the Northwest Territories. And the hon. gentleman from North Toronto (Mr. Foster) has given evidence of his idea of economy to-night, when, in the midst of this thundering against the expenditures, we find him advocating that we should spend probably two millions more by adding to the salaries of the civil servants.

My hon. friend who usually sits near the hon. member for North Toronto is not there to-night—I refer to the hon. member for South Lanark (Mr. Haggart)—but as a rule he is unceasing in his demand that we shall at the earliest possible moment enter upon the construction of the Georgian Bay canal which will cost \$100,000,000. I mention these things because I think they prove that the denunciations which hon. gentlemen opposite hurl in their speeches, and in their resolutions such as the one we have before us to-night, are not to be taken very seriously. As I have said, it is easy to denounce expenditures generally; but when hon. gentlemen come to look at home and see the needs of their own communities, and the demands made on this government from all parts of the country, they have to realize, as we have to realize in this growing time, that there are needs which the government have to meet and which the government will meet

in the right spirit. Some of the demands to which I have referred are perhaps not unreasonable; some of them certainly will bear postponement to a later day; but many of the things asked for in this way are fair and reasonable, and it will be the duty of the government from year to year to endeavour to meet every demand of this character. I say, therefore, that when our hon. friends indulge in this general denunciation of the extravagance of the government, the people will bear in mind that while that is the course these hon. gentlemen pursue when dealing with the matter generally, when they come to deal with it from the point of view of their own needs or the needs of their constituents, they realize as well as we do the need of these increasing expenditures.

Outside of Parliament, too, we find the great apostle of finance, the Hon. Mr. Foster, making the most extravagant promises to the people. Speaking in Prince Edward Island recently, he distinctly pledged himself and his party to build a submarine tunnel between Nova Scotia and Prince Edward Island, 12 miles in length, which would cost at least \$40,000,000.

TRANSPORTATION.

The many problems connected with Transportation were among the first to which the Government directed special attention. They fully recognized that in this country of such magnificent distances it was vitally necessary to provide in the interests of producers the best possible transportation facilities. In no better way than that can the farmer be helped. They also had a full appreciation of the fact that the geographical situation of Canada gave it a great advantage in the grain carrying trade of the continent. With both these objects well in view, the Government adopted a bold progressive policy which they have steadily followed, with magnificent results.

Though much has been done, much still remains to be done, and if the Liberal Government is allowed to complete its plans (of which there does not appear to be any doubt) we will have before many more years roll by the large bulk of the grain carrying trade of the American Continent going through Canadian channels to the old countries.

The work accomplished to date may be summarized as follows:

(1) The St. Lawrence Canal System, which, under the Conservatives, was progressing very very slowly, was rushed to completion, and by 1900 a clear channel of 14 feet was available from the Great Lakes to Ocean Ports in Canada.

(2) Special and energetic attention was directed towards improving conditions of,—

(a) Harbours on Lake Superior, where the Western grain is delivered by railways and transhipped.

(b) Harbours for transhipment in Ontario.

(c) The lines of route between Ontario and Montreal.

(d) The harbours for receiving, storing and shipment for ocean voyages.

(e) The ship channel between Montreal and Quebec to the sea.

(f) Extension of the Government Telegraph System down the St. Lawrence.

Aids to navigation in the shape of Lighthouses, Range Lights, Fog Horns and Alarms, and lightships were provided at hundreds of places. In this

connection Canada was very much behind the age in 1896. To-day other countries recognise that Canada is in the van of progress in Marine Lighting.

Montreal, with the improvements that have been made, and those designed, will very shortly be one of the most modern ports in the world.

The St. Lawrence Channel is to-day a riverway along which the largest boats of the Canadian lines can navigate with security.

Western Grain, which had been coming through American ports, is now coming through Montreal in ever increasing quantities, and the ports of New York and Buffalo are becoming alarmed at the formidable competition for which Montreal is responsible.

In this connection the following striking admission was made by "The Mailand Empire," the chief Tory organ, in an editorial published September 2nd:

"In shipping circles at New York and other North Atlantic ports of the United States, envy, and something like panic have been produced by the steady set of the outward wheat forwarded to Montreal. During the past three years the Canadian port has received more wheat from the interior than have all its rivals of the United States put together."

Canal Tolls and Tonnage Dues were abolished in 1903.

EXPENDITURE ON TRANSPORTATION FACILITIES.

The sums chargeable to Capital expended by the Liberal Government in the development of Transportation facilities during the last 12 years amounted to the huge total of \$121,155,115, distributed principally as follows:

National Transcontinental Railway.....	\$27,074,131
Canals.....	26,509,359
Intercolonial Railway.....	31,578,092
Montreal Harbour, River St. Lawrence and Ship Channel.....	7,663,062
Quebec Harbor.....	765,225
Harbors at Port Arthur, Fort William and Port Colborne.....	2,151,920
St. Andrew's Rapids.....	474,572
Georgian Bay Survey.....	666,622
Levis Graving Dock.....	96,592
Bonuses towards the extension and construction of railways.....	20,150,921

MARINE DEPARTMENT.

FINE WORK DONE FOR CANADA.

MONTREAL MADE A MODERN PORT.

ST. LAWRENCE CHANNEL IMMENSELY IMPROVED.

GREAT REDUCTION OF MARINE INSURANCE RATES EFFECTED.

SAVING OF NEARLY A MILLION DOLLARS A YEAR TO SHIPPERS.

The following speech recently made by the Hon. L. P. Brodeur, Minister of Marine and Fisheries, to his Electors, clearly sets forth the fine work that has been done for Canada by his Department. He said.

"To the Liberal Government is due the honor of having made of Montreal a modern Port, equipped in modern fashion. How important it is for the progress of the Country to have a commercial route of the first grade cannot be stated too often, a route over which agricultural and manufactured products can be transported more quickly than over foreign routes and with equal security.

"We designed for Montreal a plan of vast improvements—the construction of elevators, of permanent sheds, new wharves, etc. But for a certain period these improvements progressed but slowly. While composed of men of undoubted ability, the old Board of Harbour Commissioners was too numerous and too complex for rapid work. I took the reorganization of the Board in hand. At the present time it is composed of three business men of high ability, and under their administration great progress has already been realized.

A PERFECT RIVERWAY.

"As to the St. Lawrence channel, it is to-day a riverway along which the largest boats of the Canadian lines can navigate with perfect security. An immense system of dredging has been accomplished between Montreal and the Beaujeau bank in order that the channel might have a uniform depth. For that purpose we bought a large dredge, the Galveston, and we have had two others constructed in the Sorel yards, the Israel Tarte and the Beaujeau.

"From year to year the buoying and lighting of the channel has been perfected, so that now it gives full satisfaction to navigators. And I may announce here that at the last meeting of the Cabinet I was authorized to have lighted buoys placed at all points where the safety of night navigation demanded that they should be placed.

"We are enjoying, in the first place, a considerable increase in traffic. Western grain, which had been going through American ports, is coming through Montreal, and already the ports of New York and Buffalo are becoming alarmed at the formidable competition for which Montreal is responsible.

"INSURANCE REDUCED.

"Another excellent result has been that the insurance companies, recognizing that the St. Lawrence route is now as safe as any maritime route, have reduced, to a considerable extent, their rates for the vessels of Canadian lines, and the freight carried by these vessels. Rates of maritime insurance, between 1900 and 1907, were as follows:—

YEAR.	BUTTER, CHEESE AND GOODS PER \$100.	GRAIN PER \$100.
1900	84½	99
1901	63½	78
1902	55½	78
1903	49	56
1904	43	50
1905	37	41
1906	45	45
1907	38	38

"which amounts to a reduction of 50 per cent. on the goods mentioned in the first category and of 60 per cent. on grain.

"The tonnage of vessels has grown to 386,837 tons. Estimating the value as \$60 per ton, the total value reaches \$23,210,220. The average rate of insurance on these vessels is 4 per cent., or a total amount of \$928,408. Seven years ago the average was 5 per cent., which represents \$252,000 more than to-day. It is estimated that the amount of goods carried on the St. Lawrence route last year reached \$150,000,000. Calculated on the lowest rate of insurance in 1900, this would have represented a total insurance of \$1,260,000; insured at last year's rate of insurance, namely at the rate of 38 per cent., the total insurance would be \$570,000, or a reduction of \$690,000. If we add this reduction to that effected on boats, namely, \$232,000, we reach the insurance total of \$922,000."

TORIES ADMIT GREAT INCREASE IN GRAIN SHIPMENTS FROM MONTREAL.

The following extract is taken from an editorial which appeared in the Mail and Empire, Toronto, on Sept. 2nd, 1906:—

Grain Via Montreal.

"In shipping circles at New York and other North Atlantic ports of the United States envy and something like panic have been produced by the steady set of the outward wheat movement to Montreal. During the past three months the Canadian port has received more wheat from the interior than have all its rivals of the United States put together. In June and July 7,901,261 bushels of wheat were exported from Montreal and 7,585,381 hushels from the five principal Atlantic ports of the United States.

"As the wheat gravitates to Montreal ocean vessels in search of wheat cargoes must go there too. Accordingly freight liners are being transferred from other routes and tramp steamships that were never in the St. Lawrence before are this season loading at Montreal. New York, Boston, Philadelphia and Baltimore cannot regard with equanimity the vanishing of their export grain traffic and the dwindling of the fleet that visits their ports. The trans-Atlantic steamship companies are loath to detach vessels from connection with these ports, whose incoming and outgoing general traffic is usually large. Hence these companies are exerting their influence along with the other shipping interests concerned to attract the wheat traffic from Montreal. Montreal's chief advantage, they perceive, lies in the lowness of the freight charges on the all-water route from the head of the lakes. To counterbalance this advantage the ocean steamship companies proposed to the Trunk Line Association that its freight rates be lowered."

APPRECIATION OF SHIPPING FEDERATION AND BOARDS OF TRADE.

The work of the Department has met with the heartiest appreciation of the Shipping Federation of Canada, and the Montreal Board of Trade, as appears from the following Resolutions and Reports --

AUGUST 7th, 1908.

"THE HONOURABLE LOUIS P. BRONEUR, K.C., LL. D.,
MINISTER OF MARINE AND FISHERIES,
OTTAWA, ONT.

"SIR,—

"I have the honour by direction to enclose you copy of a resolution
"of the Shipping Federation of Canada, recording a vote of thanks to
"the Government for the great and important work that has just been
"completed in connection with the removal of the bar at the Beaujeau bank,
"River St. Lawrence.

I have the honour to be,

Sir,

Your obedient servant,

(Sgd.) THOMAS ROBB,

Manager and Secretary.

"Copy of a Resolution adopted at a General Meeting of the Shipping
"Federation of Canada, held in the Board Room in the City of Montreal
"on Wednesday the 5th day of August, 1908.

"WHEREAS, the President of this Federation officially reported that
"the Beaujeau Bank, one of the principal obstructions which have hindered
"the navigation of the larger type of vessels on the St. Lawrence River, has
"been removed, and now vessels drawing 30 feet of water can come un-
"interrupted without waiting for the rise of the tide, to the upper Ports
"of the River St. Lawrence.

"AND WHEREAS, the completion of the dredging through the trouble-
"some Crane Island Flats, a task involving the expenditure of a large sum
"of money, and a great amount of labour, has resulted in a clear passage
"with a depth of 30 feet at extreme low water, and 45 to 50 feet at high
"tide, and a width of 700 feet. The former depth at this part of the River
"at lowest tide was only 21 feet.

"AND WHEREAS, the large Steamships that are now trading in the
"St. Lawrence route were delayed anything from two to six hours at thi
"point and could only attempt this passage within two hours before or after
"high tide, that is, eight hours of navigation per day at this point, steamers
"may now come or go at almost any hour of the day without experiencing
"any delay.

"AND WHEREAS, the task has been one of difficulty from an Engine-
"ering point of view, owing to the exposed part of the River, which neces-
"sitated the Government constructing special sea-going dredges to do the
"work.

"IT WAS RESOLVED that the Members of this Federation, who
"own or represent 478,385 tons of shipping trade to Montreal and Quebec,
"take this opportunity of recording a vote of thanks to the Government for
"the able manner in which this National work has been carried out.

"BE IT FURTHER RESOLVED a copy of this Resolution bearing
"the seal of the Corporation, be forwarded to the Right Honourable Sir
"Wilfrid Laurier, G.C.M.G., P.C., Prime Minister, and also to the Honourable
"Louis P. Brodeur, K.C., LL.D., Minister of Marine and Fisheries.

(Sgn.) HUGH A. ALLAN,
President.

(SGD.) THOMAS ROBB,
Secretary."

(SEAL)

BOARD OF TRADE,
MONTREAL, 30TH OCTOBER, 1907.

"HON. L. P. BRODEUR,
MINISTER OF MARINE AND FISHERIES,
OTTAWA.

"SIR,—

"I have the honour by direction of the Council of this Board to send
"you herewith copy of the Report of the Acting President, Mr. Thomas
"J. Drummond, with regard to the annual inspection of the St. Lawrence
"Ship Channel which he attended on your invitation.
"The Council was much gratified to learn from this report of the very
"satisfactory progress of the work of deepening and improving the Ship
"Channel which quite fulfilled the expectations raised by the manner in
"which you have devoted yourself to the task of making safe the navigation
"of our national waterway.

"I am further to say that the Council had pleasure in adopting as an
"expression of its own views the complimentary references in the report
"with regard to yourself and to the officers of your Department.

I am, Sir,

(SGD.) GEO. HADRILL,
Secretary."

The Report referred to by Mr. Hadrill, which was made by Mr. Thomas J.
Drummond, First Vice-President of the Board of Trade, is of a very com-
prehensive character. The gist of it is contained in the last paragraph, which
reads as follows:—

"I think I voice the feeling of every one present in expressing my
"great gratification at the work that has been done, and my appreciation
"of the vigorous, intelligent and broad-minded manner in which the Minister
"has dealt with the work and the various questions that have come up as
"between the Department and those directly interested in the St. Lawrence
"route. Further, I desire to express my appreciation of the way in which
"the actual work and operations are being conducted both at Sorel and
"other points visited on the trip. The whole reflects credit on the Minister
"of Marine and Fisheries, his Deputy, Colonel Gourdeau, his Chief Engineer,
"Mr. Cowie, and Messrs. Desbarats and Forneret, as well as on the other
"officials in charge of the various operations. It was certainly most gratify-
"ing to us all to see public work of this kind being carried out in such a
"workman-like manner and in charge of such competent and in-defatigable
"men."

On the 30th July, 1908, Sir Thomas Shaughnessy wired the following con-
gratulatory telegram:—

"The completion of the Beaujeau Channel at Crane Island, is of enormous importance to the St. Lawrence route. Hon. Mr. Brodeur is to be congratulated on having finished the work so promptly."

MR. BRODEUR REPLIES TO HIS ASSAILANTS.

Mr. Brodeur, referring to the above statement, and to the appreciation of the shippers and business men of his policy, said:—

"Such testimony is excellent compensation for the unjust attacks brought against me during last Session by Mr. Foster, Mr. Bennett and others.

"These attacks were inspired by men who were not anxious that I should reform the Department. The Department, in fact, was organized by the Conservatives, and had been administered by them for 24 years out of the 41 of its existence since Confederation. Deplorable abuses had grown up. When I was appointed Minister in 1906 I noticed irregularities, and I immediately set experts to work to devise a system of accountability and control which would be of great assistance to me in a total re-organization.

"CONSERVATIVE CHIEFS AIDED WRONGDOERS.

"But hardly had I expressed a desire to accomplish reform when those who were profiting by the abuses started a campaign of scandal against me. They did it with the aid of the Conservative chiefs, who spoke for them in the House.

"The Opposition is composed of men whose principal aim, I might say whose only aim, is to impute dishonourable motives to their adversaries. So anxious are they to discover our faults that they always accuse us of being in the wrong. And in that way they show they that are wanting in one element which tends to raise public life to a higher level—the quality of patriotism, the love of country and of its institutions.

"During the life of Mr. Prefontaine, the Conservative Party made no charges against him, but after his death they lost no opportunity of bringing accusations against his administration.

"They have railed about the "Arctic" and the "Montcalm," on the extraordinary profits realized by Merwin, but inquiries have revealed the fallaciousness of their criticisms, and their accusations.

REASONABLE EXPENDITURES.

"The provisioning of the "Arctic" cost \$1.03 per man per day. Under McLean, the Conservative Minister in 1884, the provisioning of the "Neptune" for a similar voyage cost \$1.19 per man per day, and under Foster in 1885, the "Alert" for similar expedition likewise, cost \$1.14 per man per day. So far as the "Montcalm" is concerned, only that was spent which was absolutely necessary to put her in a condition to receive the high officials of other Governments when paying visits to Canadian waters.

"Now with regard to the Merwin affair. Out of a total of \$456,715 paid to Merwin and his partners in 1904-1905, the Conservatives have found an over-profit of \$6,000 in all.

"CRITICISING PETTY DETAILS.

"The Opposition have been totally unable to establish anything against the Government. Their criticisms are limited to petty acts of administration for which certain officials of the various Departments might be responsible but which cannot be regarded as imperilling the reputation of the Government itself. Attempts have been made to crush me because I have determined that the guilty shall be punished, and that abuses shall exist no longer. I know that I am right, and I shall continue to do my duty, even if hoodlers and grafters do form a league against me. I have never been afraid of trusts, and I am not now afraid of the men who attack me. As long as I am at the head of the Department of Marine and Fisheries, I shall see that its administration is honest and irreproachable. Moreover, my adversaries, unable to find anything to compromise my honour and my respectability, have abandoned their campaign against me. But, if during the approaching campaign, they desire to repeat their attacks, they will find me ready as ever to meet their charges, and to reply to their criticism."

CROW'S NEST PASS RAILWAY.

By the granting of a Subsidy amounting to \$3,630,000, the Government secured the speedy construction of the Crow's Nest Pass Railway, by which one of the richest mineral sections of the country, namely, the Kootenay district, was opened up, and the trade connected therewith diverted from United States to Canadian channels. It also provided a fine market for the agricultural produce of the North West Territories.

It was a part of the bargain made by the Government with the Canadian Pacific Railway, who built this road, that the Canadian Pacific Railway would grant substantial reductions in freight rates, incoming and outgoing, to the farmers of the West. The reduction in freight rates on wheat alone, in 5 years amounted to \$3,750,000, or more than the total amount of the subsidy paid. The Government also compelled the Canadian Pacific Railway, under a contract, to turn over to them 50,000 acres of coal lands forming one-fifth of a grant secured by the Railway, through another Railway from the British Columbia Provincial Government. These lands are held by the Dominion Government to enable it to control the price of coal in British Columbia and prevent monopoly.

AIDS TO RAILWAYS.

To open up the country to development, the Liberal Government has pursued a generous policy of aiding Railway Companies to build new railways. During the 12 years they have been in power, Railway Subsidies to the amount of 21 million dollars have been paid.

In Conservative days Railway Subsidies were a gift, but the Liberal Government has made it a condition that the railway companies shall perform service by way of carrying the mails to the extent of a fair annual interest on the amount of the Subsidies.

The construction of new railways—particularly in the West—has also been encouraged by guaranteeing the bonds of the railway companies. In all human probability the Government will never have to pay a dollar under such guarantees.

THE INTERCOLONIAL RAILWAY.

The Intercolonial Railway is one of the great public works of Canada and is becoming increasingly valuable as a national asset because of the business-like administration of its affairs by the Liberal Government. Under the late Conservative Government the Intercolonial Railway was chiefly remarkable for its poor equipment, its indifferent service, its want of punctuality, and its huge deficits without any benefit to the country.

Under Mr. Blair's management the roadbed was greatly improved and the railway brought into the city of Montreal. The equipment was made up-to-date, trains began to run on time and the earnings of the road were largely increased. The work of improvement has been continued under Mr. Emmerson and Mr. Graham, so that to-day it is equal to any continental road in the service it gives, both for the travelling public and for freight carriage.

The railway was built in the first place as a connecting link between the Maritime Provinces and Quebec and Ontario; the commercial possibilities of it being of secondary consideration. Political considerations also involved, being constructed as far as possible from the American boundary. It has also to meet traffic competition by water. When these drawbacks are considered it is a matter of just pride to the Liberal party that it has been able to bring the road to its present high state of efficiency and at the same time make it increasingly valuable as a highway of commerce.

The following is a very instructive comparison, showing many of the improvements that have been made on the Intercolonial since the Liberals came into power:—

COMPARISON OF THE INTERCOLONIAL AS IT WAS IN 1896 AND 1906.

	1896	1906	Increase
Length of line.....	1,182.5	1,448.	25
Capital invested.....	55,267,044.63	83,080,488.	41
No. of locomotives.....	204	370	70
Passenger car service.....	276	423	55
Freight car service.....	6,667	10,707	62
Ploughs, flangers, etc.....	77	129	67
Engine mileage.....	4,714,661	376,784	99
Train mileage.....	3,842,502	6,872,962	93
Car mileage.....	43,005,684	88,213,817	117

In addition to this, the line has been relaid with 80-pound steel rails, replacing 62½-pound steel rails.

Nearly the entire length has been ballasted.

Bridges have all been replaced, and on a scale adequate for any reasonable increase in weight of rolling stock.

New terminals have been provided at many points, such as Sydney, North Sydney, Halifax, St. John and Moncton.

New roundhouses have been built at Chaudiere Junction, Riviere du Loup, Stellarton, Sydney, St. Flavie, Campbellton, St. John and Truro.

A fine modern brick passenger depot has been built at Sydney, another at Pictou, another at Westville, another at Stellarton, another at Antigonish and another at Maccan; one at Windsor on the line of the Windsor branch, and one at Memramrock, and at many other points. There was one at Drummondville, Quebec, and a new one at Levis; in fact all along the line improvements have been made in this regard at every place whether of greater or less importance. A large number of smaller depots for passenger and freight service were added wherever the business conditions seemed to warrant. Two elevators were constructed, one at Halifax and the other at St. John. Increased dock accommodation and additional sidings were also given at both these important points, which are stopping points on the line of expert transportation from this country to European markets.

It will be readily seen that such improvements have involved considerable expenditure, but they have been justified by the results. This railway now has the best roadbed in Canada, which is kept in a thorough state of repair.

As was only to be expected the general run of prosperity attending the Liberal administration of affairs had its reflex influence on the Intercolonial Railway as on other corporations. The Government was met by the demand for increased wages from the employees. When this had been granted by other employers and corporations it was not to be expected that the Government of Canada should fall behind in this respect. Other employers and corporations have often been enabled to meet these conditions of the labor market without loss by raising the rates or charging more for their products. But the rates of the Intercolonial are fixed so that this cannot be done by it. In regard to its rates for through traffic, although it is many miles longer, it has to be governed by the mileage to St. John of the Canadian Pacific Railway, known as the short haul. In order to have a short line from Sherbrooke across the State of Maine to the city of St. John assistance was given by Canada under the Conservatives to the C. P. R. to build that line. Canada for twenty years has been paying \$186,000 a year that the C. P. R. might compete with the Intercolonial.

In looking at the financial condition of this railway the following facts must be considered:—

At the commencement of the road very low freight rates were established and have never been raised to a material extent.

Passenger rates were placed at a minimum and have not been materially increased.

The rates were established to promote trade and travel between seaboard and inland provinces.

Increased accommodation and the added luxuries of travel have increased the cost of operating the road.

The wages of the men were increased 10, 15 or 20 per cent. at a time, but no increase was made in freight or passenger rates. From 1900 to 1906 about \$1,000,000 was added to the yearly wages of the employees. In every department there has been a justifiable increase.

Not only have wages increased, but cost of material as well. These supplies have been bought by tender in the open market. The following table gives a general idea of the added cost of supplies:—

COST OF SUPPLIES TO INTERCOLONIAL RAILWAY.

	1897	Increase Per cent.	1906
Ties—cedar.....	.16	87	.27, .30, .32½
“ tamarack.....	.17, .18	50	.27
“ hemlock.....	.13, .14	78	.24, .25
“ Princess pine.....	.16, .17	60	.27
Lumber—spruce deals..\$	7.00, 9.00	per M. 33½	\$ 10.00, 12.00
“ pine deals....	12.00, 15.00	“	\$20.00, 35.00, 39.00
“ pine boards...	12.00	“ 25	15.00
“ hard pine....	20.90	“ 33½	22.00, 29.00
Posts—cedar.....	.5 ft.	40	.7
Coal.....	2.10	per T. 47	3.10
Slack.....	1.10	“ 81	2.00
Car wheels.....	8.75, 9.25	46	13.50
Spikes.....	1.93, 2.15	12½	2.25
	per kg.		

Rails have advanced in price about 50 per cent.

LOWER FREIGHT RATES THAN OTHER ROADS.

Although the rates on the Intercolonial out of St. John and Halifax have been increased they are not equal to the rates fixed by the C. P. R. out of St. John or the G. T. R. out of Montreal. For illustration, on a ten mile distance where the G. T. R. and C. P. R. get 14 cents, the Intercolonial gets 12 cents; where they get 12 cents the Intercolonial gets 11; where they get 11 the Intercolonial gets 9; where they get 9 the Intercolonial gets 8, and so on. As the distance increases the rates on the Intercolonial become proportionately lower.

Thus for a 700 mile distance where the C. P. R. and G. T. R. get \$1.06 the Intercolonial gets 52 cents; where they get 93 cents the Intercolonial gets 46 cents; where they get 89 cents the Intercolonial gets 39 cents; where they get 53 cents the Intercolonial gets 26 cents; where they get 51 cents the Intercolonial gets 24 cents; where they get 40 cents the Intercolonial gets 22 cents; where they get 37 cents the Intercolonial gets 18 cents, and so on.

By these lower rates the Intercolonial Railway is assisting the export and import trade of the country. On this matter the Minister of Railways said:—“We talk about increasing our export trade to Great Britain; we as a people are solicitous of encouraging that trade. We are inviting the people of Great Britain to purchase from us; our producers and manufacturers are seeking a market there, and the very moment they strike the Government system of railways they are encouraged in that. But when they have to deal with the Grand Trunk or the Canadian Pacific Railway they are not encouraged, on the contrary they are taxed and hampered with respect to rates.”

IF THE INTERCOLONIAL RAILWAY HAD CHARGED THE STANDARD RATES EXACTED BY THE CANADIAN PACIFIC RAILWAY AND THE GRAND TRUNK RAILWAY, THERE WOULD BE A LARGE SURPLUS EVERY YEAR.

AT NO PERIOD IN ITS HISTORY HAS THE INTERCOLONIAL RAILWAY BEEN SO EFFICIENTLY OFFICERED AND SO WELL EQUIPPED FOR THE BUSINESS THAT NATURALLY BELONGS TO IT. AND IT IS SAFE TO SAY THAT ITS OPPORTUNITIES FOR FREIGHT AND PASSENGER BUSINESS WERE NEVER BRIGHTER.

NATIONAL TRANSCONTINENTAL RAILWAY.

The construction of the National Transcontinental Railway, which is now well under way, is a truly national policy that commands the admiration and confidence of the people. The Opposition in Parliament were compelled by the force of public opinion to admit the necessity for the construction of the Railway. Their chief criticism was regarding the manner in which it should be built.

Splendid progress has been made with the construction. It was recently stated by the Chief Engineer that the line would in all probability be completed by the 1st of December, 1911.

Up to the 31st March, 1908, the expenditure on this road amounted to \$27,074,131. What will this Railway mean to Canada?

It will practically double the industrial and productive area of the country. The map of civilized Canada will be rolled up 200 miles. Through it opportunity will be doubled for every man in Canada. It will be the shortest and best all Canadian line from tide-water to tide-water across the continent.

It will be the only all British Railway across the continent under one management.

It is located so as to be most secure from foreign invasion, giving depth and, therefore, strength, to our country.

It will give development and competition in transportation to 1,200 miles of grain-growing country in the West.

It will develop vast coal fields on the Saskatchewan, Athabasca and Peace Rivers, for the supply of fuel to the prairies.

It will give the most northwesterly part of the prairie region, which is furthest from the Atlantic, a short outlet to the Pacific.

It will connect the railway system of Canada with 2,000 miles of steamboat navigation on the Athabasca, Peace, Laird and Mackenzie rivers, their great lakes and the Arctic Ocean.

It will develop mining and lumbering in northern British Columbia and provide facilities for profitable interchange of mutual necessities between the prairies and the mountain regions of the far west.

It ensures a third railway outlet from and through the wheat fields to the lakes.

It will develop a thousand miles of northern Ontario and Quebec, at present unknown and inaccessible.

It will cut nearly 200 miles off the present Intercolonial distance between Quebec and Canada's nearest winter port, St. John.

It induces the investment of over one hundred millions of British capital in Canada; and correspondingly interests the British public in Canada's welfare.

Co-operation with the Grand Trunk Company secures effective, satisfactory and business-like operation; ensures fulfilment of all engagements, provides business from the start, and secures the Government from payment on its guarantee.

By that co-operation all principal points in eastern Canada are put in direct connection with the West without extra cost.

It will transfer the through-traffic interests of the Grand Trunk, from the Western States to Western Canada.

Sir Wilfrid Laurier, in introducing the National Transcontinental Railway Bill in the House of Commons, said:

THE NEW RAILWAY A LINK IN THE CHAIN OF CANADIAN UNION.

"The Canadian confederation would have been a union on paper and a union on paper only, but for the fact that the Grand Trunk Railway, and the Canadian Pacific Railway, and the Intercolonial Railway brought all parts of our country together to act in unison and to beat with the same heart. This new railway will be another link in that chain of union. It will not only open territory hitherto idle and unprofitable; it will not only force Canadian trade into Canadian channels; it will not only promote citizenship between old Canada and new Canada, but it will secure us our commercial independence, and it will forever make us free from the bondage of the bonding privilege. For that reason alone, in my estimation, it would be worth all the sacrifices and far more than we are called upon to make.

"Sir, it is therefore with a firm heart that I offer this scheme to friend and foe; it is with a firm heart that I present it to the Canadian people.

"I am well aware that it will not be received everywhere with the same feelings. I am well aware that it may scare the timid and frighten the irresolute; but, Sir, I claim that every one who has in his bosom a stout Canadian heart will welcome it as a scheme worthy of this young nation for whom a heavy task has no terrors, which has the strength to face grave duties and grave responsibilities."

THE NECESSITY FOR A NEW LINE.

Hon. Clifford Sifton, in a speech in the House of Commons, said:

"They take issue with us as to the necessity for the railway, and I adverted to the fact that they loudly applauded my former colleague when he expressed himself as having been wholly oblivious of any demand for the construction of an additional transcontinental line. I, therefore, think it is wise to advert briefly to the evidence of such a demand and to the evidence of the fact that the Government, in coming to the conclusion which it did is not submitting a proposition which is without public support and unwarranted by public sentiment. Well, I venture to express the doubt as to whether any member of this House can recollect any important proposition ever brought before the Parliament of Canada which was received with such unanimous approval from all quarters as the proposition that the Grand Trunk Railway should build to the Pacific. Whether the people would approve of the method proposed, is matter for discussion, but there can be no doubt as to the opinion of the people of Canada regarding the necessity for a new railway across the continent. We find the evidence in all shapes and forms."

TRULY A NATIONAL POLICY.

Hon. W. S. Fielding, in a speech in the House of Commons, May 26th, 1904, said:

"Never before was such a truly national policy presented to this Parliament as that which we have presented in this transcontinental railway

"scheme. From ocean to ocean it has commanded the admiration and
"confidence of the people. British Columbia is practically unanimous in
"support of it; as a Conservative editor in that province has said, the
"people of British Columbia should be a unit for this scheme and the men
"in public life who oppose it will as they should go down to defeat. Come
"down to the Northwest Territories and Manitoba and the people hail
"this scheme as a new line of competition, a new outlet for the people of
"that region who want to send their products to market. Come down to
"the province of Ontario. Opposition members from Ontario say there is
"nothing for their province in this scheme. Read the testimony of the
"President of the Board of Trade of Toronto, Mr. Ellis, who says that this
"is not only a great scheme for Canada, but a great scheme for Ontario,
"and a great scheme for its capital city of Toronto. Come down to the
"province of Quebec and where is the man in that province who dares to
"hold up his head against this scheme? A handful of men who by some
"accident have struggled into Parliament from the province of Quebec are
"found to-day apologizing for their opposition and moving amendments,
"declaring where this road ought to go. The province of Quebec is a unit
"in favor of this scheme and in the provinces down by the sea, in the public
"press, in the independent press, in the boards of trade, in the public bodies
"that represent public opinion irrespective of politics all shows public
"sentiment is in favor of this scheme. It is indeed truly a national
"policy and one which demands, and will receive the confidence and ap-
"proval of the people.

SIR WILFRID LAURIER AT SOREL,

September 4th, 1908.

"Our greatest work for the advancement of Canada is the construction
"of the Grand Trunk Pacific, which means so much for our country's future,
"and with which I hope my name will be chiefly associated. The more we
"know about this line the more we see its advantages to Canada. In fact
"its advantages are already being felt, as even now it is taking its part in
"the transportation of the western wheat crop. Within two years we will
"have this line running from Moncton to Winnipeg, opening up traffic to
"new empires of the north, where generations yet to come will be able to
"settle and make their livelihood. I tell you in all sincerity that I want to
"carry the coming general election in order to finish this great work; and
"when it is completed I shall be content to say with the prophet of old:
"Lord, now let Thy servant depart in peace."

THE OPPOSITION LEADER'S POLICIES.

R. L. Borden's Many Shifts.

Mr. Borden, the leader of the Opposition, propounded three distinctive, discordant, and mutually destructive schemes during the two sessions that the Grand Trunk Pacific project was being considered. The whole course of the Opposition with regard to this subject has been a variegated and shifting one.

Mr. Borden first proposed an alternative line in 1903. Then, in 1904, he could only go so far as to express an opinion, early in the session, in favour of the extension of the Intercolonial as far as Georgian Bay. He moved a resolution declaring for the best and cheapest carriage for our products and importations,

and laid stress on making the Canadian routes the most economical. In order to accomplish the desired results, a resolution was moved, declaring that the following objects and considerations should be kept constantly in view:

(a) To develop and extend the Government system of railways, and to free the management thereof from party political control or interference.

(b) To secure absolute and thorough control of rates and traffic facilities in return for reasonable public aid to railway construction or improvement.

There are some other considerations mentioned in the extremely long resolution, but the only one that bears upon the point is as follows:

It (the G.T.P. contract) not only fails to provide for the extension of the Intercolonial Railway, but it commits the country to a project which is calculated to postpone for 50 years, and probably for a century, any attempt to establish and develop in Canada a national system of railways owned and controlled by the people.

The resolution concluded by asking the House to declare that the country required the immediate construction, and control by the Dominion, of such lines of railway in the west as are required, and the extension of the Intercolonial Railway to Georgian Bay, and thence to Winnipeg. This was Mr. Borden's policy as declared on April 5th, 1904.

On May 26th of the same year, the leader of the Opposition placed before the country another policy, which was not the one of the session of 1903, and was not the one of April 5th, 1904, but one which was expressed in the following resolution:

The House is of the opinion that instead of ratifying the proposed agreement, it will be more in the public interest that the Dominion should assume the whole obligation necessary for extending across the continent the present Government system of railways, thereby completing a trans-continental railway from the Atlantic to the Pacific, entirely owned by and under the control of the people of Canada.

In the enthusiasm of this new and third resolution, Mr. Borden declared that if he were returned to power he would cancel and repeal the G. T. P. contract. A little later will be described the alternative project which Mr. Borden put forward in 1903. But to pass on for a moment to say, that the resolution of April 5th, which ignored entirely the first policy, declared in favour of developing and extending the Government system of railways, and it reproached the Government for the contract which a subsequent clause of the resolution declared would postpone any attempt to establish and develop in Canada a national system of railways "owned and controlled by the people." That was a mere general observation, and means nothing.

But these were not all of Mr. Borden's policies. He had another, and went elaborately into the particulars as to the best course to be pursued, and arrived at the conclusion that the all-rail route was no good, and declared in favour of using the water route. His water route consisted of a scheme for handling the grain precisely as it is handled now. He described a steamer going from Fort William to Parry Sound Harbour, on the Georgian Bay, and there discharging grain to be transferred to the railway, and by it carried to Montreal. Every one knows that this is precisely what is being done, and has been done for years, during the season of navigation. Then, he proceeded to say:

The fourth feature of the policy which I propose is this. I would assist the Grand Trunk Pacific Railway, on reasonable terms, to build a line north

of the Canadian Northern Railway, and as far west as Edmonton, or some adjacent point. This assistance should be coupled with complete control of rates.

THEIR NORTH BAY POLICY.

Another policy of the Opposition was to assist, with both land and money grants, the Grand Trunk Pacific, from North Bay to the Pacific Ocean. This policy was enunciated by Mr. W. B. Northrup, Conservative member for East Hastings. He referred to the statement of Sir Charles Rivers Wilson, to the opposition offered to the Grand Trunk Bill in the House of Commons, and asked the question, from whom that opposition emanated. "Not," said Mr. Northrup, "from His Majesty's loyal Opposition, for we always, to a man, have been in favour of the original proposition of the Grand Trunk Railway Company. We never had a chance to express our views on this point, any further than to announce that we were in favor then, as we are now, of a Grand Trunk line from North Bay to the Pacific, as the Grand Trunk itself wished."

It seemed such an extraordinary thing that an organized political party should favor giving to a railway company 12,460,000 acres of public land, that Mr. Northrup had a question put to him by the late Mr. McCreary, the member for Selkirk, who wished to know if he had correctly understood the statement made on behalf of the Opposition, and Mr. Northrup replied:

I have no hesitation in saying that I believe every member of the Opposition was in favour then, and is in favor now, of assisting the Grand Trunk Railway Company to build west from North Bay. This statement, which meant that the Conservative party in Parliament was a unit for a scheme under which Canada's trade would have been dropped down to Portland, was cheered by the other members of the Opposition.

POLICY FOR EVERY DAY IN THE WEEK.

The leader of the Opposition, had therefore, the following policies:

- 1st.—In 1903 were the water routes, lake, canal and river.
- 2nd.—The extension of the Intercolonial Railway to Georgian Bay, and thence to Winnipeg.
- 3rd.—To give assistance to the Grand Trunk Pacific.
- 4th.—Control of rates in return for reasonable public aid, also the extension of the Intercolonial as a Government road, and free it from Government control.
- 5th.—The extension of the Intercolonial across the continent "owned and controlled by the people."
- 6th.—To aid the Grand Trunk to build from North Bay to the Pacific, as they wished.

COST OF THE ROAD.

At the recent session of Parliament a determined effort was made to misrepresent the Government regarding the cost of construction of the National Transcontinental Railway.

In these circumstances it is considered advisable to publish the following extracts from speeches made by Liberal leaders.

Hon. Geo. P. Graham, Minister of Railways, speaking in the House of Commons on July 11th, 1908, said in part:

I shall give a few facts concerning the present position of the Transcontinental Railway, including the Grand Trunk Pacific, or western branch or eastern division from Winnipeg to Moncton, owned and being constructed by the

Government. The following memorandum is prepared by Mr. Schreiber chief engineer of the western division, and is dated May 31st, 1908, so that it, will contain the information up to a recent date:

THE WESTERN DIVISION.

TOTAL LENGTH OF WESTERN DIVISION

	MILES
Prairie section.....	916
Mountain section.....	839
	1,755

CONTRACTORS FOR GRADING, Etc.

	Miles.	Amount.
Treat & Johnston, Winnipeg to Portage la Prairie.....	53	\$ 200,000
McDonald, McMillan & Company, Portage la Prairie for 275 miles.....	275	1,672,000
Treat & Johnston, Qu'Appelle Valley (covered by above)...	...	298,400
Canadian White Company, 275th mile to 2 miles west of South Saskatchewan River.....	144	770,000
Foley Brothers, Larson & Company, 2 miles west South Saskatchewan River and North Saskatchewan River...	318	2,500,000
Canadian White Company, North Saskatchewan River to half a mile west thereof.....	1/2	29,000
Foley, Welch & Stewart, 6 miles east of Edmonton to Wolfe Creek.....	125 1/2	1,200,000
Foley, Welch & Stewart, 100 miles east of Prince Rupert..	100	3,200,000
	1,016	\$9,869,400
Total miles grading under contract.....		1,463,400
Contractors for steel bridges.....		1,463,400
		\$11,332,800

Total approximate cost..... \$11,332,800
 From Winnipeg to Battle River the grading and bridging is practically completed, being a distance of 675 miles. From Battle River to Edmonton about 54 miles of grading, etc., is completed.

The work of fencing, tracklaying, ballasting and telegraph line is being done by the Grand Trunk Pacific Railway by days labour; there are only 55 miles of fence built; the track is laid from a point about 30 miles west of Winnipeg for a distance of 520 miles; the line is practically ballasted for a distance of 160 miles and 271 miles of telegraph line is erected.

I want to call the attention of hon. gentlemen to the fact that this report rather confirms my statement often made that large companies do not always have the work done by contract; and members who insist on calling for tenders and giving contracts as a panacea for all the evils that may exist in a public or a private work in my opinion are wrong. This great company is doing a large portion of this work by day labour.

* * * * *

THE GOVERNMENT LINE.

Now, the length, of the Transcontinental line from Moncton to Winnipeg is 1,803.55 miles, or, if we include the Quebec bridge, 1,804.66 miles. The length, if the Quebec bridge is merely added to the distance, as it is not a part of the Transcontinental Railway proper. The estimated cost of the 1,803.55 miles is \$63,427 a mile, or a total of \$114,393,765.

The estimate of \$63,427 a mile does not include any allowance for interest; nor for shops at Moncton; nor for the branch line at the Quebec bridge to the terminals at Quebec, though it does include the divisional yard at the northerly end of the bridge; nor for terminals at Winnipeg; nor for shops east of Winnipeg. For terminals at Moncton the sum of \$97,000 is included in the terminal yard. With regard to shop accommodation, it is presumed that an arrangement will be made for the joint use of the new shops of the Intercolonial Railway. If so, the Transcontinental share of the capital expenditure on them is estimated at \$750,000, or, at 4 per cent. interest, \$30,000 a year. The terminals at Quebec will include the cost of the line from the Quebec bridge to Champlain Market, Quebec, say six miles, and of terminals at the Market at an estimated cost of \$2,000,000. For the shops east of Winnipeg the estimate is \$1,500,000. With regard to terminals at Winnipeg by agreement of the 1st of March, 1907, confirmed by the Act, chapter 52 of that year, between the Canadian Northern, the Grand Trunk Pacific and the Government. * * * * * The whole of the lands of the Canadian Northern Railway on the Winnipeg side of the Red River, together with the buildings, fixtures, improvements, track and facilities, will be jointly used by the Canadian Northern, the Grand Trunk Pacific and the Transcontinental Railways, with equal rights for passenger and local freight business. The Chief Engineer of the Transcontinental Railway states that the area of these terminal lands is: For the yard, 76.46 acres; for right of way of transfer railway, 2.72 acres; total, 79.18 acres.

DATE OF COMPLETION.

As to the question of the probable date for the completion of the railway between Moncton and Winnipeg, the Department is advised by the Chief Engineer of the Transcontinental Railway that in his opinion, if contracts for the remaining portions of the line are awarded before the middle of September next, and the labour market remains anything like what it is at present, there should be no difficulty in fully completing the line by the 1st of December, 1911.

At the risk of being tedious, I want to lay before the House a statement of the contracts which have been let on the eastern division between Winnipeg and Moncton. The number of miles under contract is 1,227.93, made up as follows:

Location.	Miles let.	Estimated cost per mile.
Moncton to Chipman.....	50.00	\$41,995
At Chipman.....	8.55	83,570
Chipman to Intercolonial Railway crossing.....	39.05	32,573
Intercolonial Railway crossing to mile 164.....	66.40	45,341
Mile 164 to Grand Falls.....	31.80	110,172
Grand Falls to New Brunswick boundary.....	60.88	51,130
New Brunswick boundary to 150 miles east of Quebec bridge.....	53.06	65,771
From Quebec bridge 150 miles eastward.....	148.89	
Quebec bridge link (not included in estimate).....	1.11	65,370
Quebec bridge, westerly.....	19.633	104,589
Near Harricanaw River to junction with Toronto and Northern Ontario.....	150.00	46,842
Junction Toronto and Northern Ontario Railway for 100 miles west.....	100.00	59,425

From 19 1/4 miles west of Mud River, easterly 75 miles.....	75.00	46,454
Lake Superior junction to west bank Red River.....	246.86	85,003

The number of miles yet to be contracted for is 576.73, for which the following is the estimate:

	Miles let.	Estimated cost per mile.
Weymontachene to near Harricanaw River	221.68	\$58,058
From 100 miles west of Junc. Temiskaming and North Ontario Railway to west end of district 'D'.....	44.10	62,524
From west end of district 'D' westerly.....	162.50	37,000
From 19 1/4 miles west of Mud River to west end of district 'E'.....	20.41	55,943
From west end of district 'E' to Lake Superior junction...	128.04	55,943
Total.....	576.73	

Average cost per mile, \$63,427; for 1,803.55 miles, total, \$114,393,765.

I might add to that the fact that on this eastern section there are 223 bridges, making something over 10 miles, which makes quite an addition to the cost of the railway over a railway that would not have this very expensive construction.

Mr. R. L. BORDEN. The cost of bridges is all included?

Mr. GRAHAM. The cost of bridges is included in the figures I have given, but I am pointing out the large number of bridges which helps to swell the cost. The total amount paid to the different contractors on the eastern division is as follows:

1906-7.....	\$ 3,160,954.11
1907-8.....	13,190,985.54
1908-9.....	2,591,750.73
Total.....	\$18,943,690.38

ACTUAL MISSTATEMENT

Now if I want to take up the figures of my hon. friend. I am free to admit that I did not get the impression from him that went to the country that the road from Moncton to Winnipeg would cost \$250,000,000, but, in some unaccountable way his friends of the press have made my hon. friend say that all over Canada. I just pick up a paper, which is an independent paper published in the City of Ottawa, and I find this gross exaggeration:

Moncton-Winnipeg portion estimated by the Government at.....	\$ 51,000,000
Will cost the country.....	250,000,000

That is the Ottawa Journal's heading, and the same thing has appeared in several papers. In discussing these figures, I shall first point out the fallacy of the statement, so that the people may know that certain papers, in endeavoring to criticise the Government, have actually manufactured something a great deal stronger than even the estimate of the leader of the Opposition. These statements, in justice to everybody, ought to be refuted. It will take some time for the correction to catch up, but I will try to make it strong enough so that it will have force to catch up when once started.

THE FACTS OF THE CASE.

Take the figures of my hon. friend to show what foundation there is for this heading:

Cost of construction from Moncton to Winnipeg..... \$114,393,765
With that I have no quarrel. Then he goes on to estimate that, allowing five years for period of construction, the interest on the money paid will amount to \$10,009,754.

With that I am not going to quarrel either. That makes a total of \$124,403,219. I may say, however, that in estimating the amount of subsidy to be paid on any railway, the Government never allows interest during construction to be added to the cost. We take the construction of the road without the interest, not as a matter of law, but as a matter of policy. In the contract with the Grand Trunk Pacific, however, the interest on the cost of construction is to be added to the cost.

Then I come to the figure of \$26,124,676 for the interest during seven years on the line from Moncton to Winnipeg during which the Grand Trunk Pacific pay no rental, but in this connection I want to point out that the total amount of that interest will not be payable until 1918, and that if we are absolutely to compute it at present at its face value in ten years from now, we are giving the Government and the country any advantage there might be in that computation. However, that is a small matter, and I shall not deduct anything at present on that account, although if we make the computation at the moment, we will find that the amount of \$26,124,676, which is to accumulate at simple interest in ten years from now, ought not to be chargeable at its full face value at present.

Mr. R. L. BORDEN. I would recognize at once the force of my hon. friend's observation if I had been adding interest annually upon the annual amount of rental which is to remain unpaid, but I have not done that. I have not included one dollar of interest which might be charged and be considered as compound interest. My hon. friend's observation would be a perfectly proper one if I had been charging interest on these annual amounts, but I have not done so.

Mr. GRAHAM. I carefully considered that while my hon. friend was speaking; and, while it is not a large amount he will agree that if you take \$26,124,676 to-day and place it at interest, we would have quite a balance left after computing the last payment which falls due 10 years hence. Then my hon. friend added this item to his calculation:

Also interest at 3 per cent. for three years additional during which no rent is collectable unless earnings are sufficient, \$11,196,290.

I want to point out that if this be payable, it will not be payable until 1911. But I am going to strike out that item altogether. It must go out unless we are prepared to take the position that the Transcontinental after the seven years during which no rent is collectable will not be able to pay its way. * * * *
Taking the history of the Dominion during the past few years, taking the rapid development of our western country and the rapid expansion on every hand. I believe that everything is in favor of my contention that at the end of seven years the Grand Trunk Pacific will be able to pay its way and we will not have to pay that 3 per cent. Discussing that point with an eminent railway man not many hours ago, he said: If at any time during that period or at the end of that period, the Grand Trunk Pacific should not want to go on with that arrangement.

you will find no difficulty in getting one or two other railway companies ready to take over the contract. Therefore, we must strike out the \$11,196,290 in all fairness.

My hon. friend put in the cost of the Quebec bridge. Well, the Quebec bridge forms no part and never did, so far as the estimate of cost is concerned, of the Transcontinental Railway. That bridge was a project before there was any question of the Transcontinental Railway. It was decided that that bridge would have to be built for the other railways; and when it is constructed it will be used, not only by the Transcontinental Railway, but by every other railway which wants to do business via Quebec. It will form not merely a link in the Transcontinental, but in every other railway running from east to west. While the Transcontinental will use it, it was being built as a different proposition altogether, and would have to be built even if we had never undertaken to construct the Transcontinental. You have therefore to deduct from the cost of the Transcontinental this amount of \$14,422,238 put in by my hon. friend as the cost of the Quebec bridge.

Now I come to another point in which I differ with my hon. friend. In his statement he gives this item:

Estimated cost of our share of terminal at Quebec, Winnipeg and Moncton and shops east of Winnipeg, \$5,470,000.

He therefore added that, under the terms of agreement which I have stated; but under that agreement a certain share of percentage is to be paid each by the Government and the Grand Trunk Pacific for the terminals in the City of Winnipeg, and I need not add anything further to prove that my hon. friend should not have taken into his calculation any such amount as this.

Let me take the cost of the terminals at Moncton and call attention to this fact. The terminal tracks at Moncton have had an amount of \$97,000 placed on them, but that is included in the cost per mile and in the larger figure of \$114,393,765, so that cannot be again counted.

Then we come to the next point and my hon. friend was not unfair in that respect, but I want to point out that, while not unfair, as far as the country is concerned, his contention is impractical. The Intercolonial Railway is building at present large shops and terminals at Moncton which will cost a large amount of money. The Grand Trunk Pacific expect, as we expect, that the Transcontinental will use these terminals, so that while the amount chargeable direct to the Transcontinental of \$750,000 may be considered as capital, every hon. gentleman will see that whatever the Transcontinental pays for the use of these terminals will be paid to the Intercolonial Railway which is building them, and this money which is going from the Transcontinental, or the Government, will come back to the Intercolonial Railway or practically to the Government in another form. So that the country will not be out of pocket one dollar.

* * * * *
The terminals and shops at Moncton are being built by the Intercolonial, in other words by the Government, with the object of accommodating the Transcontinental at Moncton. Although we have been criticised for spending a large amount of money at Moncton, it has always been the view that we will not have to spend that money with the Transcontinental. Now, we have to take out the amount my hon. friend would apportion to Moncton. I am putting in \$2,000,000 as an estimate for the terminals at Quebec. Now I come to Winnipeg. As I have pointed out, it is improper to put in one farthing for the Winnipeg terminals, as every dollar the Government will spend for the Winnipeg terminals

has been provided for under the section of an agreement I have read, and this will go into cost of construction, and all that will be chargeable will not be an amount capitalized, as my hon. friend's large figures tended to show, but it will merely be the interest on the interest that the Government has paid. That will be during the first seven years.

I am stripping the Government section from Moncton to Winnipeg of excessive figures and straightening out the difficulties the papers have got into on account of my hon. friend's statement. I want to get the Moncton to Winnipeg portion righted first, as that is the portion being huilt by the Government.

\$97,000,000 ASTRAY.

I find these additions make \$38,892,828 or \$39,000,000 in round numbers. If I add to that amount the guarantee of the mountain section and the prairie section, \$58,480,000, I find my hon. friend's newspapers, for some reason, are out just the small sum of \$97,048,000 in their computation. I AM PREPARED TO SAY THIS TO THE COUNTRY, THAT THE DOMINION OF CANADA, ANY TIME IT DESIRES, CAN GET RID OF THAT PORTION OF THE RAILWAY AT WHAT IT WILL COST THE COUNTRY. THE ONLY BURDEN THAT LIES ON THIS COUNTRY FOR THIS RAILWAY FROM MONCTON TO WINNIPEG IS THE AMOUNT THAT IT WILL COST THE COUNTRY IN THE WAY OF INTEREST FOR THE SEVEN YEARS, BECAUSE AFTER THAT THE GRAND TRUNK PACIFIC PAYS THE INTEREST AND CANADA IS UNDER NO BURDEN WHATSOEVER. Now, sir, dealing with it from that point of view, I want to call the attention of the House to a very different situation, and to one in which the country will be interested. The burden of the country, as I said, is the amount it will cost the country in interest on the money invested in this railway, being the interest for seven years of the lease, after which the Grand Trunk Pacific carries the burden itself and Canada has no burden to bear. The interest for the first seven years will be \$26,124,676. That includes interest during construction as well. The interest on the \$3,500,000 I have estimated for the shops east of Winnipeg and for the terminals at Quebec would be \$735,000 for the term, or a total of \$26,859,676 of interest that will accumulate during the first seven years of the lease to the Grand Trunk Pacific. I AM PREPARED TO MAKE THE STATEMENT THAT, MAKING ALLOWANCE FOR POSSIBLE MINOR INACCURACIES IN THE CALCULATION, BROADLY SPEAKING, ALL THE BURDEN THAT IS PLACED ON THE DOMINION OF CANADA FOR 1,800 MILES OF RAILWAY IS \$26,859,676, OR IF WE TAKE THE SURPLUS AS WE HAD IT LAST YEAR IT WOULD WIPE OUT ALL THIS INTEREST IN ABOUT A YEAR AND A HALF.

I wish to carry my hon. friend's conclusion a little further and do as he suggested. Instead of leaving the \$26,859,676 suppose we borrow the amount at 3 per cent., which would be a business proposition. Then for this 1,800 miles of railway and the benefits to be derived from it Canada would only be burdened \$805,770 per year, or less than \$1,000,000. Is there anything appalling in those figures? I say the Government of Canada if it had to do the same thing again, would be derelict in their duty if they did not construct the railway at that cost.

I do not want to be unfair, and at the suggestion of my hon. friend I am going to take in the mountain division for a little inspection. So far as the Government end is concerned, I have stated the burdens of the country. I propose to go into the mountain section. I have faith in Canada and I am not going to suggest or admit (and I believe the circumstances will warrant me in my conclusion) that this country will ever be called on to pay one cent on the guarantee of bonds on the Grand Trunk Pacific.

If Canada is the country we believe it is, if the people are the people we think they are, if our development is only on the threshold, and if, in the years to come, we expect further development, further progress, there is not the faintest chance or danger that this country will ever be called on to pay one cent on the guarantee of bonds of the Grand Trunk Pacific.

* * * * *

WHY THE COST INCREASED.

I have endeavored to show what the burden of Canada will be for this railway. I now come to the increased cost of this railway. The increased cost is due chiefly to two reasons, first the greater cost of material and labour, and second the improvement of the standard of the road over what was intended by the first estimate. I shall read an extract from a memorandum upon this subject given me by the Chief Engineer of the Transcontinental Railway Commission. In this memorandum he says:

The apparent high cost per mile is accounted for from the fact that heretofore no railway of such a length has, in the first instance, been constructed through a similar country with the low grades and curvatures used by us, viz., 0.4 per 100 feet adverse to eastbound and 0.6 per 100 feet adverse to westbound traffic, excepting at two points, with sharpest curvature 6 degrees (955 feet radius) and permanent structures. I may also add that with very few exceptions all the structures provided for are permanent in character, culverts being of concrete and bridges of steel with concrete substructures.

What follows is very important, coming from the Chief Engineer:

Had we used grades of 1 per cent. in either direction, curves of 10 per cent. (573 radius) and a large number of timber structures, which has been a common practice heretofore in similar countries, the cost might have been reduced nearly a third, but the operating and maintenance expenses would have been enormously increased.

I have another memorandum made by the Chief Engineer of the western division giving some information as to increased cost. He says:

A question has arisen as to the estimated cost of construction of the Grand Trunk Pacific Railway prepared in 1907, being so far in excess of the estimated cost made in 1903.

Explanation is simple: the reason is two-fold—first, the general increase in cost of labour and materials; and, second, the superior character of the eastern section of the road as being constructed compared with its character as contemplated in 1903.

These are the words of two chief engineers. The rate of wages for ordinary and skilled labour has increased at least 25 per cent., the cost of lumber, timber and ties has increased 35 per cent.

* * * * *

The rate of wages for ordinary and skilled labour has increased 25 per cent. The cost of lumber, timber and ties has advanced fully 35 per cent., and the price of steel rails has gone up from \$25 to \$35 per gross ton, an advance of 40 per cent., there may be other materials, probably are, which enter into railway construction which have not advanced in the same ratio, but the above constitutes the leading and costly features.

The estimate of 1903 was based on a road with maximum grades and curves, and curves of 1,200 feet radius would be more favourable than some curves on the Intercolonial Railway. In fact the estimate of cost prepared in 1903 was for a

road of an ordinary character such as is being constructed elsewhere in Canada. Again, the structures upon the eastern section (Moncton to Winnipeg) are being built practically all of steel and concrete, of a costly and permanent character, even in the most inaccessible sections of the road, whereas, it is well known that on roads constructed elsewhere in Canada, the structures are largely of timber, and such material was in view in the estimate of 1903.

* * * * *
If my hon. friend will look at an authority which I might quote, but which I will not take the time of the House to read, he will find that one of the greatest difficulties with the railways on this continent and elsewhere is the fact that they were not properly constructed in the first instance, and that while some railways were pushed through and rails laid at a comparatively cheap price, inside of ten or twenty years these roads practically had to be rebuilt. Railroading in Canada has been so revolutionized during the last five or six years that the principal railways have abandoned in some instances mile after mile in order to get easier grades and better curves. One of the leading railways in the United States, and I refer my Hon. friend to the Railway Gazette, has abandoned 109 miles and is rebuilding altogether. I need only call the attention of these hon. members who come from the province of Ontario to the fact that between Montreal and Toronto the Grand Trunk Railway Company has abandoned mile after mile and built a new railway on a new right-of-way in order to get rid of some curves and some heavy grades, and I understand that it is now contemplating getting rid of its track east of Scarborough Heights and getting into Toronto around by the lake to avoid the grade. Why? In order that the cost of transportation may be cheapened, and that longer trains and heavier loads may be carried by each locomotive.

I am told that the Canadian Pacific itself during the past few years, has spent in the reconstruction and the betterment of its grades and curves an amount equal to its entire original capitalization. We find that the Grand Trunk Pacific is now being constructed so that these large amounts of expenditure a few years hence will not have to be made, and as the engineer says, while the initial cost of construction is apparently heavy, the magnificent road bed, the easy curves and the steel structures with concrete foundations will enable this road to start out with a standard of road that some of the leading railroads of America have not yet attained and can only attain after years of running by the expenditure of millions.

MILLIONS SAVED IN OPERATION.

I wish to point out just what the superior standard of the road means. From Winnipeg to Quebec by this route is 223 miles shorter than by any other, but leaving that out of consideration, suppose we take a standard of five trains each way each day. With the easy grades of 4-10 of 1 per cent. against east bound traffic twelve trains can carry as much as on an ordinary road could be carried in 20 trains. The saving in this way in one year's operation has been estimated by a competent authority at \$2,986,802. This saving will more than counterbalance anything that could be said in reference to the extra cost of construction.

But it may be said that the saving will go to the Grand Trunk Pacific in the cost of operation. It will in a measure, but I want to ask the hon. gentleman what we are building a road for? Is it not to improve transportation? Why do we want to improve transportation? In order that the products of the people may be carried more quickly and more cheaply

from the place of origin to the place of consumption. That being the case, every day means money, every extra car and ton that a railway can carry with the same amount of expenditure means a bigger price on the goods that are hauled, for the people that produce them. Arguing it on that line the people of Canada in the decreased cost of operation on this line, to say nothing of anything else, will reap a benefit far outweighing all the expenditure that Canada can ever be called upon to make on behalf of this country.

* * * * *

Extract from Speech of Hon. W. S. Fielding in Parliament on Cost of Road.

My hon friend (Hon. Geo. E. Foster) entered into a discussion of Grand Trunk Pacific affairs. I shall not follow him in that; I gave my views on that to the House the other day, and covered most of the points which the hon. gentleman has referred to to-night. If I can see any special purpose in his address, some special point that can be stated as the summing up of it, I think it is this: that we should not have commenced the Transcontinental at the time we did. I take issue with my hon. friend, and I believe the country is with me and against him. I believe that in view of the tremendous development in the west which is now in progress, the results of which we are seeing year after year, we did not begin the Grand Trunk Pacific one year too soon. I believe there is not a man who voted for the Grand Trunk Pacific scheme in 1904 who would not as freely have voted for it if he had thought that the cost was going to be more than was then supposed. The hon. gentleman is virtuously indignant about the cost of the road. What could any public man do in such a matter but to go to some experienced engineer and take his advice? That is what we did. THE ESTIMATES WE PRESENTED WERE THE ESTIMATES OF THE EMINENT ENGINEER, MR. SCHREIBER, THE LONG-EXPERIENCED AND WELL-TRUSTED CHIEF ENGINEER OF RAILWAYS AND CANALS. AND WHEN MY HON. FRIEND SPEAKS OF IT AS A "SILLY" THING TO PRESENT THESE ESTIMATES TO THE HOUSE, I HUMBLY SUBMIT THAT THE OPINION OF COLLINGWOOD SCHREIBER ON A MATTER OF THAT CHARACTER IS ALMOST AS GOOD AS THAT OF MY HON. FRIEND FROM NORTH TORONTO (Mr. Foster). The road is costing more, to some extent, as the Minister of Railways (Mr. Graham) showed, because, though we are looking for a good road, the Commissioners had given us even a better road than we were aiming to get. The road is well built. And it is well known that economy is not always gained by cheapness of construction. It pays to build a road well. There are great railways built and running to-day which realize that mistakes were made in former years when the roads were too lightly built, with curves and grades that were not what they should have been. And untold millions are being spent all over the continent of America to overcome difficulties of that character. By making a good road, by bringing your grades down to the finest point, by giving us such a road as we are getting in the National Transcontinental, we are doing the best thing to cheapen the transportation of the country. And if the people of Canada have put into that road one dollar more than they thought they would need to do in 1903, they realize that they will get the benefit of that dollar in the cheaper transportation which will come to them as long as grass shall grow and water run.

MAJOR HODGINS' CHARGES PROVED TO BE WITHOUT FOUNDATION.

The charges were withdrawn and the Transcontinental Commissioners completely exonerated.

On April 17th, 1908, there appeared in the Daily Colonist, a Tory newspaper published at Victoria, B.C., a letter from Major A. E. Hodgins, formerly District Engineer in charge of the 400-mile section of the National Transcontinental Railway east of Winnipeg, designated as District "F". In this letter Major Hodgins referred to the report of an interview that had appeared in the Toronto World on March 12th, 1908, in which Mr. J. D. McArthur, the contractor for 250 miles of District "F" was represented as saying that while the first estimate of the cost of his work was \$13,000,000, the probable outlay would be close on to \$16,000,000, and without having made any enquiry as to the alleged interview, the Major asserted that the increase in cost spoken of by McArthur was due entirely to the introduction on the work of what he called "QUEBEC CLASSIFICATION." This, he explained to be the classifying of common excavation as solid rock, the latter being paid for at a higher figure. The Major alleged that he had been dismissed by the Transcontinental Commission because he would not allow the work under his charge to be over-classified, as was done in Quebec, and he proceeded to impugn the honesty of the Commissioners and of their engineers. Further he alleged that Chairman Parent had "hypnotized the Government" and that he had appealed in vain for an investigation. Following his letter the Major gave an interview to the Daily Colonist on April 19th, 1908, which that paper published under these scare headings:

CLAIMS COLOSSAL SCANDAL EXISTS

MAJOR HODGINS GIVES INSTANCES OF THE WORKINGS OF QUEBEC CLASSIFICATION.

MULCTED IN MILLIONS

PEOPLE OF CANADA OVERCHARGED HUGE SUMS, HE CLAIMS, IN WRONGFUL RATINGS.

The character of the interview may be judged by these headings. It repeated the charges made in Major Hodgins' letter of April 17th, and purported to give illustrations in support of these charges, one of such illustrations being based on what the Major alleged he saw in a cutting at La Tuque, Quebec, where he said he had been told the classification was 86% solid rock, although the cut had originally been classified as only 30% of solid rock.

The publication of Major Hodgins' letter and interview was at once made the text for a new scandal campaign by the Tory press of Canada. From Victoria to Halifax the scandal-mongers resumed their task and roared in gleeful unison that at last they had material with which to wreck the Laurier Government. Nor did they call a halt when Chairman Parent on April 23rd, 1908, addressed a memorandum to Sir Wilfrid Laurier directing the Premier's attention to the charges formulated by the Tory press on the authority of Major Hodgins, and demanding on behalf of himself and his fellow-Commissioners of the Transcontinental Railway that the whole matter be investigated by a Parliamentary Committee at the earliest possible date. Thereupon a special Committee was appointed consisting of Messrs. Geoffrion, Macdonald, Carvell, Barker and Lennox

—the first named being the Chairman. The Committee set to work at once and summoned Major Hodgins to prove his charges

All papers, plans, profiles, reports, letters and other documents in the custody of the Commission were placed at the disposal of the Special Committee and Major Hodgins and his Counsel were given access to them and afforded every opportunity to acquaint themselves with the exact position of every detail in any way connected with the work of the Transcontinental Commission. As a basis for the enquiry, and in order that Major Hodgins could not allege that he was not responsible for newspaper talk, the Committee ruled that the charges which the Major was prepared to prove should be placed in writing. This was done and the charges thus specifically set out were found to differ in many important particulars from the statements originally made by the Major to the Daily Colonist.

From the outset of the investigation Major Hodgins proved a grievous disappointment to Messrs. Barker and Lennox, the Tory members of the Committee. Even in the hands of his own Counsel the Major was not a promising witness; but when his cross-examination began he completely shattered the hopes of the pack of Tories who sought to use him for the base purpose of blasting the reputations of honest men.

THE EVIDENCE ESTABLISHED BEYOND QUESTION THAT THE CHARGES WERE ABSOLUTELY WITHOUT FOUNDATION. MAJOR HODGINS NOT ONLY FAILED TO PROVE THE CHARGES, BUT SPECIFICALLY WITHHELD THEM, AND UNQUALIFIEDLY EXONERATED THE COMMISSIONERS AND THEIR ENGINEERS FROM ANY IMPROPER CONDUCT OR UNDUE INFLUENCE OVER OFFICIALS OVER THEM, OR OF COLLUSION WITH THE CONTRACTORS.

Before the enquiry had been long in progress Major Hodgins practically repudiated the interviews with himself which appeared in the Colonist, and upon which the investigation was based. Later on it was established in evidence beyond question that the Quebec cut, which the Major referred to in his charges as having been classified at 86% solid rock, was actually classified in the month before Major Hodgins' visit there at 29% solid rock, 10% loose rock and 61% common excavation, and a month later 32% solid rock, 10% loose rock and 58% common excavation.

It was further shewn in evidence that a large amount of discussion and correspondence had taken place between the Chief Engineer of the Commission, the various district engineers from Moncton to Winnipeg, as well as divisional and resident engineers, and very eminent legal gentlemen, over the proper interpretation of clauses 34, 35 and 36 of the specifications, being the clauses applying to the classification of solid rock, loose rock and common excavation, and that on the 9th day of January, 1908 an interpretation was decided upon by the Chief Engineer, which afterwards was agreed to by Mr. Woods, Assistant Chief Engineer of the Grand Trunk Pacific Railway Company, and which has been acted upon since that date, but which the Major contended was at variance with the ideas of the proper construction of these clauses

The Major then "backed down" in the most complete manner, as appears from the following evidence given before the Committee of Enquiry on June 16th. 1908.

Major Hodgins Under Examination Backs Down and Retracts.

EXAMINED BY MR. MUAPHY:

Q. Was there any other discussion on classification between you and Mr. Poulin before you left? A. No, not that I remember. You see the—it seems

to me the only issue now is the correct and proper interpretation of these specifications and I do not see that I am called upon to prove it, I cannot.

The CHAIRMAN.—That is about it.

Mr. LENNOX.—I entirely dissent. This is not the time to argue, but I entirely and absolutely dissent from that proposition.

The WITNESS.—It is rather hard on me to have to—

Mr. LENNOX.—That is not at all the question as the witness suggests.

EXAMINED BY MR. MACDONALD:

Q. You regard that as practically the only question left now, the question of whether your view of the classification is correct? A. That is all.

Q. That is all. I understand you to say, from the information that you have gathered since coming into this matter, Major, that you feel that you can not say that you have any imputations to make upon the Commissioners in regard to any improper interference, with the engineers for instance? A. With those legal and engineers' opinions there I do not see that I have.

Q. And you are not in a position to offer any evidence to show that they exercised any improper interference with the engineers? A. No.

Q. In regard to that matter in which the statement was made here that Sir Wilfrid Laurier refused investigation on account of the influence exercised on him by Mr. Parent; I understand you are not in a position to say, or to offer any evidence that would show that Mr. Parent attempted to influence Sir Wilfrid in any way, or are you? A. No, not unless Mr. Parent came up to say he did.

Q. You have no evidence of that? A. I have none.

Q. And in regard to the question of engineering, you apparently as an engineer, with your experience, took a certain view as to how the wording of these specifications should be interpreted? A. Yes.

Q. Now you find that since you put in the statement here, Mr. Lumsden, on January 10th laid down certain instructions for the engineers to follow which may be said to be an interpretation from his standpoint of what the specifications mean? A. Yes.

Q. You were not aware of this being in existence at the time you wrote to the "Colonist" on April 15th, were you? A. No.

Q. I suppose in regard to these opinions of counsel on the meaning of the specifications you had no intimation of them at the time you wrote the letter? A. Another man's opinion is just as good as mine, as a matter of fact every engineer's opinion is valuable to himself.

Q. And it is a question upon which men may differ quite honestly? A. Certainly.

Q. You do not impute to these gentlemen any improper motives in their ideas? A. Not after reading Mr. Lumsden's letter.

Q. You made use of the expression the other day that you did not regard this committee as the proper tribunal to determine the question at issue? A. With all due deference to the committee I do not; it is an engineering dispute and as far as I am concerned I quite believe that the arbitrators who are appointed for the purpose should deal with this question of classification and I think the board of arbitrators is the only right and proper tribunal to determine it.

Q. And any evidence you have to offer in regard to this matter, to this question at all, whatever is left of it now, is evidence that you would prefer to give to this tribunal of arbitrators that has been appointed under the statute? A. Exactly.

Q. They are people in whom you have confidence that they can settle this question in the interest of this country fairly? A. Absolutely.

Q. And you are prepared to accept their judgment on this question of classification as absolutely fair from your standpoint and in the interest of the country? A. Certainly; I would not put myself in the way at all; they have to look after the interest of the country.

Q. And you regard this board of arbitration as being the proper tribunal to determine whatever there is in issue in this matter? A. They are the proper tribunal.

Report of Committee.

FOLLOWING IS FULL TEXT OF THE REPORT OF THE SPECIAL COMMITTEE.

The Special Committee, to whom was referred the memorandum of the chairman of the Transcontinental Railway Commission to the Prime Minister, of date 23rd of April last past, and laid on the Table of the House on the 24th April, and papers accompanying same, together with a letter of Major Hodgins' to the public press therein referred to, beg leave to report as follows:

Your committee met for organization on the 29th day of April last past, when Mr. Geoffrion was elected chairman, and, on motion, it was resolved that the clerk of the committee notify Major Hodgins to appear for the purpose of formulating and substantiating his charges. Your committee met again on the 8th day of May, 1908, at which time Major Hodgins appeared personally, and by Mr. Frank Hodgins, K.C., his counsel, and the investigation of the said charges was commenced and continued, with certain adjournments, until the 23rd day of June instant.

The charges consisted of a letter written by Major Hodgins and published in the Daily Colonist, a newspaper of the city of Victoria, on the 16th day of April last past; and also two alleged interviews with Major Hodgins in the DAILY COLONIST, under date of April 17th and 19th, in which Major Hodgins substantially charged that, on account of differences over the question of classification between himself, as district engineer of District "F" of the Transcontinental Railway, and the contractors, he was invited by Commissioner C. A. Young to go to Quebec and see how things were managed in that district, where the contractors were not kicking, and to get an "object lesson"; and that upon going to Quebec he found a certain cut, known as the "tunnel cut," near La Tuque, being classified at 86 per cent. solid rock, which, in his judgment, should not have been classified at more than 40 per cent. Also, that if it were true, as stated in an interview with Mr. J. D. McArthur, the contractor for District "F," in the Toronto WORLD of the 12th of March, that while Major Hodgins' first estimate as to the cost of the 250 miles was \$13,000,000, which, by a revision of the line, was subsequently reduced to something under \$12,000,000, the probable outlay would be close to \$16,000,000, then the increased cost must have been the result of the introduction into District "F" of what Major Hodgins chose to call "Quebec classification."

After the investigation had proceeded for a time, and on the 3rd day of June, Major Hodgins specifically repudiated the interviews in the DAILY COLONIST above referred to, in the following statements, found on pages 248 and 251 of the evidence, viz.:

BY MR. MURPHY:

Q. Well, it is important to know, Major, how much or how little of this interview you are prepared to stand by, because it affects the cross-examination?

A. I am not prepared to be responsible for the interviews at all. As I say, if a reporter interviews you and takes down half a dozen sentences—and his

notes certainly were not that long (illustrating by a gesture) and writes up two columns, you cannot hold me responsible for it. Part of the interview, I might tell you, the reporter was trying to find out what an engineer has to do, why he does this, that, and the other—in fact, I was giving him more or less of a lecture on engineering. There was a whole lot of questions he was working up, and he got hopelessly mixed up in the thing.

* * * * *

Major HODGINS.—I might say that the reporter during the interview asked me a whole lot of things, I have forgotten exactly what question he asked me, but he said: "Is this so and that so." I said: "It is impossible for me to know. You must not put down anything in this interview that I have not said." When I saw the interview I saw that the thing was so hopelessly mixed up there was no possible way of explaining it. I asked him to make a correction and he made a correction which is almost as bad as the other. Then I stopped.

Later on it developed, beyond question, that the cut which Major Hodgins referred as having been classified at 86 per cent. solid rock, was, in the month of May, 1907—being the month prior to Major Hodgins' visit—classified at 29 per cent. solid rock, 10 per cent. loose rock, and 61 per cent. common excavation and for the month of June, 1907, 32 per cent. solid rock, 10 per cent. loose rock, and 58 per cent. common excavation.

The Major then found that a large amount of discussion and correspondence had taken place between the chief engineer of the commission, the various district engineers from Moncton to Winnipeg, as well as divisional and resident engineers, and very eminent legal gentlemen, over the proper interpretation of clauses 34, 35 and 36 of the specifications, being the clauses applying to the classification of solid rock, loose rock, and common excavation, and that on the 9th day of January, 1908, an interpretation was decided upon by the chief engineer, which afterwards was agreed to by Mr. Woods, assistant chief engineer of the Grand Trunk Pacific Railway Company, and which has been acted upon since that date, but which the Major contended was at variance with his ideas of the proper construction of these clauses, and when this fact came to his notice, together with the fact of his mistake in regard to the classification of the La Tuque cutting upon which he had based his judgment of the work in Quebec, he frankly admitted that the only question then left was whether his view of the interpretation of the specifications was correct or not, and he thereupon withdrew any imputations which he had made upon the commissioners in regard to improper interference with the engineers, or that he had personally asked Sir Wilfrid Laurier for an investigation which had been refused, or that Mr. Parent had in any way attempted to influence Sir Wilfrid Laurier, and that not knowing of Mr. Lumsden's interpretation of the clauses referred to when he wrote his letter to the COLONIST on April 16th, his views, in the light of this opinion had been modified; these admissions being found on pages 386, 387, 388 and 389 of the evidence.

It also appeared from the documents produced that IN MAKING HIS ESTIMATE of the cost of the two hundred and fifty miles of District "F" comprised in McArthur's contract, MAJOR HODGINS HAD OMITTED FROM HIS CALCULATIONS A NUMBER OF ITEMS, WHICH IN THE AGGREGATE AMOUNT TO ABOUT \$6,000,000, which more than accounts for Mr. McArthur's estimated increase of \$4,000,000 in the cost of the work, and about coincided with Mr. Poulin's estimate made

shortly after assuming the duties of district engineer, and it therefore became evident that this increased cost was not the result of a change in classification, but of including work necessary to the completion of the enterprise.

Your committee, therefore, decided that as the charges made by Major Hodgins had been withdrawn, the question as to whether the engineers of Districts "B" and "F" were classifying according to the interpretation of the specifications as laid down by the chief engineer was a technical one which Major Hodgins did not wish to present to the committee claiming on page 387 of the evidence that the board of arbitration was the proper tribunal to determine whether or not there was an issue in this matter, and inasmuch as differences of opinion had been anticipated at the inception of the enterprise, and their disposition provided for by the statute and agreement which provided for the settlement of such differences by the arbitration and decision of the chief engineer of the Grand Trunk Pacific Railway Company, and the chief engineer of the commission, and in case of their disagreement, by a third engineer to be appointed by the Chief Justice of Canada, the enquiry could not profitably or in the public interest be continued, and the same was brought to a close.

Your committee, therefore, find that Major Hodgins has not only failed to prove the charges as contained in the Colonist, both in the letter and interviews, but has specifically withdrawn the same, and has unqualifiedly exonerated the commissioners and their engineers from any improper conduct or undue influence over officials under them, or of collusion with the contractors, and that if questions as to classification arise they should be decided by the tribunal previously provided therefor by the statute.

Your committee also beg to submit herewith, for the information of the House, the minutes of their proceedings, their discussions and the evidence taken by them during the inquiry.

IMMIGRATION.

The Liberal Government were quick to see that to develop the country and its great resources, increased population was necessary, and they at once instituted a vigorous immigration policy in Great Britain, Europe and the United States which has been steadily, and with unflagging zeal, pursued throughout the years, with the most magnificent results.

The old Conservative Government had no immigration policy to speak of, and what was worse, they were not successful in retaining the few immigrants that came to our shores. Their policy and administration were not sufficiently attractive even to retain the native born. No less than a million of our sons and daughters departed to the United States during the last 10 or 12 years of Conservative rule.

Since January 1st, 1897, 1,219,943 immigrants have come into Canada.

The effects brought into the country by these immigrants, exclusive of personal baggage and cash, amounted to \$67,442,532.

If the Government were to be judged alone on their immigration policy, the honest verdict of the people could not be otherwise than in their favor. Nothing better has been done in the history of Canada to promote its development.

Most of the immigrants have taken up homesteads in the Great North West, and have become producers—thereby adding tremendously to the wealth of the country. Every immigrant who has taken up farming in the North West has added to the traffic of railways, and to the opportunities of Canadian manufacturers.

DEVELOPMENT OF GREAT WEST.

Concurrent with the vigorous immigration policy, the Government took every means in their power to make it easy for settlers to get well started in the West. Every effort was put forth to make the new comers, as well as the old timers, perfectly satisfied and contented. Land speculation, which was rife under the Conservatives, was stopped. Homestead laws were simplified and made more liberal. Local agents were appointed at many places to facilitate homestead entries. More liberal terms were given to settlers to buy school lands. Settlers were granted liberal timber permits. Bondsmen (farmers) were relieved from seed grain liability extending back to 1885. Tree planting was started, and 11 million trees have, up to date, been set out. The grain elevator grievances of Western farmers were removed.

The Manitoba Grain Act and the Grain Inspection Act passed at the last session protect the high standards of Western grown grain from anterior mixtures, and accures to the farmer the increased values attaching to those standards.

In a hundred other ways, too numerous to mention in this synopsis, the farmer in the West has been encouraged. The keynote of the Government has been—"The public lands to the bona fide settler on the most generous and liberal terms."

In eighteen years the Conservative Government voted 56,000,000 acres of land to railway companies, or enough to supply 411,000 homesteads of 160 acres each—or sufficient to support a population of 2,000,000.

In twelve years since coming into power the Liberal Government have not given one acre of land to a railway. The land has been reserved for the settler who got 35,000,000 in homesteads.

The development that has taken place in that wonderfully fertile agricultural portion of the Dominion, in recent years, has been marvelous, and is something that every Canadian ought to be proud of.

To illustrate: According to the Census of 1901, the population of the North West, including Manitoba, amounted to 419,512.

In 1906 a special Census was taken by the Government, and the figures show that the population had then increased to 808,863.

The number of farms being worked there, in 1901, was 54,625, and in 1906 there were 120,439, or more than double what there were in 1901.

By increasing the population and the productive area of the country, the Government have helped the manufacturers in the best possible way

As every Canadian of the North West knows the great development brought about a legitimate demand from the people there for local Government, and in conformity with their wishes two new Provinces—Saskatchewan and Alberta—were created making nine in all in the Dominion—a nice array.

LIBERAL GOVERNMENT'S EFFORTS TO SETTLE THE WEST.

They Have Been Eminently Successful Because They Were Designed to Assist the Settler in Every Possible Way.

One of the outstanding features of Canada's progress under the Liberal Government has been the phenomenal settlement of the plains of the West. The success in this connection has been due to two causes:—

First, the inauguration by the Hon. Clifford Sifton of an energetic and up-to-date immigration policy.

Second, the repeal of oppressive legislation which bore heavily on the settler and the enactment of laws calculated to help the settler along and make everything as convenient and easy for him as possible.

Under the Conservatives, not only was the immigration work in other countries neglected, but absolute indifference was shown with respect to those immigrants who did come to Canada. Moreover, Canadians from Eastern Canada found conditions of settlement in the West so difficult that they, in common with arrivals from foreign countries, left the Canadian West and its wealth of natural resources, for the United States. In the words of a Western Conservative paper which was describing conditions as they then existed:— "The trails from Manitoba to the States were beaten bare and brown by the wagon wheels of departing settlers." That is a picture of the West as it was in Tory days. Under the Liberal party the West looms big in the eyes of the world. Its wheat is the standard of the world and its crops materially affect the world's markets.

To-day thousands of native Canadians from the East and thousands of immigrants are moving into the West and making homes for themselves. New towns are springing up all over the prairies, new districts are being opened up; wherever one may go he will find life and activity. The people are happy and have absolute faith in the country and its future. Everywhere there is a spirit of confidence and buoyancy. People are pouring into the West and they are staying there because they are taking up homesteads and buying land as well. And they are producing so much and buying so much that for several years the railways have not been able to handle the traffic offered them. This phenomenal expansion began with the inauguration of Liberal rule. The same land was there during the Conservative regime; there were just as great yields of grain per acre then as to-day, but the country made practically no progress. As soon as the Liberals began an energetic immigration policy and enacted reasonable legislation regarding homesteading and settlement a change took place. The only conditions that exist to-day that did not exist under the Conservatives are those of legislation and administration just referred to. It follows then that they must have been the new conditions that brought about the development that has taken place.

The newspapers are constantly so full of items respecting the progress of the West that it is needless to submit any evidence thereof. Everyone knows it. But is worth while giving figures as to land sales by land-owning railways and to as homestead taken up by new settlers. The homesteads show that the development is not of a temporary character, but is one that contains the essential elements of permanency. The land sales give an idea as to how great the development really is. And the figures in both cases show that it was not until the Liberals came into power that expansion began.

Take the homestead figures first—

CONSERVATIVE REGIME.

1890 to 1896.. No. of Homestead Entries. 23,029

LIBERAL REGIME.

1897 to 1903..... No. of Homestead Entries. 73,185

The entries made since 1903 amount to 159,879, making the total under Liberal rule, 233,064.

Thus the increase alone under the Liberals is more than twice as large as the total entries under the Conservatives during the periods dealt with. The land sales by the Hudson Bay Company and the railway companies owning land in the West show a similar state of affairs. These sales total as follows:—

UNDER LIBERALS.

1897 to 1908, both inclusive..... Acres. 14,011,180

1893 to 1896, both inclusive, under Conservatives.. 411,608

No returns were made to the Government previous to 1893, so it is presumed there were no sales to report.

THE LAWS THAT MADE THE CHANGE.

The changes made, in regard to the lands of the Dominion, by the Hon. Clifford Sifton when he became Minister of the Interior, involved many details, Mr. Sifton had lived in the West for many years and was familiar with the conditions prevailing there. He had been a witness of the injustices and hardships suffered by the settlers during the Conservative days and was thus in a position to know what remedies to apply.

At the very outset he took a notable step by stopping the promiscuous selling of public lands. He thus cut out the speculators who, under the Tories, bought the Government land for a trifle and then held it at such high prices that settlement was greatly interfered with. Since the Liberal party came into power Government land has been retained for the settler alone.

Among the many changes in the homestead laws to encourage settlement and help the settler in every way within the means of the Government, were the following:—

A settler who has acquired the right to a second homestead may perform the residence duties connected therewith by living on the first homestead. It was found to be rather an absurd condition to require a man who is given the privilege of making a second homestead entry—especially as many were allowed by the late Government to second homestead their pre-emptions—and in order to relieve the settler from the inconvenience and expense of erecting another house within perhaps less than half a mile of the house in which he was living, or even a longer distance, the Department decided that the residence condition of the second homestead would be considered as completed by living on the first homestead. This was provided by the amendments of 29th June, 1897, but afterwards this provision by amendment of 23rd May, 1901, was restricted to lands in the vicinity of the first homestead. A settler may perform the residence duties in connection with his homestead by living with his father or mother, if they occupy farm lands in the vicinity. This is also a change for the convenience of young men who live near the homes of their parents. It gives them the right to perform the homestead conditions by living with the father if he is living on a farm or, if the father is dead, with the mother if she is residing on a farm.

Of course, the other conditions to entitle the applicant to a free homestead must be complied with.

A similar privilege is allowed, whereby a settler may live on purchased land in the vicinity whilst performing homestead duties. In such cases the settler must cultivate 30 acres on homestead or substitute 20 head of stock, with buildings or their accommodation, and have 80 acres substantially fenced.

When a homesteader having made entry by agent or without seeing the land, or for other good reason, desires to abandon and make fresh entry, he is now allowed to do so, if, and within three months, this is allowed without extra charge.

The official rate of interest has been reduced from six to five per cent.

All charges for inspection and cancellation have been abolished.

Where a homestead entry is obtained for 80 acres or less, the entry fee is reduced to \$5 instead of \$10, as in ordinary cases.

Where a settler, who is entitled to a pre-emption takes it as a second homestead, the provision requiring 40 acres of cultivation has been abolished, and the ordinary duties are now accepted.

Cancelled time-sales have been made available for settlement, and are held exclusively for homestead entry, or if the applicant is not entitled to a homestead, he may purchase the land at \$1.00 per acre, subject to homestead conditions.

This action was taken with a view of making available for settlement a large area of land which had been sold between 1880 and 1883, upon which only one or two payments had been made by purchasers, and the Government had taken no action towards compelling payment. These lands, were, of course, simply held for speculation. Many of them have now been taken up by actual settlers who have become homesteaders. Under the law one person is entitled to one homestead only, and it was found that a number of people in the district where these lands were situated had exhausted their right to homestead by having a previous entry, and for various reasons had lost their homesteads, who desired to settle on other lands. Such persons were given the right to purchase the lands at the minimum price of \$1.00 per acre, subject to homestead conditions, practically placing them in the same position as homesteaders and bringing the land under cultivation. The policy adopted did not permit the sale of these lands to persons other than such settlers who intended to build houses and establish their homes on the lands. The result of this action has been the settlement of a large area of land which otherwise would have been vacant.

Homestead patents are no longer withheld until the seed grain liability is paid, but are issued after the registration with the local registrar of a certificate of the indebtedness, thus permitting the settler, if he so desires, to get his certificate of ownership subject to the seed grain liability.

SEED GRAIN LIABILITY.

Legislation was passed on the suggestion of the Hon. Clifford Sifton to relieve the bondsmen in the case of the seed grain advances which were made to many settlers in the Northwest Territories since 1885.

When the grants of seed grain were made the Conservative Government not only took the personal security of the applicant for seed, but also compelled him to furnish two bondsmen as security. These liens were at once made a charge against the lands, not only of the person who got the seed, but also of those who acted as bondsmen, and have been for years a source of great

inconvenience to the bondsmen from the fact that they have been unable to get the patents for their lands without first paying the seed grain indebtedness of the neighbors for whom they were surety. The result of the change is that only the lands of those who secured the seed are to be held for the debt, the land of the bondsmen being relieved in all cases. By this action hundreds of settlers will be relieved of a charge against their lands and will be in a position to obtain a clear title and thus deal with their properties, whereas they could not do so under the former condition of affairs without paying the indebtedness of others.

Local agents of Dominion lands may now issue the necessary authority to the person appointed by an intending settler to make homestead entry on his behalf, instead of having to apply to head office for such authority, thus saving much inconvenience and delay compared with previous regulations. To meet the convenience of settlers living at a distance from the land office, sub-agents have been appointed at various districts, who are empowered to receive application for homestead entry, homestead patent, hay permits, timber permits, etc., thus saving the settler the time and expense involved in a trip to the office.

These agents are appointed and paid by the Government, and the work performed by them is for the convenience, without expense, of the settlers, who may be living at a distance from the Land Office where the entry is to be made. This action has been found to be most satisfactory to settlers in remote districts and is appreciated by those having to do business with the Government in connection with their entries for lands and other matters with which the Dominion Land Agents usually deal.

Under the law as it previously stood School Lands were sold by public auction on the following terms:—One-fifth down and the balance in four annual instalments, with interest at six per cent.

This law has been amended on the suggestion of the Minister of the Interior to give more liberal terms to settlers who wish to buy School Lands and provides for ten instalments instead of five. This will enable many settlers who would not be in a position to pay down a very large amount of money to acquire these lands without difficulty.

The amendments to the Dominion Lands Act passed in 1897 also contains provisions which permitted the closing out of several hundreds of claims for lands in Manitoba and the Territories which for years had caused trouble and annoyance to those interested in or entitled to such lands. Amongst these amendments may be particularly noted the amendment which provide for the issue of patents for lands taken up as homesteads by settlers who had subsequently become insane; the amendment which permits the Minister to decide whether a woman is the sole head of a family and entitled to a homestead entry or not and the amendment which passes title to the heirs or other legal representatives of a deceased person in whose name a patent may issue after his death.

Amendments of 1900 recognize as residence on homestead time on active service in South Africa, protecting entry whilst the settler is away and allowing patent if disabled.

The amount collected for improvements on abandoned or cancelled places is now paid to the party who made the improvements.

TIMBER

Settlers who have not a supply of timber of their own have been granted the right to obtain a permit to cut upon Dominion lands as much dry timber.

of any diameter, as they may require for their own use on their farms for fuel and fencing. Provision was made for the issue of permits to cut, free of dues, timber for the construction of public works, public institutions and the buildings in connection therewith and the quantity of building timber which a homesteader is allowed to cut, free of dues, has been increased from 1,800 to 3,000 lineal feet.

Homesteaders on Dominion Lands in the Railway Belt in the Province of British Columbia have been granted all the timber on their homesteads, excepting in cases where such timber has been disposed of under license or permit.

This will be a great source of great satisfaction to the settlers in British Columbia, as it will give them an interest in clearing their lands which they otherwise did not have, and puts them in possession of a large amount of timber.

HAY

Provision has been made that no permits to cut hay are to be issued to persons who are not actual farmers until after the latter have been supplied.

COAL

The regulations for the granting of permits to mine coal for domestic purposes were made to extend to School Lands as well as Dominion Lands.

TO FACILITATE ISSUE OF PATENTS

The amendments to the Act in 1902 are calculated to facilitate the issue of a patent in certain cases, and also improve the conditions under which homestead duties may be performed.

It will not be necessary now for the personal representative of a settler who completed his homestead duties, but died before coming a British subject, to obtain a certificate of naturalization before receiving a patent for land.

A RECENT STEP

Amongst the latest steps taken by the Liberal Government to facilitate the settlement of the West is the policy to be followed in connection with the disposal of the millions of acres of odd-numbered sections of land now under the control of the Government through the arrangement made which completes the selection of the C. P. R. land grant.

It is proposed to sell these lands, not to speculators, but to actual settlers who will go into residence upon them; and where there are settlers in residence on adjoining homesteads such homesteads will have the first opportunity of purchasing 160 acres from an odd section adjoining them.

In connection with this subject may be mentioned the steps taken by the Liberal Government to relieve the Western settler from paying an unfair proportion of the local taxes through the railway lands being exempt from taxation. The Liberal Government reversed the Conservative policy of delaying the patenting of land grants. As long as the patents were not issued the land grants were not taxable. The Liberal Government rushed out the patents and so made the railway lands eligible for taxation. In the case of the C. P. R., which enjoys exemption from taxation under special legislation, the Liberal Government entered actions in the courts to secure judgment as to whether the terms of exemption had not terminated. The Government has also guarded the interests of the settler with respect to railway matters, the grain business and in fact has lost no opportunities to make conditions in the West contribute to the happiness, comfort and prosperity of the people. Thus have people been attracted to the West and kept there.

CHANGES RE DOMINION LANDS IN BRITISH COLUMBIA

The present Government have made certain changes in the regulations governing the disposal of lands in British Columbia, which very materially and advantageously affect the settlers living on Dominion Lands in that province.

The land owned by the Dominion is known as the Railway Belt, and includes an area forty-two miles wide, through the centre of which the Canadian Pacific Railway is constructed. The regulation heretofore enforced with regard to settlers requires them before receiving their patent to reside on and cultivate their homestead for at least six months in each of three years, and also before patent can issue the payment of one dollar per acre for the homestead of one hundred and sixty acres.

The Government considered that the settler in British Columbia was at somewhat of a disadvantage in view of the fact that the clearing of the heavily timbered land in that province was a slow and tedious, as well as expensive operation, and that the building and maintenance of roads and bridges required a considerable outlay in time and money to the settler. In considering all these facts the Government decided to cancel that provision of the regulations which required the payment of \$160 for each homestead, and by an Order-in-Council dated the 17th April, 1900, practically threw open homestead lands in the Railway Belt to settlement upon the same conditions as apply to homesteads in Manitoba and the Northwest Territories. The Government provided that this exemption should apply equally to all lands in the Railway Belt already entered for, or for which payment has not been made, as well as lands hereafter entered for under homestead regulations. The Government also considered that this change was necessary in order to further encourage the taking up of lands by new settlers in that province.

A further change, of great advantage to the settler in British Columbia, has been made by giving him the timber rights on his homestead. Heretofore, all the timber, in excess of 25 acres, on any lands entered for as homesteads, was reserved by the Government. An Order-in-Council carrying out this change was passed on the 5th of July, 1899. This entitles all persons having entry for lands within the Railway Belt to the timber, free of any dues.

The list of amendments made with respect to Dominion Lands is a long one. To see how they benefit and encourage the settler it is but necessary to read them. When it is remembered as well that the administration of these laws and all others affecting settlers has been carried on with the idea that the settler is a good friend of the country and not a victim to be exploited (as was the case under the Conservatives), it is easy to understand why the advent of the Liberals to power has been followed by a phenomenal development of the West.

RECORDS OF THE TWO PARTIES IN REGARD TO WESTERN LANDS.

CONSERVATIVE RECORD.

In connection with this subject of Western lands, it is worth while looking into the record of the Conservative party. It will be found that the Conservatives persistently followed a course directly in the interests of the corporations and as directly contrary to the interests of the people. In marked contrast is the record of the Liberal party in this connection.

Take the matter of land grants to railways, for instance.

The Conservatives inaugurated and maintained a policy of subsidising railways by land grants. The Liberal party promptly gave that policy its death blow when they came into power. The Conservative policy was always characterized by a desire to give the railway corporations the choicest lands of our great West. The policy of the Liberal party has always been and is to-day to keep the land for the people.

The people of the West do not need to be told of the incalculable injury they have suffered through the reckless prodigality of the Conservative Government in granting huge tracts of land to railways and tying up even larger tracts from which the railways might make selections. This unfortunate policy tied up the lands that were in the best locations with respect to transportation, etc., drove the settlers to far-away points where their isolation from neighbors, schools and advantages of civilization, disgusted many of them. It and the Conservative protective tariff resulted in a huge exodus to the United States. It tied up lands that would otherwise have been settled upon and become productive. It prevented municipal improvements through the great amount of land it caused to be non-tax-paying and trebled the burdens of local taxation upon those settlers who remained in the country. In a thousand ways it stifled the progress of the country and crushed down the unfortunate settler. To-day even the Tories admit that land grants are a colossal mistake. They know the great evils it created in the West, evils that even yet interfere with the progress that should belong to the prairie country. And to fix the blame for the iniquity one has but to look at the following:—

TOTAL AREA OF LAND VOTED TO RAILWAYS BY CONSERVATIVE GOVERNMENTS—56,087,072 ACRES.

TOTAL AREA OF LAND VOTED TO RAILWAYS BY LIBERAL GOVERNMENTS—NOT ONE ACRE.

HOW LIBERALS HAVE PROMOTED RAILWAY BUILDING

The Conservatives voted both cash and land grants to aid railway construction. The Liberals, upon coming into power, abolished the system of land grants. But, recognizing that the public interest required that public aid of some kind should be given to promote railway construction, they adopted a policy of straight cash subsidies. Thus, in the first place, the public now get a clear and exact idea of the amount of aid a railway is getting. In the case of land grants, there was nothing certain as to the amount. If the railways held on to their land long enough it was clear that they could handily realize enough from it to entirely recoup themselves. Land grants in many cases constituted a gift of a railway to certain promoters. But the Liberal Government went

even further than the abolition of land grants and the restricting of aid to the form of cash grants. They put provisos into the cash subsidies they gave which virtually made the grants, loans to the railways concerned. The provisos were as follows:—

Journals, House of Commons, Canada, Vol. XXXIV., 1899, Page 514, Clause 7.—"Resolved, That every company receiving a subsidy, and under this Act its successors or assigns, shall each year furnish to the Government of Canada transportation for men, supplies, material and mails over the portion of its line in respect of which it may have received such subsidy, and, whenever required, shall furnish mail cars, properly equipped, for such mail service, and such transportation and service shall be performed at such rates as may be agreed upon between the Minister of the Department of the Government for which such service is being rendered and the company performing the same, and, in case of disagreement, then at such rates as may be approved by the Governor in Council, and in or towards payment for such charges the Government of Canada shall be credited by the company with a sum equal to three per centum per annum on the amount of subsidy received by the company under this Act."

Had this policy been adopted in the early history of the construction of railways by the Conservative Government, the present income from work done by railways would exceed \$1,500,000.

RIGHTS OF PEOPLE LOOKED AFTER.

On the subsidy question, as on every other public question, the Conservatives are the friends of the corporations, the Liberals the friends of the people. The Conservatives pursued a policy of giving land grants. The Liberals abolished the system. The Conservatives gave huge cash subsidies as presents to the railway corporations; the Liberals have made any necessary subsidies take the form of loans which really pay their own interest and so cost the country nothing.

Finally, in regard to the odd-numbered sections of land in the West, the Conservatives tied them up and now the Liberals have restored them to the people. The Liberal Government proposes to continue retaining the even-numbered section for the homesteader but to sell the odd-numbered section to those homesteaders who desire to increase the size of their farms.

This is a step which the people of the West will appreciate, and recognizing this, the Conservatives are endeavoring to distract attention from it by a false cry that the lands of the West are to be sold to pay for the Grand Trunk Pacific.

TIMBER ADMINISTRATION.

Liberals Sold Timber by Public Tender to the Highest Bidder up to December, 1907. Now it is Reserved at an Upset Price and Sold by Public Auction.

Driven to desperate methods by their many abortive attempts to discredit the Government of Sir Wilfrid Laurier, the Conservatives have had the audacity to compare the administration of the Timber Lands under a Liberal Government, with the manner in which the timber lands were administered by their Government when in power.

No comparison more disastrous to the Conservative Party could have been invited, nor one more welcome to the Government. The facts have only to be stated for the people to pass judgment upon them, and that judgment will undoubtedly endorse the policy of the Liberal Government, and, it cannot fail also to carry a severe condemnation of the Conservative administration.

TORIES LOOTED TIMBER.

The Conservative Government for eighteen years regarded the public domain, lands and timber, as a perquisite to be divided amongst Conservative Senators, Members of the Government, Members of Parliament, defeated candidates, party workers, and prominent supporters of the party generally throughout the country. There was no regard for the public interest, no care exercised to secure fair compensation to the treasury in exchange for valuable concessions. The prevailing idea was to take advantage of the power they had, and give the property of the people to members of the Conservative party.

LIST OF LOOTERS.

No sooner did the Conservatives gain power in 1878, than the process of looting commenced. With each succeeding year the raid on the timber continued until the year 1883, when the acme of cupidity was reached, and a veritable scramble occurred, for during that year the rapacious and unprincipled Conservative politicians DIVIDED AMONG THEMSELVES, FREE OF COST, NO LESS THAN 10,326 SQUARE MILES OF TIMBER LIMITS COVERING 6,608,640 ACRES OF LAND, the property of the taxpayers of Canada. During the year 1883 there were 212 timber limits disposed of, MAKING A STRIP OF FOREST 33 MILES WIDE, AND REACHING FROM OTTAWA TO TORONTO; OR A STRIP THREE MILES WIDE EXTENDING FROM HALIFAX TO VANCOUVER.

This hungry horde secured the vast tracts mentioned above ABSOLUTELY FREE OF COST. Not a cent was demanded or paid. The unfaithful men in charge of public affairs divided the property of the people among themselves at the rate of 22,500 acres a day for three hundred working days.

Who were the looters? Who got the timber limits in Conservative days, and got them for nothing? The following is a partial list of the men who grabbed the timber of Canada DURING THE ONE YEAR, 1883, WITHOUT PAYING A CENT FOR IT.

SOME TORY TIMBER GRABBERS.

- Shields, Haggart and McLaren—100 miles.
The Haggart mentioned here is Hon. John Haggart, formerly Minister of Railways in the Conservative Government, and a present member of the House.
Mr. McLaren was a Conservative Senator.
J. G. H. Bergeron—50 miles.
Mr. Bergeron is a member of the House and was attached to Mr. R. L. Borden's party on the recent western political tour, in the capacity of expounder of Conservative purity.
Hon. D. Tisdale—52 miles.
Formerly Minister of Militia in the Conservative Government, and a member of the House now.
Geo. H. Perley—50 miles.
Conservative member of the House now.
Hon. W. E. Sanford—50 miles.
Conservative Senator from Hamilton.
Nicholas Flood Davin—50 miles.
Former Conservative member for West Assiniboia. Mr. Davin sold this limit for \$400 cash, and never paid a cent of bonds or dues to the Government.
Hiram Robinson—50 miles.
Conservative candidate for City of Ottawa in 1896.
Charles Magee—50 miles.
Prominent Ottawa Conservative.
D. E. Sprague—50 miles.
Conservative candidate in Winnipeg.
Thomas Marks—50 miles.
Conservative politician, Port Arthur.
T. W. Currier—50 miles.
Prominent Conservative politician, Ottawa.
Dr. R. G. Brett—50 miles.
Former Premier Northwest Territories.
Hon. Senator W. Muirhead—50 miles.
Dr. W. H. Montague—50 miles.
Former Minister of Agriculture in Conservative Government.
S. W. Monk—50 miles.
Former Conservative M. P. P., Carleton.
Adam Brown—50 miles.
Formerly Conservative member for Hamilton.
Hon. Senator R. Hardisty—50 miles.
G. H. Bradbury—50 miles.
Conservative politician, Selkirk.
Amos Roe—50 miles.
Former proprietor "Winnipeg Times," afterwards Collector of Customs at Calgary.
James A. Gouin—50 miles.
Conservative politician, afterwards Postmaster at Ottawa.
Moore and McDowall—50 miles.
McDowall was formerly Conservative member for Saskatchewan.
McLeod Stewart—50 miles.
Conservative politician, Ottawa.
Shields, Haggart, McLaren and Nichol—50 miles.
John Rochester—48 miles.

Former Conservative member for Carleton County.
M. K. Dickinson—50 miles.
Former Conservative member for Russell.
Joseph Kavanagh—50 miles.
Prominent Conservative politician, Ottawa.
Jacob Erratt—50 miles.
Conservative politician, Ottawa.
F. J. Clark—50 miles.
Secretary Conservative Association, Winnipeg.
D. W. Cummings—50 miles.
Conservative politician, Birtle, Man.
C. C. Colhy—50 miles.
Former member Conservative administration.
Hon. Senator Peter McLaren—50 miles.
Hon. Senator G. W. Howlan—50 miles.
T. R. Jones—50 miles.
Conservative politician, St. John, N.B.
John C. Sproule—50 miles.
Conservative politician, Winnipeg.
Wm. Elliott—50 miles.
Former Conservative member for Peel, Ont.
D. H. MacDowall—50 miles.
Former Conservative member, Saskatchewan.
John M. Farrow—50 miles.
Former Conservative member, West Huron.
W. B. Scarth—50 miles.
Former Conservative member for Winnipeg.
H. Robillard—50 miles.
Former Conservative member for Ottawa.
Wm. Richardson—50 miles.
Former Conservative M. P. P., Leeds.
Walter Beatty—50 miles.
Former Conservative member, Leeds.
H. A. Ward—50 miles.
Conservative member for East Durham.
N. F. Paterson—50 miles.
Conservative politician, North Ontario.
Thomas Birkett—50 miles.
Former Conservative member for Ottawa, and now Conservative Candidate for Ottawa.

These are examples showing a few only out of the 212 who secured free timber limits from the Conservative Government in the year 1883 alone.

BOLDER LOOTING EACH YEAR.

The following shows how the rapacity of Tory politicians grew, and how the shameless demands of their supporters were satisfied.

In 1881, twenty-one timber limits were granted; area, 995 square miles.

In 1882, ninety-eight timber limits were granted; area, 4,642 square miles.

In 1883, two hundred and twelve timber limits were granted: AREA, 10,326 SQUARE MILES, FREE.

In eighteen years, from 1878, until the Conservatives were driven from office in 1896, they disposed of no less than 29,322 square miles of timber limits.

an area equal to 18,766,080 acres. Of this quantity 23,997 square miles, equal to 15,351,680 acres, were given away without one cent of equivalent going into the treasury.

VIVID CONTRAST.

Compare the above with the record of the Liberal Government. In eleven years, since 1896, when the Liberals came into power, they have alienated only 6,456 square miles, or 4,131,840 acres, and for this they have received the sum of \$528,878, or an average of \$81.92 per square mile. In addition to this, the ground rent amounts to \$30,000 a year, and there is also a stumpage imposed of 50 cents a thousand feet.

In other words, the Conservatives gave away for nothing in one year, 1883, to themselves, senators, politicians, contractors and party friends, 3,870 more square miles of timber than the Liberal Government sold altogether since assuming office.

In one year the Conservatives gave away free 10,326 square miles of timber limits, and the Liberal Government, since they came into power, have sold only 6,456 square miles of timber, for which they secured for the treasury the sum of \$528,878.

Comparative statement showing the total area of timber berths granted in Manitoba and the Northwest Territories, and the bonuses received therefor during the Liberal and Conservative administrations respectively:

LIBERAL ADMINISTRATION.
(1873 to 1878)

Area.....	310 square miles.
Bonuses.....	\$ 7,150.00
Average per mile.....	23.06

CONSERVATIVE ADMINISTRATION
(1878 to 1906)

Area.....	29,322 square miles.
Bonuses.....	\$ 121,219.00
Average per mile.....	4.13

LIBERAL ADMINISTRATION
(1896 to May, 1907)

Area.....	6,456 square miles.
Bonuses.....	\$528,878.00
Average per mile.....	81.92

Comparative statement showing the total area of timber berths granted within the railway belt in the Province of British Columbia, and the bonuses received therefor during the Conservative and Liberal administrations respectively:

CONSERVATIVE ADMINISTRATION
(1885 to 1st July, 1896)

Area.....	1,144 square miles.
Bonuses.....	\$ 56,213.00
Average per mile.....	49.10

LIBERAL ADMINISTRATION
(1st July, 1896, to 31st May, 1907)

Area.....	1,401 square miles.
Bonuses.....	\$ 463,565.00
Average per mile.....	330.75

CONTINUED OLD SYSTEM.

In criticising the regulations under which timber limits have been granted by the Liberal Government, THE CONSERVATIVES ARE CONDEMNING THEIR OWN ACTS WHEN IN POWER. They made the law as it stood previous to December 17, 1907. When the Liberals assumed office in 1896, THEY ADMINISTERED FOR A TIME THE LAW AS THEY FOUND IT. THE CONSERVATIVES CRITICISE THE LAW THEY THEMSELVES INAUGURATED.

LIBERALS IMPROVED LAW.

While it is true that the Liberals continued the law with regard to the sale of timber limits, there appeared to be room for improvement. AND THE LAW WAS IMPROVED. The law now is that all timber areas put up for sale are first inspected by the Government cruiser and surveyed by the Government surveyor. An upset price is then placed on them and this price is kept secret by the Government. The auction takes place at the land office nearest the berth. The right is reserved to refuse any bid not exceeding the upset price. It is the same system used in selling the Dominion School lands.

WHAT CONSERVATIVES ALLEGE.

The Liberal Government has never sold a mile of timber EXCEPTING AT PUBLIC COMPETITION TO THE HIGHEST BIDDER.

Conservatives charged that timber lands were sold by the Liberal Government in advance of population demands.

If this could be so in 1908, with a population of over 1,000,000, with how much more force could the argument be applied to the Conservatives, who parted in one year, 1883, with 10,326 square miles of timber, when there was scarcely any settlement at all in the Northwest. The Liberals only sold 6,456 square miles in the last twelve years, during which time an immense population has poured into the Northwest.

Conservatives accuse the Government of selling the timber to speculators.

There are not 500 miles of timber in the hands of men WHO ARE NOT OPERATORS, out of all the timber the Liberal Government ever sold. These men have been notified that they must erect mills and cut timber, OR THE LIMITS WILL REVERT TO THE GOVERNMENT.

The Conservatives say that there was not sufficient publication of notice that timber was for sale.

The Liberals are not responsible for this. If the time was too short THE CONSERVATIVES FIXED IT. They made the regulations, instructed the officials how to carry out the law; they established the precedents, and are to blame if the law was unsatisfactory.

GOT GOOD PRICES.

The Liberal Government sold timber at an average price of \$81.92 per square mile. The Quebec Government, between the years 1888 and 1905, sold 26,500 square miles of timber, much of it pine and valuable hardwood, at an average of \$81.16 per square mile, or within a few cents of the price obtained by the Dominion Government for limits in the Northwest.

TIMBER RESOURCES.

The forest lands in Manitoba and the Northwest Territories cover 722,578 square miles, in the British Columbia railway belt 20,000 square miles.

Total Timber Lands..... 742,578 square miles.

Total Merchantable Timber Lands in Manitoba and the Northwest..... 150,000 square miles
 Deduct Railway Belt in British Columbia... 20,000 " "

Merchantable Timber in Manitoba and the Northwest..... 130,000 square miles.
 Sold from 1896 to 1908..... 6,500 " "

Balance Unsold..... 123,500 square miles.

If the Government sells the timber in the future at the same rate as in the past, there is enough, with reproduction, to last for 220 years. In addition to this, there are nearly 600,000 square miles of forest area, largely spruce, now growing, which can be cut every twenty years.

TIMBER SOLD AND BONUSES PAID.

Conservatives—29,322 square miles..... \$ 121,099.00
 Liberals—6,456 square miles..... 528,875.00
 Had Conservatives secured the same price as Liberals got, the result would be..... 2,402,058.00

TORIES STOP INVESTIGATION.

The attitude of the Opposition with regard to the investigation into timber matters before the Public Accounts Committee was inconsistent and contemptible. FAILING TO SECURE ANY EVIDENCE which would involve the official honesty of a former Commissioner of Crown Lands, and realizing that he had no case, Mr. Ames, the leading Conservative critic on timber matters, took advantage of the absence of Mr. McDonald, M.P., from the Committee Room AND MOVED THAT THE INVESTIGATION TERMINATE.

Mr. Ames had been very persistent and suspicious throughout, and his vigorous plea that the proceedings be brought to a conclusion would have had the effect of blocking further investigation into timber matters.

Investigation revealed NOTHING FROM WHICH POLITICAL CAPITAL COULD BE MADE, and the Opposition lost all interest in the proceedings. In the administration of timber affairs, everything was found to be regular, and every official concerned emerged from the ordeal with credit.

NEW AND OLD RAILWAY POLICY IN THE WEST.

THE NEW POLICY AND THE WEST.

The western railway policy of the previous Government was that the West should pay for its own railways. That is, that aid granted to western railways should be almost or altogether in western land, while railways in the eastern provinces were aided in cash without any field rule as to amount. The Liberal Government adopted a definite policy which placed railway projects all over Canada on the same footing as to aid, providing for aid in cash or guaranteed bonds only, thus releasing the west from the immense handicap that had been placed upon it in the matter of railway development. Since the adoption of the new policy in 1897, the cash aid to railways of ordinary cost has been \$3,200 a mile. If the cost is over \$15,000 a mile the aid may be doubled. The acceptance of aid by a railway company binds it to accept Government control of rates, and work done for the Government is credited on subsidy account instead of being paid for in cash.

The policy of aid by land grant to western railways had involved the reservation from sale and settlement of approximately half of the whole country—that is to say, the odd-numbered sections. During the years from 1880 to 1896 approximately fifty million acres of these reserved lands had been granted to Railways of which amount 32,600,000 acres were earned by the construction of about 4,000 miles of railway.

Since 1896 not an acre of western land has been granted in aid of railways, but 2,700 miles have been built, and 1,900 additional miles are under construction in the three prairie provinces, and 40 million acres of odd-numbered sections reserved in 1880 since and held under reservation to meet the demands of the railways earning land grants is now about to be thrown open to settlement.

THE CANADIAN NORTHERN RAILWAY.

After completion of the Crow's Nest Railway the next western railway project to claim the attention of the Government was the opening up of the country along the North Saskatchewan River. The original route of the C. P. R. projected by the Liberal Government under Honorable Alexander Mackenzie would have achieved this end, but the succeeding Conservative Government permitted the C. P. R. line to be taken by the present more southerly route. Years after the C. P. R. was completed it became evident that something must be done to develop the Saskatchewan country. Several railway projects were begun with this object in view, notably the Manitoba Northwestern and the North West Central, both planned to run from southeast to northwest, taking the country lengthwise. While these two projects were still struggling for extension, aid was granted by the conservatives to two lines to run north from the C.P.R. main line at Regina and Calgary, touching the Saskatchewan at Prince Albert and Edmonton respectively. The aid granted these roads was sufficiently liberal to secure their construction, 550 miles in all—six thousand four hundred acres per mile and eighty thousand dollars a year for twenty years to each road. Three and half million acres of land and three million two hundred thousand dollars in cash, less earnings for Government services. The result of this vast expenditure was that the Saskatchewan was touched at two points only, leaving nearly 500 miles of fertile country between still inaccessible to settlement. The Manitoba, Northwestern and North West Central projects were both effectually headed off,

not only as to their destination, but also as to their merit as independent railway projects so that not only did their contemplated extension not take place, but both finally became part of the C. P. R. system, leaving the country west of Manitoba absolutely in the hands of a single railway company, and the Saskatchewan country still undeveloped. This was the condition from the completion of the Calgary and Edmonton railway to Edmonton in 1891 until in 1899 the Liberal Government granted the usual aid to the Canadian Northern Railway Company to extend their system, then limited to Manitoba and Western Ontario towards Prince Albert and Edmonton, with a view to providing for the development of the Saskatchewan country. The aid granted was \$3,200 a mile in cash, earnings from the Government to be charged against the aid given, and the Government to have control of rates. As time went on it became apparent that the Company could not finance the building of the railway on these terms, for reasons which call for special explanation.

A Bar to Progress.

The C. P. R. under its right of selection and rejection had chosen a very large part of its land grant, received for building the main line and some of the branches in the country along the Saskatchewan River which would be traversed by the proposed Canadian Northern line. When capitalists were approached with a view to investing in the C. N. project they naturally made full enquiries, and on finding that the C. P. R. owned half the land—the odd-numbered sections—throughout the region which it was proposed to develop, that the building of the C. N. would necessarily increase the value of these many million acres by very many million of dollars, and that not only was the C. P. R. not minded to build such a line themselves, but that the conditions had remained as they were since 1891, although the Company had pushed construction rapidly in other regions of the West, including parts of the United States, they concluded that the project could not be a good one and so the funds could not be raised. When it became evident that the C. P. R. would not build to develop its own land, and that the C. N. R. could not on the terms granted it, a new arrangement was made whereby the cash grant was withdrawn and instead a guarantee of bonds to the amount of \$13,000 a mile was substituted. The guarantee of the Government that the interest on the money invested would be paid changed the conditions so that the C. N. Co. were enabled to complete the road to Edmonton in the fall of 1905 and to Prince Albert by a separate branch in 1906. The effect of the construction of this 1800 miles of railway was to open up to settlement a corresponding stretch of country, which was rapidly availed of—and at the same time introduced into the Northwest to its furthest point the element of railway competition. The immediate result was not only to open a vast area of fertile country to settlement, but to establish confidence in the country and its resources, and in that opportunity for everyone to share in the development of those resources which has resulted in the recent rapid increase in wealth and land values. This result was achieved without cost to the country of a cent of money or an acre of land; and for the guarantee of bonds the Government holds a first mortgage on the part of the C. N. R. system built under guarantee and a second mortgage on the balance of the system.

TAXATION OF RAILWAYS.

The Conservative policy of railway monopoly in the West as already shown was aided and strengthened by the grant of immense tracts of land to the favoured Company itself and to companies coming into existence, or brought

under its auspices. These grants of land in themselves by reason of the ultimate value immensely strengthened the favoured Company against any rivals. But the unrestrained privilege of selection enabled the Company by having its railway line in one part of the country and selecting its land in another to prevent the intrusion of other railways into either area. It was this feature of the Conservative railway policy that held back railway development of the Saskatchewan country for so long, until the Government guaranteed the bonds of the Canadian Northern. Under ordinary circumstances the power of provincial or municipal taxation of land would have offered a means of compelling the companies to let go their holdings in due course. So far as the favoured Company was concerned this was provided against in the original agreement, under which the Company was exempted from taxation on its land for twenty years after the grant thereof from the Crown. This provision applied to 18 million acres of land. At the end of twenty years from the passing of the Act, at which time it was expected the exemption would cease, it was found that the Company held that the word "grant from the Crown" meant "issue of patent." The question was taken to the courts and the Contention of the Company was upheld. It was then discovered that as a matter of policy the Conservative Government had not issued land patents to any of the railway companies who had earned them. They allowed the Company to select the land. The land was then listed to the Company, but only when the Company made a sale was the patent issued, and then not to the Company, but to the purchaser on the order of the Company. When this condition was shown, the Liberal Government at once began to issue patents to the C. P. R. and other railway companies for the lands which they had earned. As a matter of policy and without warrant of law in this matter the Conservative Government gave all the railway companies exemption from taxation on their land grants as long as they were in power and extended the twenty years' exemption of the C. P. R. by the same period. The Liberal Government on this condition coming to their attention attacked the C. P. R. extended exemption in the Courts and issued patents to all railway companies as quickly as possible so that no exemption from taxation not contemplated by Parliament should be enjoyed.

NEW RAILWAY ACT AND RAILWAY COMMISSION.

An excellent service was performed on behalf of the country when the Laurier administration passed the Railway Act in 1903.

Previous to the passing of this Act disputed matters on railway construction and administration were heard and disposed of by a committee composed of members of the Government of the day. Little satisfaction was given by such a method and the people of all classes clamored for something different. They got a new system in 1903. It has worked well and gives promise of still greater results to the benefit of the public.

The Act of 1903 authorized the appointment of a Railway Board to have authority in all matters which the committee of the Government had previous to that date in charge. In addition to this other powers were given to the Board, which was originally composed of three members—a Chairman and two others. During the Session of 1908 an Act was passed increasing the members of the Board to six. Of this number one is to be Chief Commissioner (Chairman), and another Assistant Chief Commissioner. This increase will enable the

Board to meet in two sections, and thus at all times keep close to the people. In railway matters it is the swiftness of action that causes justice to be appreciated.

Another Act passed during the Session of 1908 was, conferring powers upon the Railway Board to deal with telegraph and telephone lines, and matters in a manner similar to the way in which railways are dealt with.

The following is a summary of the chief powers of the Commission, and they apply equally to railways, telegraphs and telephones, as set forth in the Act as amended in 1908:—

1. Absolute regulative powers in regard to rates, preferences, discriminations, rebates and secret rates.
2. Supervisory powers in regard to through rates and through routes.
3. Power to compel equal, proper and reasonable facilities for shipment to all persons and companies.
4. To regulate traffic agreements.
5. To regulate and supervise highway and railway crossings.
6. To investigate into serious accidents, and the causes of accidents.
7. To exercise a general supervision and control over safety appliances, and all matters touching the convenience and safety of the public and employes of the railway, the safety of property, and the operation of trains and the railway generally.
8. To regulate and supervise the general construction of railways—the location of the line and stations—the construction and maintenance of railway bridges, tunnels, etc., drainage, fences, gates and cattle guards, farm crossings, etc.
9. To supervise the opening and closing of railways in the interest of the public safety.
10. To see that the various railways obey the provisions of the Acts, general and special, under which they operate.

IMPORTANT CHANGES IN RAILWAY LAW.

The changes effected by the new Act are briefly as follows:—

1. **Branch Lines.** The Commission has power to compel a railway to build a branch line to any industry within six miles of the railway on the application of the owner, and upon terms.
2. **Highway Crossings.** In cities or towns before a street railway or tramway can cross or run along any highway the consent of the municipality must first be obtained.
3. **Drainage across Railways.** The laws of the Province may be applied and the railway is made responsible for the expense of carrying any necessary drainage work across the railway.
4. **Farm Crossings.** The Commission has power to order the company to construct a farm crossing for a land owner.
5. **Fences, Gates and Cattle-guards.**—must be suitable and sufficient to keep animals from getting on the railway.

6. The specifications of all bridges and like structures, of a certain length, must be approved of by the Board before construction.

7. The Railway Commission has power to order the railway to provide proper facilities at its stations for traffic and to say what those facilities shall be.

8. The Commission is given powers as to the accommodation, running and operation of trains and as to safety appliances to be used on trains for the protection of the public, the employees and property.

9. Fires. The railway is made responsible for all fires caused from sparks of its engines, the liability being limited, however, to \$5,000 on any one fire, except when such fire is caused by its negligence.

10. Tolls. Fyling and publication of all tariffs is required and procedure laid down. The Commission may disallow any tariff and may fix the tolls to be charged, and has absolute control over freight classifications.

A FEW OF THE RESULTS.

The general results brought about by the Commission and the changes in the law are:—

1. Publicity of Railway rates.
2. Lessening of open rate wars.
3. The equalization of rates for long and short hauls.
4. The removal of substantial and vexing grievances of the farming community.
5. The beneficial exercise of controlling powers and thorough supervision of railway construction and operation.
6. Better education of the public in railway and transportation matters.
7. The smaller shippers benefitted.
8. More uniformity in the basis of rate making.
9. The general use on railways of efficient brakes, automatic couplers, and other safety appliances.
10. Uniformity in the construction of rolling stock and in the rules for operating trains.
11. A decrease in the number of serious accidents.

If this measure stood alone it would stamp the Government as a business one, thoroughly alive to the needs of the people.

BOARD AND COURTS HAVE COMPLETE CONTROL.

The authority of the Board is administrative only, and on questions of law within the sphere of the Board an appeal lies (by leave of the Board) to the Supreme Court, and on matters of policy the Government may exercise a supervisory interest. In all other respects the Board is absolutely free and independent. In cases of damage to property, stock, etc., etc., from defects in engines, fences, cattle guards, etc., etc., recourse is had to the ordinary courts of the land, as witness the large number of cases arising out of defective cattle guards and fences. The onus in these cases is on the railway companies to show no negligence on their part, with the result that probably ninety per cent. of the cases arising out of defective cattle guards and fences have been decided against the companies. Previous to 1903 the onus was on the party who suffered to show that there was negligence on the part of the railway company. He need produce no proof of this under the present Act.

The public generally are well aware of the great benefits that have flowed to them from the work of the Railway Commission, and it is not considered necessary to enumerate them here.

AGRICULTURAL DEPARTMENT UNDER LIBERALS.

**A Record of Great Activity. Splendid Results Achieved
for the Farmers by a Minister Skilled in the Highest
Science of Farming.**

In no department of the Government has more progressive, intelligent and genuinely good work been performed than in the Department of Agriculture. In the Conservative days this Department was presided over for a number of years by a lawyer and for a time by a brewer. The Liberal Minister, the Hon. S. A. Fisher, who has held the Portfolio continuously since 1896, is a practical farmer. He has made a special study of the science of farming and has brought to his duties a remarkable store of knowledge, courage and ambition. He has had the best interests of the farmers completely at heart.

It would be a long story to tell everything he has done to promote the agricultural interests. We will content ourselves with a brief summarization.

FARMING CONDITIONS UNDER THE CONSERVATIVES.

It will be remembered that before 1896 the value of rural property was very low. Farmers found it difficult to dispose of their farms, although their business was in such a state as to tempt them to do so. The profits of farming then were almost nothing. The draft from the country to the city was great, and in those days the course lay to the cities of the United States, and the best young blood of Canada was helping to build up our rival. Then the agricultural exports of the United States largely dominated the English market, because they had better means of transportation to the market, and a better reputation in it. Canadian farm products, with the exception of cheese, were hardly known as such in the English market. Australia and New Zealand had efficient mechanical cold storage, placing their perishable food products on the English market in good condition, notwithstanding seven thousand miles of voyage through the tropics. Canadian butter, cheese, fruits and meats were carelessly handled by the shipping companies without supervision, and there was no proper accommodation on the ships to prevent injury to them.

In 1896 sales of Canadian cattle were almost impossible. The embargo in England prevented our store cattle going into that market; the quarantine arrangements prevented our young cattle and dairy stock being admitted to the United States. In the depressed condition of our own agricultural and our own home market there was no sale for these in Canada. The farmers were going out of the breeding of horses, because there was no market for them anywhere. By the enterprise of our Ontario dairymen, Canada, under the difficulties as to transportation, was sending to England a considerable amount of cheese of fair quality which she was selling at a fair price. No progress had been made in the trade in hutter, and as a matter of fact much less butter was exported in the ten years previous to 1896, than there was in the ten years before that date.

In the ten years 1877-86, total exports of butter were.....	\$22,706,360
In next ten years 1887-96, total exports of butter were.....	8,250,088
Decrease.....	\$14,456,272

In sharp contrast to the Conservative period (1887-1896) is the ten years under Liberal Government (1897-1906), when the butter exports amounted to..... \$46,599,783

For the twelve years under the Liberals the exports of butter were..... 51,680,095

This failure under the preceding Conservative administration was due to the fact that in their day our butter had to be forwarded in common freight cars, and in stowage on the vessels, and in England had to meet the competition of American and Australian butter delivered on the English market by means of well equipped and up-to-date cold storage transport.

Similarly, under these adverse conditions, there was a very small export of bacon and hams, the production of which is a natural adjunct of the dairy industry. The total export of bacon and hams was in the ten years ending 30th of June, 1896, only \$17,671,000, as against \$115,000,000 in the ten years ending 30th of June, 1906.

Contrast the state of affairs previous to 1896, with the present condition of our farming business. We have now a complete equipment of cold storage transportation for our perishable food products. The mechanical cold storage in the ships from Canada to Great Britain is the most modern and best in the world. Our refrigerator car system, started and helped by the Government, provides perfect condition of carriage from the interior to the ship's side. Refrigeration at the creameries and local stores through the country has been encouraged and stimulated. There is a complete systematic supervision of the handling of Canadian food products and their transit from the point of production to the steamer in England, resulting in very careful handling and proper stowage with a complete system of checking, which keeps the transportation companies up to the mark, and prevents that damage to these delicate products, which in the old days was one of the chief reasons for their bad reputation in the English market. The result has been that our goods are placed before the English consumer in their original prime quality, and have made a reputation which has brought about the splendid increased prices so evident during the last few years, and has occasioned a ready sale of everything we have to send there.

CHEESE INDUSTRY FOSTERED AND STIMULATED.

The cheese trade of Canada has always been a large interest. In the old days, it progressed under difficulties by the private enterprise of the Ontario factorymen with the help of the Provincial Government. Now, the trade has expanded over a large portion of Canada, and has increased, in the twelve years ending June 30th, 1906, \$120,178,904, the total export for the twelve years ending 30th of June, 1896, being \$127,611,428 against \$247,790,332 for the twelve years ending 30th of June, 1908. This is due to improvement in factory education along the lines of better curing-rooms and methods, and assistance in the discovery of causes of defects; to improved facilities in the transportation, and to the increased knowledge spread in the British market of Canadian methods and Canadian goods. A revolution in the curing of cheese has been brought about by the large experiments conducted by the Department in cool-curing. The full effects of these have not yet been attained. The finances of the various factories have not enabled them to make the necessary changes everywhere, but a distinct impression on the British market has been made by the cool-cured cheese, and the high price in the last few years of all Canadian cheese is undoubtedly due to the greatly improved quality of this cool-cured cheese. When all the factories of Canada adopt this method, there is no doubt that the result will

be an actual increase in the market value in Great Britain of all Canadian cheese. In the year ending March 31st last (1908), we exported cheese of the value of \$22,887,237. If the improved methods of curing above mentioned were generally adopted, the increased price of this cheese would on about one-half cent per pound. The Department has found out how to do this, and has pointed the way. Many of the cheese makers followed; it remains for the rest of them to join in the movement, and the above result will come. Already a large proportion of it has come.

BUTTER.

The exports of butter for the twelve years under Liberal rule amounted to 259,655,811 lbs., as compared with 57,247,699 lbs. for the last twelve years under Conservative administration.

The butter industry has also made great progress. Here, the results in the export trade do not indicate so completely the improvement. Canada is not a cheese-eating country. Any increase in the cheese production or quality is shown at once in the export. Canada, is however, a large butter-eating country, and the improvement in the butter production, due to the spread of knowledge and better methods and better handling of the cows, is found more on the tables of the Canadian people than in the export figures. Still, our butter export has largely increased of late years.

There is no doubt that the improved cold storage transportation is largely the cause of the splendid increase in the butter trade. It is, however, also noticeable that wherever one goes to-day in Canada good butter is placed before them in homes or on hotel tables, which is largely due to the instruction given by the Federal Department, as well as the Local Departments of Agriculture in the different provinces. A great awakening has undoubtedly taken place among the farmers, especially in the Provinces of Ontario and Quebec, and in the butter trade this is more evident than in cheese.

The following figures, taken from the last Census report, show, for the whole of Canada, and especially for the Provinces of Ontario and Quebec, a very rapid expansion in the production of butter and cheese during the ten years from 1891 to 1901. The Census takes into account only the creameries and cheese factories, without giving figures for each separately, and gives data for three ten-year periods—1881, 1891 and 1901.

	1881	1891	1901
Ontario.....	\$4,880,558	\$7,569,338	314,968,822
Quebec.....	863,803	2,981,527	12,874,367
All Canada.....	5,805,932	10,697,879	29,462,402

The figures show that while Ontario nearly doubled its production, Quebec increased its production by more than four times what it was in 1891. Quebec seems to be essentially the butter-making province, while Ontario is essentially the cheese-making province. The country is to be congratulated on the immense progress in this respect.

BUTTER-MAKING IN THE WEST.

Butter-making in creameries had been a failure under Conservative rule in the Northwest Territories. Mr. Fisher, after inquiry, believed that the failure was due to improper management and he determined to make butter-making a success in that part of the country. The disused creameries there were taken over and were run by the Department on a system by which after a few years they became self-sustaining. They were then returned to private enterprise.

The Province of Alberta has now one of the best established butter-making industries on the continent, which constitutes an additional attraction to the incoming settlers and is indeed proof of the VARIED opportunities for successful farming in that great province.

In a minor degree in some localities in Saskatchewan the same thing was accomplished.

REMOVAL OF QUARANTINE AGAINST CANADIAN CATTLE IN THE UNITED STATES.

The removal of the quarantine between Canada and the United States in February, 1897, accomplished by a week's visit of the Minister of Agriculture to Washington in December, 1896, caused an immediate outflow of our surplus cattle into the United States. The Conservative Government had been trying to remove this obstacle to our trade. The farmers of Canada had been grumbling at being debarred from the American market, when they knew there was there an eager demand at good prices for the young Canadian cattle which were practically unsaleable in Canada at any price. The difficulty was not a question of duties or prices, but was the insurmountable obstacle of a ninety days detention at the frontier for quarantine purposes. The absurdity of this arrangement was evidenced by the fact that there was no disease on either side of the line, and yet the American stock man, eager to buy, could not come into business relations with the Canadian stock man, eager to sell. The Tory Government, either through ignorance, inertness, or inefficiency, pleaded that nothing could be done. The Liberal Government sent to Washington the Liberal Minister of Agriculture, who, in a couple of days' business talk, removed the obstacle. The result was that the glutted market in Canada was relieved, the price of all horned cattle advanced greatly, and from that day to this the market for cattle in Canada has been a good one.

Some Tories point to the fact that for the last few years the export of cattle to the United States has dropped off. This is no argument against the value of the relief in 1897. For five years immediately following the abolition of the quarantine the export was enormous. From 3,737 head, worth \$64,216, in the five years ending 30th of June, 1896, the exports rose in the succeeding five years, ending 30th of June, 1901, to 339,970 head, valued at \$5,339,000. The average value paid per head in 1896 was only \$5.40 against \$19.27 in 1901. Thereafter, up to the present date a much better class of cattle were exported to the United States, as shown by the average export price in 1906, which was \$40.00 per head—the 4,726 netting \$206,000. In 1907 the export price was not less than \$58.00 per head, 9,071 head exported in that year being valued at a total of \$530,000.

During the last few years, owing to the enlightened policy of the Government with reference to immigration and agriculture, the rush of immigrants into Canada, the rapid settlement of the Northwest and the revival of confidence in our own agriculture have occasioned such a demand for cattle in Canada that the exports of these animals to the United States has not been necessary or indeed advisable. At the same time the improved markets in England have attracted a constantly increasing number of finished cattle to the British market, and our farmers, with free corn, provided by this Government, to finish their cattle, with improved methods due to constant experimenting and to the issuing of information and assistance by the Department of Agriculture through the Live Stock Branch, are induced to export the finished article to Great Britain rather than the store animal to the United States. This progress in the live

stock industry was started by the relief of our live stock markets brought about in 1897 by the removal of the quarantine restrictions between Canada and the United States. This progress was continued and stimulated by the following among many other useful measures introduced by the Liberal Government.

LIVE STOCK INDUSTRY FURTHER PROMOTED.

Mr. Fisher and his Department have been most active in promoting the live stock industry in the country. In addition to securing the removal of the quarantine in the United States against Canadian cattle the following steps have been taken by him:

- (1) The appointment in 1899 of a Live Stock Commissioner, to deal with the varied interests of live stock production and management in Canada.
- (2) The re-organization of the Veterinary Branch of the Department involving the appointment of Dr. J. G. Rutherford as Veterinary Director General with offices at Ottawa. Also needed amendment to the Contagious Disease Act.
- (3) Passing of the Meat Inspection Law and its judicious enforcement, the more effectively to prevent our meats from being shut out from England and other foreign markets, which now insist upon a rigid inspection against the introduction of disease.
- (4) The stamping out of hog cholera in Western Ontario, where it had, until recently, been alarmingly prevalent.
- (5) The inauguration of auction sales of purebred stock, to disseminate widely among farmers the best types of animals for profitable results.
- (6) The introduction of and aid to cow testing associations, to enable farmers to proceed intelligently to a systematic weeding out of their unprofitable animals, and the retaining of good performers only.
- (7) The holding of several series of lectures all over Canada attended by the experts of the Agricultural Department, disseminating the best available information by this means, and by means of reports and bulletins widely distributed.

BACON INDUSTRY.

Another matter connected with the live stock interests, and which has received a great deal of careful attention, is the bacon industry. The trade has been increasing for some time, with greatly accelerated motion in the past few years, as it has been brought to a thoroughly organized basis by the great packing houses.

When going to England, in 1898, Mr. Fisher was advised that some complaint had been made of the quality of Canadian bacon, many of the sides being soft. When in England he and Professor Robertson met the handlers of our Canadian bacon and examined into the complaints. Though the situation was not found to be so alarming as was said, it was evident that in some instances our bacon was not up to the mark. An elaborate system of experiments was started, feeding pigs with different kinds of food and under different conditions and with different methods, while chemistry was called in to make careful analyses of the different specimens of bacon at its different stages. Reports of results of these experiments were published and disseminated among the feeders of pigs and makers of bacon, and there is no doubt that the valuable information therein contained, which has been followed, has contributed largely toward the decided decrease in the amount of soft bacon exported. The reputation of

our bacon has also been greatly enhanced with recent years in the British market. Our trade in bacon has advanced at an extraordinarily rapid rate to the extent that not less than 1,284,546,996 lbs. of bacon and hams were exported during the last 12 years, as compared with 207,303,180 lbs. during the previous 12 years.

EXPERIMENTAL FARMS DEVELOPED.

Under Mr. Fisher the practical usefulness of the Dominion Experimental Farm has been very greatly increased. Starting with the very great advantage which the Conservative Ministers of Agriculture did not have, of knowing the farming business thoroughly, he, in the time he has been in office, has made the experimental Farm system one of the best aids to agriculture on the American Continent.

Here are some of the things that were done:

The appointment in 1899 of Mr. J. H. Grisdale as Agriculturist was followed by the setting apart of 200 acres to be worked as a dairy farm. Ever since a steady improvement in appearance and productivity has been noticed.

For five years a systematic five-year rotation was followed and the results were very marked indeed. Placing the same value on the different products in each case, the returns in 1899 were valued at \$2 776.64, which returns had increased in 1905 to \$5,714.32, showing the tremendous advantage of following good rotation in growing suitable crops. During recent years further change has been introduced, and some twelve different rotations are being experimented with, to obtain for the farmers some exact data as to the comparative value of these different rotations.

In live stock the progress has been equally remarkable. At the start, in 1899, 30 cattle were kept for the full year, and about 30 extra head during the winter; whereas, in 1906, 110 cattle were kept the full year, and 40 extra head during the winter.

In 1901 and subsequently, four herds of purebred cattle were introduced, namely, Shorthorns, Ayrshires, Guernseys and Canadians. These herds have made very great progress, so that now they compare favorably with the best herds found in the Dominion, although they must necessarily be smaller than are the herds of some of the larger breeders. A large number of Leicester and Shropshire sheep, and of Yorkshire, Berkshire and Tamworth bacon hogs were also purchased, so that visiting farmers can now find typical specimens of the highest class.

Particular attention might be invited to the splendid herd of Canadian cattle, a breed which has been wonderfully advertised and helped through the medium of the Central Experimental Farm, where one of the choicest—if not the choicest—collection of animals in this class is to be found.

A great deal has been done also in the dissemination of purebred stock from this Farm. Every year many bulls of the breeds mentioned and many bacon pigs of the Yorkshire, Berkshire and Tamworth breeds, both male and female, as well as quite a number of purebred sheep, have been sent to different parts of Canada. The shipments extended from the Atlantic to the Pacific. The animals have, in nearly all cases, been sold to Agricultural Societies and Farmers' Clubs.

The Government have increased the number of branch farms to assist the farmers, especially in the newer settled parts of the country, and in the older parts of Canada, where the conditions seem to require local experiments in crop-growing especially.



MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



APPLIED IMAGE Inc

1853 East Main Street
Rochester, New York 14609 USA
(716) 482-0300 - Phone
(716) 288-0100 - Fax

GENERAL EXPANSION OF AGRICULTURE EXPENDITURE ON, AND AIDS TO AGRICULTURE.

At the time of the change of Government the agricultural work of the Department practically consisted of the Experimental Farm system, the work of Professor Robertson, as Dairy and Agricultural Commissioner, and the Veterinary Branch under Dr. McEachran. Having above shown the difference between the Experimental Farm of that period, and that of to-day, let us examine the expansion of the Agricultural Branch under Professor Robertson.

In 1896 Professor Robertson, had for the purpose of his work, as shown by the Auditor-General's Report for 1896, the sum of \$75,770, the greater portion of which represented expenditure and advances upon dairy establishments in the older provinces. He had no expert assistants. The present Minister, appreciating the great capacity of that officer, and the value of his work for the country, immediately asked for increased money, and added from year to year, division after division to his work; and provided for the year 1905-1906, as shown by the Auditor-General's Report, the sum of \$155,000 while the estimates authorized for the years 1907-1908 provide for the sum of \$210,000, to be expended by the various divisions of that branch quite apart from the special estimate of \$150,000 provided towards the encouragement of the establishment of cold storage warehouses for the better preservation and handling of our perishable food products. The cold storage work previously alluded to, was inaugurated in this branch of the Department. For a few years, one hundred thousand dollars was spent, but now no regular expenditure is required, as in this also, it having once started by Government assistance, private enterprise is sufficient to meet the demands of the trade.

The Markets Division of the Department of Agriculture has taken charge of the supervision of the handling of our goods for export, and has done much to stimulate the British market for them. In this branch, a complete system of inspection is now in operation. Some money is being spent still on the refrigerator car system, but here all the demands of the trade are being largely met more and more completely by the transportation companies, encouraged a little and strictly supervised and directed by the staff of the Department.

At first, these transportation improvements applied only to butter, the most delicate and easily damaged of our food products. Later, they were extended to cheese, and now to fruit and meats.

APPLE TRADE.

The Fruit Marks Act has worked a radical change in our fruit trade. Canadian apples have always been recognized as the best, but unfortunately they were placed on the British market so badly packed, and so irregularly marked as to create hostile criticism, and large loss was generally suffered by the exporters, Canada making no progress in the market. To-day, Canadian fruit goes forward with great improvement in the packing, with legal marks placed on the closed barrels and boxes, and so successful has been this work of the Government that the United States Consuls and fruit authorities have warned their people and Government that they must follow our example, or lose the trade to the Canadian producer. Here, too, there is supervision and inspection, although the Government does not undertake a complete inspection of all the fruit exported—a physical impossibility when we recognize that in the year ending 31st of March, 1907, 998,000 barrels were exported. In 1896 only 577,000 barrels were reported. The inspection and supervision, however, is sufficient to deter the packer from

improperly marking his fruit, while the instruction in the proper way to pack, has been a vast help to the honest Canadian producer.

RECORD OF PROGRESS MADE IN OUR EXPORT TRADE IN AGRICULTURAL PRODUCTS.

The following statistics show that there has been a marvellous increase in our agricultural exports. We would be foolish to claim that all this increase has been done by the Agricultural Department under the Liberal administration, but there is no doubt that such work has been a large factor in the progress which has been made.

CANADIAN PRODUCE EXPORTED FROM CANADA BY CLASSES, 1879 to 1908.

		CANADIAN PRODUCE EXPORTED		
		Animal Produce.	Agricultural Products.	Total.
Fiscal Year	1885.....	\$25,337,104	\$14,518,293	\$39,855,397
"	" 1886.....	22,065,433	17,652,779	39,718,212
"	" 1887.....	24,246,937	18,826,235	43,073,172
"	" 1888.....	24,719,297	15,436,360	40,155,657
"	" 1889.....	23,894,707	13,414,111	37,308,818
"	" 1890.....	25,106,995	11,908,030	37,015,025
"	" 1891.....	25,967,741	13,666,858	39,634,599
"	" 1892.....	28,594,850	22,113,284	50,708,134
"	" 1893.....	31,736,499	22,049,490	53,785,989
"	" 1894.....	31,881,973	17,677,649	49,559,622
"	" 1895.....	34,387,770	15,719,128	50,106,898
"	" 1896.....	36,507,641	14,083,361	50,591,002
Exports under Conservative Rule, 12 years, 1885 to 1896...		\$334,446,947	\$197,065,578	\$531,512,525
Fiscal Year	1897.....	\$39,245,252	\$17,982,646	\$57,227,898
"	" 1898.....	44,301,470	33,063,285	77,364,755
"	" 1899.....	46,743,130	22,952,915	69,696,045
"	" 1900.....	56,148,807	27,516,609	83,665,416
"	" 1901.....	55,495,311	24,781,486	80,276,797
"	" 1902.....	59,161,209	37,152,688	96,313,897
"	" 1903.....	69,817,542	44,624,321	114,441,863
"	" 1904.....	63,812,117	37,138,875	100,950,992
"	" 1905.....	63,337,458	29,994,150	93,331,608
"	" 1906.....	66,455,960	54,062,337	120,518,297
"	" 1907.....	55,422,499	35,856,616	91,279,115
"	" 1908.....	55,101,260	66,069,939	121,171,199
Exports under Liberal Rule, 12 years, 1897 to 1908.....		\$675,042,015	\$431,195,867	\$1,106,237,882

**PRINCIPAL ARTICLES OF CANADIAN ANIMAL PRODUCE EXPORTED
FROM CANADA 1879 TO 1908.**

Fiscal Year	BACON AND HAMS.		BUTTER.	
	Quantity.	Value.	Quantity.	Value.
1885.....		\$		\$
" " 1886.....	8,152,087	717,255	7,330,788	1,430,905
" " 1887.....	8,556,490	653,852	4,668,741	832,355
" " 1888.....	11,425,942	906,390	5,485,509	979,126
" " 1889.....	7,019,823	660,015	4,415,381	798,673
" " 1890.....	4,066,682	361,293	1,780,765	331,958
" " 1891.....	7,492,082	631,079	1,9 ^c 1,585	340,131
" " 1892.....	7,554,237	628,469	3,768,101	602,175
" " 1893.....	12,142,378	1,152,006	5,736,696	1,056,058
" " 1894.....	18,504,347	1,970,518	7,036,013	1,296,814
" " 1895.....	28,509,007	2,938,374	5,534,621	1,095,588
" " 1896.....	40,134,026	3,806,709	3 650,258	697,47 ^e
	53,736,085	4,381,968	5,889,241	1,052,089
Exports under Conserva- tive Rule, 12 yrs., 1885 to 1896.....	207,303,186	18,827,928	57,247,699	10,513,348

Fiscal Year	CATTLE.		CHEESE.	
	Quantity.	Value.	Quantity.	Value.
1885.....		\$		\$
" " 1886.....	143,003	7,377,777	79,655,367	8,265,240
" " 1887.....	91,866	5,825,188	78,112,927	6,734,626
" " 1888.....	116,274	6,486,718	73,604,448	7,108,978
" " 1889.....	100,747	5,012,713	84,173,267	8,928,242
" " 1890.....	102,919	5,708,126	88,534,837	8,915,684
" " 1891.....	81,454	6,949,417	94,260,187	9,372,212
" " 1892.....	117,761	8,772,499	106,202,140	9,508,800
" " 1893.....	107,179	7,748,949	118,270,052	11,652,412
" " 1894.....	107,224	7,745,083	133,946,365	13,407,470
" " 1895.....	86,057	6,499,597	154,977,470	15,488,191
" " 1896.....	93,802	7,120,823	146,004,650	14,253,002
	104,451	7,082,542	164,689,123	13,956,571
Exports under Conserva- tive Rule, 12 yrs., 1885 to 1896.....	1,252,737	82,329,432	1,322,430,843	127,611,428

RTED

Value.
\$
430,905
332,355
79,126
98,673
31,958
40,131
02,175
56,058
96,814
95,588
7,470
2,089

3,348

Inc.
\$
240
626
978
242
684
212
800
412
470
191
002
571

28

Fiscal Year	BACON AND HAMS.		BUTTER.	
	Quantity.	Value.	Quantity.	Value.
1897.....	69,128,452	5,843,619	11,453,351	2,089,173
" " 1898.....	85,308,829	8,040,778	11,253,787	2,046,686
" " 1899.....	116,652,927	10,416,478	20,139,195	3,700,873
" " 1900.....	135,031,874	12,758,025	25,259,737	5,122,156
" " 1901.....	105,549,505	11,778,446	16,335,528	3,295,663
" " 1902.....	107,980,049	12,403,793	27,855,978	5,660,541
" " 1903.....	141,956,909	15,906,334	34,128,944	6,954,618
" " 1904.....	127,944,503	13,022,261	24,568,001	4,724,155
" " 1905.....	119,700,813	12,515,959	31,764,303	5,930,379
" " 1906.....	102,907,888	12,086,868	34,031,525	7,075,539
" " 1907 (9 mos.)	77,210,080	9,222,122	18,078,508	4,011,609
" " 1908.....	95,175,167	11,161,628	4,786,954	1,068,703

Exports under Liberal Rule 12 yrs., 1897 to 1908..... 1,284,546,996 135,156,311 259,655,811 51,680,095

Increase exports under Liberal Rule 12 yrs., 1897 to 1908, over Conservative Rule 12 yrs., 1885 to 1896..... 1,077,243,810 116,328,383 202,408,112 41,166,747

Fiscal Year	CATTLE.		CHEESE.	
	Quantity.	Value.	Quantity.	Value.
1897.....	161,369	7,159,388	164,220,699	14,676,239
" " 1898.....	213,010	8,723,292	196,703,323	17,572,763
" " 1899.....	211,847	8,522,835	189,827,839	16,776,765
" " 1900.....	205,524	9,080,776	185,984,430	19,856,324
" " 1901.....	169,279	9,064,562	195,926,397	20,696,951
" " 1902.....	184,473	10,663,819	200,946,401	19,686,291
" " 1903.....	176,780	11,342,632	229,099,925	24,712,943
" " 1904.....	157,417	10,424,671	233,980,716	24,184,566
" " 1905.....	167,102	11,360,969	215,733,259	20,300,500
" " 1906.....	176,030	11,656,829	215,834,543	24,433,169
" " 1907.....	162,141	10,932,539	178,141,567	22,006,584
" " 1908.....	150,993	9,301,184	189,710,463	22,887,237

Exports under Liberal Rule 12 yrs., 1897 to 1908..... 2,135,965 118,233,496 2,396,109,562 247,790,332

Increase exports under Liberal Rule 12 yrs., 1897 to 1908, over Conservative Rule 12 yrs., 1885 to 1896..... 883,228 35,904,064 1,073,678,719 120,178,904

WHEAT.		
	Quantity.	Value.
	Bush.	\$
Fiscal Year 1885.....	2,340,956	1,966,287
" " 1886.....	3,419,168	2,035,864
" " 1887.....	5,631,726	4,745,138
" " 1888.....	2,163,754	1,886,470
" " 1889.....	490,905	471,121
" " 1890.....	422,274	388,861
" " 1891.....	2,108,216	1,583,084
" " 1892.....	8,714,154	6,947,851
" " 1893.....	9,271,885	7,060,033
" " 1894.....	9,272,208	6,133,452
" " 1895.....	8,825,689	5,359,109
" " 1896.....	9,919,542	5,771,521
Exports under Conservative Rule 12 yrs., 1885 to 1896.....	62,580,477	45,338,791

Fiscal Year 1897.....	7,855,274	5,544,197
" " 1898.....	18,963,107	17,313,916
" " 1899.....	10,305,470	7,784,487
" " 1900.....	16,844,650	11,995,488
" " 1901.....	9,739,758	6,871,939
" " 1902.....	26,117,530	18,688,092
" " 1903.....	32,985,745	24,566,703
" " 1904.....	16,779,028	13,465,351
" " 1905.....	14,700,315	12,386,743
" " 1906.....	40,399,402	33,658,391
" " 1907 (9 mos.).....	25,480,127	20,397,629
" " 1908.....	43,654,668	40,004,723
Exports under Liberal Rule 12 yrs., 1897 to 1908.....	263,825,074	212,677,659

Increase exports under Liberal Rule 12 yrs., 1897 to 1908, over Conservative Rule 12 yrs. 1885 to 1906.....	201,244,597	167,338,868
--	-------------	-------------

**PRINCIPAL ARTICLES OF CANADIAN AGRICULTURAL PRODUCTS
EXPORTED FROM CANADA 1879 TO 1908.**

	OATS.		HAY.	
	Quantity. Bush.	Value. \$	Quantity. Tons.	Value. \$
Fiscal Year 1885.....	2,359,002	893,513	134,939	1,270,525
" " 1886.....	4,149,988	1,453,996	93,944	1,001,336
" " 1887.....	2,048,240	653,837	76,843	743,396
" " 1888.....	566,721	185,010	93,269	903,329
" " 1889.....	337,185	130,632	91,480	934,082
" " 1890.....	757,792	256,156	115,162	1,068,554
" " 1891.....	260,569	129,917	65,083	559,489
" " 1892.....	6,414,329	2,241,256	84,926	800,533
" " 1893.....	7,273,906	2,553,910	151,881	1,452,872
" " 1894.....	2,818,702	1,076,751	276,806	2,601,188
" " 1895.....	926,975	320,458	199,072	1,539,691
" " 1896.....	968,137	273,861	214,640	1,976,431
Exports under Conserva- tive Rule 12 yrs., 1885 to 1896.....	28,881,546	10,169,297	1,598,045	14,851,426
Fiscal Year 1897.....	6,546,881	1,655,130	113,754	999,238
" " 1898.....	9,876,463	3,041,578	37,091	357,844
" " 1899.....	10,312,992	3,268,388	82,428	411,631
" " 1900.....	6,929,214	2,143,179	175,416	1,414,109
" " 1901.....	8,155,063	2,490,521	252,977	2,097,882
" " 1902.....	5,030,123	2,052,559	434,585	4,413,411
" " 1903.....	7,593,177	2,583,151	450,053	3,595,665
" " 1904.....	4,695,241	1,603,104	219,674	1,897,730
" " 1905.....	2,367,499	862,040	151,563	1,261,210
" " 1906.....	2,700,303	1,083,347	206,714	1,529,941
" " 1907 (9 mos.)	4,539,436	1,855,300	112,778	1,034,948
" " 1908.....	7,123,291	3,171,509	63,472	725,808
Exports under Liberal Rule 12 yrs., 1897 to 1908.....	75,869,683	25,809,806	2,280,705	19,739,417
Increase Exports under Liberal Rule 12 yrs., 1897 to 1908, over Con- servative Rule 12 yrs., 1885 to 1906.....	46,988,137	15,640,509	682,660	4,887,991

**A COMPARISON OF PRICES OF AGRICULTURAL EXPORTS FOR THE
YEARS 1896 (CONSERVATIVE) AND 1907 (LIBERAL).**

PRODUCTS.	Period of 12 months ending the fiscal year June 30th, 1896.		Period of 12 months ending the fiscal year March 31st, 1907.	
	Value.	Price.	Value.	Price.
Cattle to England.....	\$ 6,816,361	\$70.24	\$ 12,037,414	\$68.29
Cattle to the United States....	8,870	5.39	525,777	55.50
Eggs.....	807,086	.127	577,599	.216
Butter.....	1,052,089	.127	4,686,148	.221
Cheese.....	13,956,571	.084	26,160,856	.123
Bacon, ham and pork.....	4,446,884	.08	12,269,470	.12
Beef.....	21,158	.051	132,055	.074
Mutton.....	7,458	.05	7,793	.08
Wheat.....	5,771,521	.58	30,229,432	.80
Wheat flour.....	718,433	3.85	5,633,704	3.77
Oats.....	273,861	.28	2,292,972	.414
Pease.....	1,299,491	.73	799,686	1.08
Corn.....	3,548	.36	22,589	.55
Buckwheat.....	173,689	.42	233,420	.54
Potatoes.....	227,606	.38	526,411	.616
Hay.....	1,976,431	9.21	1,531,241	8.44
Poultry.....	18,992	74,884
Apples, green or ripe.....	1,416,470	2.50	2,702,623	2.80
Horses.....	2,113,095	96.70	624,431	205.00
Sheep.....	2,151,283	5.50	1,330,455	5.16
Total values.....	\$43,260,897		\$102,405,960	
			43,260,897	
Increase under Liberal admin- istration.....			\$59,145,063	

R THE

months
cal year
, 1907.

Price.

\$68.29
 55.50
 .216
 .221
 .123
 .12
 .074
 .08
 .80
 3.77
 .414
 1.08
 .55
 .54
 .616
 8.44

 2.80
 05.00
 5.16

NOTE: Parliament, in the Session of 1906, changed the fiscal year so that from thenceforward it ends on the 31st of March in each year instead of the 30th of June as heretofore. In the other tables, therefore, which are being used in this pamphlet the year ending 30th of June, 1906, has been used, since it marks the date of the change; so that the ten years period ending 30th of June, 1906, will be exactly on the same basis as the Conservative ten year period ending on the 30th of June, 1896. The table now referred to has been prepared so as to bring the prices up to the latest date for which the figures are available.

SAN JOSE SCALE

Some years ago there was a serious menace to our orchards and forest trees from the insect pest known as the San Jose Scale.

The Liberal Minister, appreciating the danger if this scale were allowed to spread, through the official entomologist of the Experimental Farm, kept watch upon our trees, and information was constantly placed before the orchardists.

It became evident that the fruit growers who import nursery stock were likely to bring this pest from the countries known to be infested. A thorough discussion of the matter was had, the views of the different parties interested were obtained, and in 1898 the San Jose Scale Act was passed, prohibiting the importation of nursery stock from the countries where this disease was known. The history of this destructive pest in the United States has been so alarming that it was necessary that drastic measures should be taken to protect our trees. A slight modification was passed subsequently by which, under proper safeguards worked out and applied to practical work since the original act was passed, nursery stock may be imported.

The whole effort of the Minister has been to interfere as little as possible with the ordinary course of trade, provided safety to the interests concerned in Canada was assured.

There is no doubt that the prompt action in passing the original act saved Canada from a serious invasion of this pest, and now that we know how to handle it with safety, the modifications will permit of importation without danger.

Special attention has been by the Liberal Minister of Agriculture to the work of exhibiting the resources of Canada throughout the world. In this way a large amount of money has been spent to the great advantage of the country.

EXHIBITIONS

The various exhibits which have been shown at Glasgow, Paris, St. Louis, Buffalo, London, Japan, New Zealand and other places which might be mentioned have been of the highest character and have reflected the greatest credit on Canada. Canadians who have seen these exhibits have had their pride stimulated by them, and they are unanimous in their praise and commendation of the enterprise of the Government.

The arch of Canadian wheat erected in Whitehall, London, at the time of the coronation of our great and good King was in itself worth millions of dollars as an advertisement of Canada.

LABOUR LEGISLATION.

The Labour Policy of the Liberal Government has been of the most energetic, progressive and liberal character.

Laurier has certainly stood by the working man. He has placed innumerable laws on the Statute Book to better their condition, and he has always been willing to hear and redress their grievances.

The following summary of the legislation will be interesting and instructive:

- (1) The abolition of the sweating system in connection with Government contracts.
- (2) The establishment of a Department of Labour.
- (3) The publication of a monthly journal known as the "Labour Gazette."
- (4) The adoption of a fair wages policy with regard to all Government contracts.
- (5) The passing of an Act (known as the Lemieux Act) to aid in the prevention as well as in the settlement of strikes or lockouts in all industries connected with public utilities, and requiring that an investigation shall take place before a strike or lockout in such industries is declared. Since the passage of this Act settlements were arrived at without strikes in 38 cases out of 40.
- (6) The passing of an Act to restrict the importation and employment of aliens.
- (7) The passing of an Act to prevent immigrants being induced by fraudulent representations to come to Canada; as a consequence of representations from the Government a similar law was enacted in the Imperial Parliament to prevent emigrants from Great Britain being induced by fraudulent representations to come to Canada.
- (8) The passing of an Act for the protection of workmen engaged on public work.
- (9) The placing of a prohibitive tax of \$500 on Chinese labour; this for the protection of Canadian labour.
- (10) Legislation for the prevention of accidents on railways.
- (11) The appointment of important Labour Commissions to investigate matters of immediate concern to labour—for example, the Commission to enquire into the conditions under which the Bell Telephone Company's employees were obliged to work, and which resulted in a reduction of hours, and other improvements.
- (12) The conclusion of an arrangement with Japan of the limitation to a number satisfactory to Canada of emigrants from that country to Canada, and reducing Japanese immigration to nominal figures.
- (13) An arrangement effected with the British Government for a practical cessation of immigration from India.

ANNUITIES FOR OLD AGE

One of the best examples of advanced legislation ever placed upon the statute books of Canada is the Act passed at the last Session of Parliament providing for the issue of Government annuities for old age.

The object of the Act is to place within the reach of every man and woman in Canada a means by which he or she may make provision for old age.

The scheme briefly is this:—Any Canadian wishing to obtain a Government annuity when he becomes old is required to deposit with the Government a certain sum (whatever he likes) per week or at irregular intervals. The Government adds 4 per cent. compound interest to moneys so deposited with them; and when the depositor reaches the age of 55 or 60 the Government will pay him each year for life thereafter an annuity based upon his deposits with 4 per cent. compound interest.

The advantages of the scheme are as follows:—

1. There will be no charges or deductions for administration. THAT EXPENSE WILL BE BORNE ENTIRELY BY THE GOVERNMENT. A much larger annuity will therefore be paid than could be paid by a Life Insurance or Annuity Company, which of course requires to make deductions to enable them to run their business.
2. The Dominion of Canada will be the security.
3. The depositor will have the satisfaction of knowing that his savings cannot be dissipated by extravagant or dishonest management.
4. The law provides that there shall be no forfeiture for any cause of deposits made by any one, and also that they cannot be seized for debt.
5. A depositor may withdraw his deposits with interest compounded before his annuity becomes due.

SUBSIDIES TO PROVINCES GREATLY INCREASED.

On two different occasions the Government acting upon the urgent and pressing requests of the provinces, increased the subsidies payable to them out of the revenues of the Dominion. The subsidies paid to the provinces last fiscal year amounted to \$9,032,774.89, as compared with \$4,235,664 in 1896.

This is money returned by the Liberal Government direct to the people. This important item should be borne in mind when considering the increased expenditures.

AMOUNT OF SUBSIDIES PAID TO THE VARIOUS PROVINCES DURING THE FISCAL YEARS ENDED JUNE 30th, 1896, AND MARCH 31st, 1908.

	1896	1908	Increase of
Ontario.....	1,339,287.28	2,128,772.08	789,484.80
Quebec.....	1,086,713.48	1,686,579.08	599,865.60
Nova Scotia.....	432,811.50	610,464.76	177,653.20
New Brunswick.....	483,555.82	621,360.96	137,805.14
Manitoba.....	467,595.74	751,497.46	283,901.72
British Columbia.....	242,689.46	522,076.66	279,387.20
Prince Edward Island.....	183,010.90	281,931.88	98,920.98
Alberta.....	1,212,458.34	1,212,458.34
Saskatchewan.....	1,217,633.67	1,217,633.67
	<u>4,235,664.24</u>	<u>9,032,774.89</u>	<u>4,797,110.65</u>

Post Office Department

**Splendid Business Administration with Magnificent Results—
Surpluses give place to Deficits notwithstanding greatly
reduced Postage Rates.—Money Order and
Postal Note Business greatly increased.
Department set the pace for banks,
and Express Co.'s in the
Remission of
Money.**

The administration of the Post Office Department by the Liberal Government is the pride of their friends and the envy of their opponents; and it ought to afford the greatest satisfaction to every good Canadian.

This Department, under 18 years of Conservative management, had each year a large deficit in the accounts, averaging about three-quarters of a million dollars per annum. The public interest demanded reduced postage rates, but with the huge annual deficits staring them in the face the Conservative Government could hold out no hope.

In 1893 Sir A. P. Caron, the Postmaster General of that day, said in his annual report: "The lowest estimate of the effect of the reduction to two cents in the rate of postage is a loss of revenue of at least \$750,000, which, even if postage on newspapers were re-imposed by which an additional revenue of \$100,000 would be obtained, would still leave a deficiency of \$650,000, which, added to the present amount would make \$1,250,000 a year to be provided by Parliament over and above the revenue."

In his Budget Speech in 1896, Mr. Foster said on the same subject: "There is now a deficit of somewhere near \$800,000 between the total receipts and the total expenditures of our Post Office Service, and this, I fear, makes the time somewhat distant when what otherwise might be fairly asked for can be granted."

When Sir Wm. Mulock took charge of the Department in 1896 he at once appointed special auditors to investigate the condition of the Department. These gentlemen reported a deficit on the 30th June, 1896, of \$781,152.

By the application of good business principles this deficit was reduced in two years to \$47,602.

Thus encouraged the Liberal Postmaster General, quickly gave the public what they long desired—reduced postal rates.

The inland letter rate was reduced from 3 cents to 2 cents per ounce.
The letter rate from Canada to the United States was dropped from 3 to 2 cents per ounce.

The letter rate from Canada to Great Britain and to every part of the British Empire was reduced from 5 to 2 cents per half-ounce, and subsequently (in October, 1907), it was made 2 cents per ounce.

When these reductions were discussed in Parliament Sir Charles Tupper, true to his idea of knocking everything Liberal, wailed as follows: "When the figures are analyzed it will be found that, instead of hundreds of thousands being in the pockets of the people, a million dollars per annum will be taken out of the pockets of the people to cover the deficit."

But Sir Wm. Mullock had a firmer belief in the progress of Canada and a far greater courage. He predicted that the effect of reducing the postage rates would be to largely augment the volume of correspondence, and consequently increase the revenue—and his judgment has been abundantly established.

Within a few years after the reductions went into operation, the Department was able to show a small surplus—namely \$5,109 in 1902. Each year since then the surplus has steadily increased, and last year it reached the splendid proportions of \$1,101,827.

Since the reduced rates above mentioned were established, other substantial reductions have been made, the policy instituted by Sir Wm. Mullock having been faithfully and loyally followed.

Within recent times the rate on drop letters in cities, that is, letters posted in a city for delivery in the same city, has been reduced from 2 cents to 1 cent per ounce. This is a lower rate than any other among the countries of Europe or America.

The rate on Canadian newspapers and Canadian periodicals sent from publishers in Canada to subscribers in Great Britain and every other part of the British Empire reduced from a rate of 8 cents per pound to one-quarter of 1 cent per pound.

Rate on Canadian newspapers and periodicals sent by the general public in Canada to correspondents in Great Britain and parts of the British Empire reduced from 8 cents per pound to 4 cents per pound, a reduction of 50%.

It is a notable fact also that to Sir Wm. Mullock and the Liberal Government belong the credit for Inter-Imperial Penny Postage.

In considering these satisfactory results, it should be borne in mind that the Department besides giving the great reductions in postage rates which have been mentioned, have greatly extended the mail service throughout the settled portions of the Dominion, have provided mail services in districts for which no provision was made before 1896, in the Yukon and Atlin districts, and in the fur producing country in the sub-Arctic region. The Yukon and Atlin services are given adequate accommodation at a cost, which, for the year 1908 was \$108,598 in excess of the revenue from that country. The country as far North as the Mackenzie River has now its mails provided by the Department. The trips are so arranged as to meet the needs of the fur traders in their business relations with the great markets in London—and they also take the edge off the solitude of the Christian missionaries who have devoted their lives to their fellow men in those far away regions. No such services were given under the Conservatives.

MONEY ORDER BUSINESS IMMENSELY IMPROVED AND INCREASED.

The Liberal Government did not stop and shake hands with themselves after giving the great boon of cheap postage to the public. No, they kept on reforming and doing things. Special attention was directed to the Money Order Branch of the Department. They found that the business in this Branch was in a stationary condition, the increase in the six years between 1890 and 1896

being only 9%. The trouble was the Post Office means of remitting moneys suffered from competition of the Express Companies and Banks, to which competition the Conservative Government was indifferent or perhaps they were afraid to offend.

Realizing that this Branch of the Post Office Department is of great general public advantage, the Liberal administration promptly took steps to bring it up to the highest point of efficiency. The number of money order offices was greatly increased, the total being in 1908, 2,918 as compared with 1,310 in 1896. A careful study was made of the charges for money orders, and by judicious reductions and re-adjustments the rates were put on a footing much more attractive to the public.

Then a system of Postal Notes was adopted whereby sums from 20 cents to \$10 can be remitted to any place in Canada or the United States at a nominal cost and with all reasonable safety.

The results which have accrued from these measures bear eloquent testimony to the efficiency of the Department. What are they?

Taking the Money Order and Postal Note business for 1908, and comparing them with the only means of transmission in operation in conservative days, that is the Money Order system, it is found that the business has risen from \$13,081,860 to \$55,284,595, that is an increase of \$42,202,735, or 323%.

There could be no better example of the effect of good business methods than this. By reducing the rates and simplifying the processes, the Post Office Money Order business has been changed from one which was almost stationary, and indeed regarded as on the down grade, owing to the activity of its business rivals, to one which since 1896 has gone ahead even faster than the general trade of the country, enormous as has been the expansion in that regard. But the volume of business, great as it has been, by no means indicates the total benefit to the public arising from the wise administration of the Money Order and Postal Note systems. The Department instead of being swamped by the energy of its rivals, has set the pace for them, and has forced both the Express Companies and the Banks to lower their rates and extend their accommodations to the public in order to meet the competition of the Post Office. When a business man reflects with satisfaction on the better style of service he is receiving from Express Companies and Banks, it is only common justice for him to place the credit where it belongs, that is to the Post Office Department.

FURTHER REFORMS.

The Railway Mail Service was greatly improved. The Dead Letter Office was decentralized and thereby mistakes due to carelessness or imperfect information on the part of the public are very much more quickly remedied.

EXPANSION OF POST OFFICE SERVICE.

NUMBER OF POST OFFICES.

1896.....	9,103
1908.....	11,823
Increase.....	2,720
Percentage of Increase.....	30%

MONEY ORDER AND POSTAL NOTE OFFICES.

1896.....	1,310
1908.....	9,637
Increase.....	8,327
Percentage of Increase.....	636%

TOTAL MILES OF ANNUAL TRAVEL OF MAILS.

1896—Miles.....	30,551,683
1908—Miles.....	43,986,149
Increase.....	13,434,466
Percentage of Increase.....	44%

NUMBER OF LETTERS CARRIED.

1896.....	116,028,000
1908.....	396,011,000
Increase.....	279,983,000
Percentage of Increase.....	241%

TOTAL NUMBER OF ARTICLES CARRIED IN MAILS.

1896.....	177,178,136
1908.....	519,452,045
Increase.....	342,253,909
Percentage of Increase.....	190%

AMOUNT OF MONEY TRANSMITTED BY MONEY ORDERS AND POSTAL NOTES.

1896.....	\$13,081,890
1908.....	55,284,595
Increase.....	42,202,735
Percentage of Increase.....	323%

NUMBER OF DEPOSITORS IN SAVINGS BANKS.

1896.....	126,442
1908.....	165,691
Increase.....	39,249
Percentage of Increase.....	31%

FINANCIAL RESULTS.

1896—Deficit.....	\$ 781,152
1908—Surplus.....	1,101,827
Making a financial improvement of....	1,882,979

But for the reduction in the rates of postage this betterment would doubtless have been increased by at least \$1,000,000, which, however, instead of being collected and added to the revenue, was left in the pockets of the people.

**FINANCIAL STATEMENT OF THE POST OFFICE DEPARTMENT
FOR EACH YEAR FROM 1878 to 1908.**

YEARS UNDER CONSERVATIVE RULE.

YEAR ENDED JUNE 30.	DEFICIT.	SURPLUS.
1878.....	\$490,343.19	
1879.....	632,902.67	
1880.....	638,593.16	
1881.....	531,688.11	
1882.....	437,258.04	
1883.....	423,009.87	
1884.....	600,646.42	
1885.....	697,820.46	
1886.....	911,031.41	
1887.....	854,845.05	
1888.....	566,999.91	
1889.....	761,817.82	
1890.....	717,080.96	
1891.....	645,852.28	
1892.....	663,374.24	
1893.....	647,695.46	
1894.....	707,920.25	
1895.....	800,857.83	
1896.....	781,152.19	

YEARS UNDER LIBERAL RULE.

1897.....	\$586,539.92	
1898.....	47,602.30*	
1899.....	398,917.79	
1900.....	461,661.87	
1901.....	416,183.99	
1902.....		\$ 5,109.14
1903.....		395,268.11
1904.....		304,783.99
1905.....		490,844.89
1906.....		1,011,765.31
1907.....		1,082,301.59

* The reduced Postal Rates came into operation shortly after the close of this fiscal year. Note how the Deficit increased for three years, and then gave place to a steady succession of increased Surpluses.

ENT

URPLUS.

,109.14
,268.11
,783.99
,844.89
,765.31
,301.59

lose of
n gave

ACTIVITY IN THE TRADE AND COMMERCE DEPARTMENT.

The Conservatives did very little to promote the interests of Canadian commerce in other countries. The most they did was to appoint about 4 or 5 Trade Representatives, only one of which was of the first rank. These Representatives reported at odd intervals to the Department in a perfunctory way, and without method or supervision. Their reports were published by the Department in a Quarterly Report, and by the time of publication the information was in most cases valueless to business men.

Under the Liberals, the Trade Commissioners have been largely increased, there being now 18 in all, of the first rank, located in the following countries:

- Great Britain,
- Australia,
- British West Indies,
- China,
- France,
- Japan,
- Mexico,
- Newfoundland,
- South Africa,
- Norway.

The frequent reports made by these Commissioners, which are of a practical, business-like character, are published in a Weekly Report by the Department, and such reports are widely disseminated, without charge, to manufacturers and business men throughout the Dominion. Anyone can have them, free, upon application.

A system of obtaining trade enquiries from all quarters of the world and communicating them to Canadian business men, was also established by the Liberals. No such system was in operation under the Conservatives. During the last calendar year, these trade enquiries numbered close upon nine thousand.

The Department has also procured full and accurate information regarding the Customs Tariffs of other countries, and it is, therefore, in a position to be of valuable service to Canadian business men.

Every few years our Trade Commissioners abroad are brought back to Canada to enable them to keep in touch with the development that has taken place.

EXHIBITIONS OF CANADIAN PRODUCTS AND RESOURCES.

Special attention has been paid by the Government to exhibits of the resources of Canada at exhibitions throughout the world. In this way a large amount of money has been spent, to the great advantage of the country. The various exhibits which have been shown at Glasgow, Paris, St. Louis, Buffalo, Dublin, London, Japan, New Zealand, and other places that might be mentioned, have been of the finest character, reflecting the highest credit upon the country. Canadians who have seen these exhibits are unanimous in their praise of them, and in commendation of the enterprise of the Government. The arch of Canadian wheat erected in Whitehall, London, at the time of the Coronation of our great and good King, was, in fact, worth millions of dollars as an advertisement of Canada.

MODERN TRADE STATISTICS.

In the interests of business men, Statistics of Imports and Exports have, since 1900, been published monthly, as well as annually. It was found that the information contained in Annual Trade Reports was too ancient at the time of publication to be of practical business value.

PACIFIC CABLE AIDED.

Substantial financial assistance was given towards the construction of the Pacific Cable—that great Imperial project which has been for some years an accomplished work. Canada bore its full share of this expenditure.

YUKON DEVELOPMENT.

Law and order were established in our new Territory, the Yukon District. A Telegraph line was constructed to the Yukon.

ASSAY OFFICE ESTABLISHED IN VANCOUVER.

An Assay Office was established in Vancouver, which materially aided in retaining our Yukon trade.

CANADA HAS NOW ITS OWN MINT.

There has recently been completed in Ottawa a Canadian Mint of the most up-to-date and substantial character. This Mint is now turning out silver and copper coins, and in a short time gold coins will be produced. The building and equipment of this Mint is a great step forward for Canada, and it adds immensely to our dignity as a nation, as well as being a source of profit.

COLD STORAGE FOR FISHERMEN.

A system of Cold Storage for bait was established, whereby sea fishermen are enabled to get fresh bait all the year round.

BINDER TWINE INSPECTION.

A drastic law was passed to prevent frauds on the farmer in regard to Binder Twine, and an Inspector was appointed to enforce it. The result of the Inspector's work has been that many Binder Twine manufacturers have been penalized for selling poor and "short" twine.

PRE-PAYMENT OF CUSTOMS DUTIES IN GREAT BRITAIN ARRANGED FOR.

An arrangement was made in 1902 whereby Canadian Customs duties on postal parcels can be pre-paid at postal offices throughout Great Britain. This has been generally well received by British settlers in Western Canada, and it has removed a great deal of friction. Parents in England who want to send out gifts to their sons, who are making homes for themselves in the West, can do so, without being subject to the embarrassment of the boys having to pay Customs duties on this side.

BRITISH WAR SUPPLIES PURCHASED IN CANADA.

Acting upon strong representations from our Liberal Government, the Imperial Government placed large orders aggregating millions of dollars in Canada for military supplies during the progress of the Transvaal War.

LAND GRANTS TO SOUTH AFRICAN VOLUNTEERS.

The services rendered to Canada and the Empire by the young Canadians who served as soldiers during the recent war in South Africa, were fittingly remembered by the passage of an Act of Parliament, making each of them a free grant of land of 320 acres as a bounty.

USE OF OPIUM PROHIBITED.

Unless when authorized by medical men, the use of opium is prohibited. The use of tobacco by young people has also been greatly restricted.

LORD'S DAY LEGISLATION.

An Act was passed by the Liberal Government in 1906, entitled "The Lord's Day Act," the governing principle of which is the carrying out of the Divine precept that there shall be one day of rest in seven.

This was a very difficult and delicate question to deal with, and the Government is entitled to credit for having solved it, and for having passed legislation which is heartily approved by all right thinking people in the Dominion.

When this legislation was under discussion, the Government consulted with representatives of all the Christian denominations.

CIVIL SERVICE REFORM.

An Act was passed at the last session of Parliament providing that hereafter all appointments and promotions to and in the Civil Service at headquarters, Ottawa, will only be made after a competitive examination in which those who excel will receive the reward of merit. In this way political influence is eliminated.

A Commission has recently been appointed to carry out the Act, and it is noteworthy that the Commissioners appointed by the Government, namely: Professors Short and La Rochelle were highly commended by the public press.

This is the first real start towards Civil Service Reform that has been made in Canada, and it will no doubt prove to be the forerunner of advanced legislation along that line.

ALL RED ROUTE.

On July 9th, 1908, the following resolution, moved by Sir Wilfrid Laurier, was carried by the House of Commons, the whole of the Conservative members voting against it.

That at the Imperial Conference lately held in the city of London, England, the following resolution was unanimously passed:

That in the opinion of this conference the interests of the empire demand that in so far as practicable, its different portions should be connected by the best possible means of mail communications, travel and transportation; and that to this end it is advisable that Great Britain should be connected with Canada, and through Canada with Australia and New Zealand, by the best service available within reasonable cost; that for the purpose of carrying the above project into effect, such financial support as may be necessary should be contributed by Great Britain, Canada, Australia and New Zealand, in equitable proportions.

That it is desirable that steps should be taken with all convenient speed to achieve the results aimed at in the said resolution.

That this House doth hereby endorse the terms of the said resolution, affirming that Canada is prepared to assume her fair share of the necessary financial obligations.

That in the opinion of this House it is desirable that the Governments of Australia, Canada and New Zealand should, with as little delay as possible, agree upon a definite plan for carrying into effect the terms of the said resolution of the Imperial Conference, the same to be submitted for the consideration of the Imperial and Colonial Parliaments.

Sir Wilfrid in moving the resolution said: Of the advantages which would accrue to Canada if such a scheme as is here outlined were to go into effect I do not propose to speak. I have followed pretty carefully the expressions of public opinion on this subject from the time, now twelve months ago, when it was first brought to the attention not only of Canada, but of the whole British Empire; and, so far as my own observations have gone, I may say that though there have been some carping criticism, on the whole the scheme seems to have commanded universal approbation—I do not say unanimous, because I must recognize that some expressions of dissent have been heard. But while the expressions of opinion have not been unanimous, they have been pretty generally in favour of such a scheme. ONE THING AT ALL EVENTS SEEMED TO BE CERTAIN; IF SUCH A SCHEME WERE TO BECOME A FACT, ITS ADVANTAGES TO CANADA WOULD NOT BE DISPUTED. CANADA WOULD UNDOUBTEDLY BE ON THE HIGHWAY, NOT ONLY BETWEEN GREAT BRITAIN AND HER DISTANT POSSESSIONS ON THE OTHER SIDE OF THE GLOBE, BUT ALSO BETWEEN EUROPE GENERALLY AND THE ORIENT. This scheme, which would primarily affect the British Empire, would not in its usefulness be confined at all to the British Empire; but all countries of Europe and all the countries of the Orient would necessarily seek this route as a means of communication between each other. Canada has the advantage of geography in this matter. We have the shortest route, I believe, both on the Pacific and on the Atlantic. At present the only available route between Great Britain and Australia is by way of the Suez Canal, and the disadvantages of this route as compared with the Canadian route are manifest. First of all, the duration of a trip from London to New Zealand by the Suez Canal is no less than 29 days, and the discomfort of the trip to one of European blood is pretty severe. A trip through the Suez Canal, and then through the Red Sea and then east by way of Colombo is a very trying one to Europeans. A similar trip by way of Canada would certainly obviate all these discomforts. There is, I may say, an alternative route by way of San Francisco, and at the time of the conference Sir Joseph Ward, the Prime Minister, New Zealand, who spoke with authority on this subject, stated that he had made a trip from New Zealand to England by way of San Francisco in 29 days. I think, however, that this route is practically no longer in existence; since the earthquake at San Francisco some two years ago, I believe it has been abandoned. I speak under correction on this point, but I think I am correct. At all events, if that route is not now in existence it may be revived at any moment. So that, in all our calculations, we have to take into consideration not only the route by way of the Suez Canal, but also the possibility of having a line of communication at any time from Liverpool, by way of New York and San Francisco to Australia in 29 days. Therefore, it behooves us, if we are to attain what we have in mind, to make the journey by the line we have organized inside of 29 days by some days. The line may be divided into three parts—the Atlantic part, the continental part and the Pacific part.

Assuming that even if it should take five days to cross the Atlantic I think I can hopefully if not confidently say that we can secure a train service which will cross the continent in at least five days; may be in four days, but as to that I would not speak positively. We are, however, on absolutely safe ground when we say that the train journey across the continent can be accomplished in five days. There then remains the service on the Pacific and as to that we are to a large extent in the dark. At present there are two Pacific services subsidized by the Canadian Government, one to China and Japan, and the other to Australasia. The Pacific service by the Empresses is in every respect

which would effect I do not think of public opinion when it was the sole British interest that though we must have some means to have a service I must remember to be expressively in favour of it; if such a service could not be established on either side of the continent. This is not in its nature of Europe and a means of geographical position and on the continent and route as a matter of 29 days, I believe. A service east by way of the Cape may say, I believe the conference authority in England is practically two months on this service we have to do but also Liverpool, before, it may be and the

think which so that round lished at we rvice d the spect

excellent, but the steamers have a speed only of thirteen knots and consequently the voyage from Vancouver to Hong Kong is considered somewhat slow in these days of fast transportation. The service between Vancouver and Australasia has not up to the present time given the satisfaction we had reason to hope for, and we are now negotiating for its improvement. For this service we have been paying something like \$40,000 a year. The mail service on the Atlantic costs us at the present time about \$500,000 a year, and, therefore, for the ocean mail service on the Atlantic and the Pacific we are paying about \$540,000. It is for us to consider to what extent we will have to implement the present service in order to achieve what we now contemplate. Sir Joseph Ward, Prime Minister of New Zealand, expressed at the conference his decided preference for a Pacific service equal to the service now on the Atlantic, namely, steamers of twenty knots or twenty-two knots, in order that Auckland may be made in ten or twelve days from Vancouver. Such a scheme is perhaps too ambitious for us now. I wish for my part I could view the matter with the same enthusiasm as my friend Sir Joseph Ward, who stated that New Zealand would be prepared to pay a subsidy of £100,000 sterling to such a line as that. This is a very large subsidy, indeed, for a country like New Zealand with a population of less than 1,000,000, but Sir Joseph Ward attached so much importance to a fast all-British line that he was prepared to advise the Parliament of his country to grant this very handsome subsidy to secure it. Whether or not it is possible to have such a service on the Pacific seems to me of somewhat doubtful possibility. We must recognize that these mail subsidies have to be calculated largely upon the basis of the population which is served. The population of New Zealand is about 1,000,000, the population of Australia is under 5,000,000 and the population of our Pacific coast is not much more than 200,000. It may be that this population is not so large as to justify a twenty knot or twenty-two knot service on the Pacific, and so we have to consider if we cannot do with less. It is quite possible I think that we might have an eighteen knot service from Vancouver to Auckland and from Auckland to Sydney, and with steamers of that speed they ought to make the voyage from Vancouver to Auckland in about sixteen days. From Vancouver to Auckland is about 6,355 miles, from Vancouver to Sydney the distance is 6,824 miles and from Auckland to Sydney the nautical distance is about 1,200 miles. That means that the voyage between Vancouver and Australia could not be covered in less than twenty-two days by eighteen knot steamers, and this is not entirely satisfactory from the point of view of Australia which has perhaps the right to ask for a more expeditious service. It is, therefore, for us to consider whether it is possible to come to an agreement for a twenty knot service on the Pacific. I am not prepared now to give an opinion as to whether or not such a service cannot be attained; it is a question which has to be very carefully considered and so for the present we do not propose to ask the House to give us endorsement to this scheme in any concrete form. The only thing we ask the House now to do is to authorize us to approach the subject with the Governments of Australia and New Zealand so as to give the best possible consideration to the question and at a later day to come before the House with some concrete proposition if that be possible. That the idea is an excellent one every one admits; that the idea is one which will commend itself to the best judgment of every one in this country we all recognize, but at the same time the government does not close its eyes to the fact that the scheme may present so many difficulties as to render it impossible of absolute accomplishment.

And so the question has to be considered very carefully and looked into in all its details. We know where we are on the Atlantic, we know where we are with regard to the train service across the continent, but so far as the Pacific is concerned, the matter is still in the dark and, although the idea is one which should be exploited, we do not say that it is absolutely sure or feasible. That is the reason why we are asking the House to ratify the idea of the resolution which was passed by the conference. We have no intention of saying that the thing is absolutely beyond peradventure, that it is an absolute certainty. We do not want, in approaching this subject, to give to the House more confidence than we have ourselves; we do not want to lead the House to understand that we are sure that the project is absolutely feasible, because there are things which have to be taken into consideration, which have to be determined and which must engage our best attention. There are on the Pacific ocean physical conditions which have to be looked into very carefully and which, if possible, have to be overcome. The climatic conditions are such that it is perhaps possible that the complete execution of the idea may not be feasible. I understand that vessels have the same difficulty there that we have in winter in making steam, that climatic conditions exercise nearly the same influence over the making of steam on the equator as on the frozen ocean, and, for all these considerations, whilst we bespeak the sympathetic attention of the House to the scheme, we do not in any measure commit ourselves to it as a scheme as to which we may have an absolute condition of certainty. The House will remember that all we are asking is that it shall endorse the terms of the resolution. All we are asking it to do at the present time is to authorize us to enter into negotiations with our fellow subjects of Australasia in order if possible to find the means of having such a line as is now contemplated, and if it is feasible then to bring it before Parliament for its consideration.

Mr. Borden, the Leader of the Opposition, moved the following amendment to the resolution:

That the said resolution be amended by striking out the second and third paragraphs and substituting the following:—

"That this House in expressing its strong sympathy with the object of the said resolution desires to record its opinion that more favourable freight rates and a thoroughly efficient system of cold storage are essential features of any such transportation project."

And by adding the following paragraph at the end of the said resolution:—

"That, having regard to the very heavy expenditures and obligations in which the present administration has involved the country, the Government should not commit Canada to any such plan, or to any contract or expenditure for such purpose until after the same shall have been submitted to and approved by the Parliament of Canada."

The Hon. Clifford Sifton, who has taken a very prominent part in promoting the All-Red Route, spoke on the debate as follows:—

Hon. CLIFFORD SIFTON (Brandon). Mr. Speaker, I wish to say a few words upon the resolution which has been proposed by the Right Hon. the Prime Minister. I wish in the first place to express my pleasure at seeing the resolution on the paper. Personally I would have been pleased if the resolution had appeared sooner in the session, for reasons which I will refer to later on; but I am pleased that the Government has been able to see its way clear to make the proposal which the Prime Minister has made. I am satisfied that if this resolution is adopted by this House and if due and legitimate and proper diligence is shown that in the course of time we shall be able to meet the desires of those

loyal British subjects and loyal Canadians who are anxious to see such a project carried into full and effective fruition. I THINK, HOWEVER, THAT OUR FRIENDS ON THE OPPOSITE SIDE OF THE HOUSE IN PURSUANCE OF THE TRADITIONAL POLICY OF THEIR PARTY SHOULD GIVE US A LITTLE MORE ENTHUSIASTIC SUPPORT THAN THEY ARE DIVING UPON THE PRESENT OCCASION, BECAUSE WHILE THE LEADER OF THE OPPOSITION MAY VERY PROPERLY SAY THAT THERE IS MUCH IN FAVOUR OF HIS AMENDMENT, YET THAT AMENDMENT CAN BE TAKEN AS MEANING NOTHING ELSE THAN, FOR THE PRESENT AT LEAST, A NEGATIVE TO THE RESOLUTION WHICH HAS BEEN MOVED BY THE RIGHT HON. THE PRIME MINISTER. After all, the position we are in to-day is this: That the Prime Minister and his colleagues having attended the Imperial conference, and the representatives of all the colonies having passed a certain resolution in regard to improving the transportation system between the different portions of the Empire mentioned in the resolution, the question now before the Parliament of Canada is: WILL THE PARLIAMENT OF CANADA ENDORSE THE ACTION OF THE IMPERIAL CONFERENCE OR WILL IT NOT? THAT IS THE DEFINITE QUESTION WE HAVE TO SETTLE.

My hon. friend will see that in the first part of the amendment he refers to making provision for freight and cold storage in connection with the service, and that is essentially a matter of detail which must be worked out at a later stage of the proceedings. It cannot certainly be worked out now by one of the parties before the general arrangement is at all perfected.

I HOPE I MAY BE EXCUSED FOR A PERSONAL WORD OR TWO. THERE HAS BEEN SOME MISUNDERSTANDING WITH REGARD TO ME AND TO MY POSITION IN CONNECTION WITH THE MATTER, AND I THINK IT BUT RIGHT THAT I SHOULD SAY A WORD IN EXPLANATION. I HAVE NOT HAD, AND I HAVE NEVER EXPECTED TO HAVE ANY INTEREST IN THIS PROJECT OTHER THAN THAT WHICH ANY MEMBER OF THIS HOUSE HAS OR OUGHT TO HAVE IN ANY GREAT PROJECT AFFECTING THE WELL-BEING OF CANADA. I NEVER EXPECT TO HAVE ANY FINANCIAL INTEREST IN IT, AND THE PART I HAVE TAKEN IN IT WAS SIMPLY INTENDED TO PROMOTE A FAVOURABLE VIEW AMONGST THAT PORTION OF THE PUBLIC OF GREAT BRITAIN WITH WHOM I HAD AN OPPORTUNITY OF COMING INTO CONTACT. MY INTEREST IN IT IS SIMPLY THAT OF ANY OTHER PATRIOTIC CANADIAN AND I HAVE ONLY ONE WHAT OTHERS WOULD HAVE DONE UNDER THE SAME CIRCUMSTANCES. I say this because I do not desire to be in the position of advocating in this House that in which I had or intended to have at some future stage a financial interest. I may add that I do not think any one who may interest himself in promoting the project can sensibly look forward to deriving any financial benefit from it. It is one of those things which will have to be first of all promoted, pushed forward, and carried on by those who are willing to devote time and attention to it for the purpose of promoting the general welfare of the British countries concerned.

After the Imperial conference passed the resolution the members of the conference separated and no opportunity was given to them afterwards to deal further with the subject or to get more information. It was suggested to me when I was in England that I might profitably devote some time to getting information upon the subject and pursuing inquiry in a direction that might ultimately be useful. The result of my inquiries, in conjunction with Lord Strathcona, our High Commissioner, was, that such a service as is contemplated—and which I think was fairly in the minds of the representatives at the Imperial conference at the time, or which would be agreeable to their views now, the result of our inquiry was that such a service would probably cost in the neighbourhood of £1,000,000 of subsidy from the various governments concerned. My hon. friend from North Toronto seemed to question the definite nature of

the service that was proposed and certain extracts from the proceedings of the Imperial conference would indicate that at the time the proposition was first made all the members of the Imperial conference did not have exactly the same idea of what should be done. I submit with confidence to the House that that is exactly what might have been expected. The right hon. the Prime Minister of Canada brought his resolution in and each man had at the moment his own idea as to what ought to be done and as to the method in which the plan should be carried out. These ideas necessarily will be somewhat modified by further discussion and by further information. I think I am perfectly safe in saying that so far as Australia and New Zealand are concerned, at the present time they would be satisfied with a service of ships making a speed of twenty-four knots upon the Atlantic and twenty knots upon the Pacific from Vancouver to Auckland and thence to Australia. A TWENTY KNOT SERVICE ON THE PACIFIC AND A TWENTY-FOUR KNOT SERVICE ON THE ATLANTIC WOULD I BELIEVE BE ACCEPTABLE TO THE DIFFERENT MEMBERS OF THE EMPIRE WHO ARE CONCERNED IN THE PROJECT AND WOULD SATISFY THEM AS A CARRIVING OUT OF THE RESOLUTION PASSED BY THE IMPERIAL CONFERENCE. ROUGHLY SPEAKING THAT WOULD GIVE US A SERVICE UNDER WHICH MAILS AND PASSENGERS WOULD GO FROM GREAT BRITAIN TO A CANADIAN PORT IN LESS THAN FIVE DAYS, TO VANCOUVER IN NINE DAYS, AND TO NEW ZEALAND IN NOT MORE THAN TWENTY-FIVE DAYS. At the present time the service is about seven days to a Canadian port, twelve days to Vancouver and thirty-eight to New Zealand, so that New Zealand would make a saving of something like thirteen days on mail and passenger service. At present the mail and passenger service from New Zealand is extremely poor.

The position therefore is altered to a considerable extent since the time of the Imperial Conference. Discussions have taken place and information has been disseminated. It has come to the knowledge of all parties concerned that in all probability such a service as I have described is a practicable service which could be made and would be the best service that could be obtained for any reasonable expenditure.

Mr. ARMSTRONG. Would such a service include the transportation of any of the products of Canada?

Mr. SIFTON. Freight, yes. The ships on which the estimates were made provided for a capacity of 1,000 tons freight for the Atlantic boats and 3,000 tons for the Pacific boats. I may say that experience shows that a larger capacity than 1,000 tons upon fast Atlantic boats would not be of much service, because taking the year around, the probability is that that is about as much of the class of freight they would take as they could succeed in contracting for. As a matter of fact the very fast boats running from New York do not take anything like 1,000 tons on the average. The Canadian Pacific Railway boats running from Quebec and St. John do somewhat better. Therefore the conference resolution having been passed, as much information as can be gathered has been gathered upon the subject, and if we are able to infer anything as to the attitude of Great Britain, it is that if the colonies are desirous that this plan should be carried out, the colonies should get together, settle upon a definite plan and present it to the Imperial Government for their acceptance. That obviously is a reasonable position for the British Government to take, and therefore it becomes essential that somebody should take the initiative and obviously from Canada's position in relation to the whole scheme and her great interest in successfully carrying it out, it is the logical position that Canada should become the chief promoter in carrying this into effect. Thus what the Prime Minister

is asking is that, the resolution having been passed, the general features of the scheme having been accepted in so far as they can be before a definite business proposition is arrived at, the Government of Canada should be authorized to take the matter up with Australia and New Zealand, arrive at a definite proposition and then go to the Imperial Government, get them to agree to the scheme and carry it into definite effect. I cannot see myself that any other plan could be practically proposed or would give any probability of arriving at a successful conclusion.

At the risk of repeating what I have said in this House I shall discuss briefly the cost. Expert shipping men in London were employed for the purpose of arriving at as close an estimate as possible of the cost of such a service upon the Atlantic and upon the Pacific, the probable revenue that could be safely counted upon and the probable deficit for all purposes between the revenue and the expenditure. It was computed that a subsidy of something in the neighbourhood of £1,000,000 sterling would be necessary and it was thought, and I do not think that this is regarded as being an unfair allocation of the liability, that the British Government ought to be asked to bear one-half of that expense, that New Zealand would be willing to bear the expense to the extent of £100,000, that Australia would probably give £75,000 and Canada would give £325,000 of annual subsidy. At the present time Canada, judging by the results of the last fiscal year's operation, is giving 79,000 for the Atlantic and Canadian-Australian services, so that if the idea prevails outside of this House that Canada is getting its present service by private enterprise alone, it is a mistaken idea. We would therefore be required to add to our present subsidy something like \$950,000 or \$1,000,000 per year and, shortly, what this House has to consider is whether the advantages to be derived by Canada from the institution of the services asked for is worth that amount of money. That is the question in a nutshell, that is what we have to decide.

At the present time the short rapid and in one sense, the direct service for passengers, mail and express from Canada to Great Britain is through the United States. That which it is desired to send quickly must go through the United States and I think I am safe in saying that it is a rule the world over that where you desire to have the best facilities for doing business you should have the best facilities for passenger, mail and express business. These facilities go with other business. One builds up the other, one is necessary for the other and I think it only necessary to state the proposition to have the House admit that if you are going to have the best possible development of the country's business of all kinds between Great Britain and Canada you must have all three classes of traffic, passenger, mail and freight, on as good a basis as it is from any other country. Freight will follow the easiest and best line of trade.

My hon. friend speaks of freight. I do not minimize what he says. Unquestionably one of the most important things to-day in Canada is the carrying out and the full development of a thorough system of cold storage to get our produce, fruit produces especially, to England in the best possible form. The institution of the fast services on the Atlantic, a weekly service which can be counted upon with a capacity of 1,000 tons a week of freight, with cold storage is the necessary complement of any scheme of the kind. These are the ships that would have the capacity and the equipment for carrying the freight that has to go by rapid boats and to go frequently during the year, not being able to wait for the ordinary freight accommodation. Then upon the general question of freight my view is, and I submit it to the House and to the leader of the Opposition (Mr. R. L. Borden) as being in accordance with the development

of business in past times in this and other countries, that the best way to bring about the full and effective development of a freight route is to make that route also really safe, to make it well known, so that every sea captain will be willing to make use of it. We have had great disadvantages in connection with the St. Lawrence route. Every patriotic Canadian has regretted the accidents which have taken place on that route, and we all desire to see the route improved to the greatest possible extent. I am sure that every hon. member of this House must have been gratified to see from the newspaper reports that the city of Montreal is at last coming to her own in connection with the freight business, and that American ports are waking up to the fact that freight is coming to the port of Montreal in greater volume than before. That is due to the steady improvement of the St. Lawrence route. That improvement has been slow, but it has been sure. It has gone on as rapidly as the condition of the country would allow. And, even though you had any amount of money these improvements take time. I am satisfied that the time is coming when every stigma that has rested upon the St. Lawrence route in past years will be removed. And when that time comes, when you are landing passengers from fast boats on the Atlantic Ocean at the city of Halifax in winter, and Quebec in summer, if that should be selected, and the St. Lawrence route has become known as a safe and reliable route, you will have no difficulty whatever about the freight service. The freight boats will come. The rate of insurance will be lowered, and every disadvantage that freight vessels have laboured under in this route will be removed, and we shall have as great freight advantages at Montreal, perhaps greater, than they have at New York or any other American port. So I submit that the true view is that in order to get a freight service developed, the best way is to make the route a good route and a safe route, and one that everybody knows to be good and safe; and the best proof that you have such a route is that the fast steamers make use of the route. As an illustration of what the institution of such a service does for freight, consider for a moment the case of Germany. Any one would have thought, when Germany started out to build fast passenger boats, that it was the sheerest nonsense for her to pursue the policy she did. She was doing a fairly large business with the United States, but she deliberately went to work to build the most expensive and fastest passenger boats on the sea. What for? For no other purpose than as an advertisement to show what Germans could do. And the growth of trade on the part of Germany as the result of her enterprise and success in connection with the maritime matters, particularly with reference to her development of these fast passenger boats, has been enormous. Every man who studies the subject of European and American exchanges is aware of the enormous trade that has come to Germany by reason of the improvement of her passenger service. Now, if that has followed in the case of Germany running passenger ships to the United States, an alien country, a country alien in language, alien in sentiment, and with a strong protective tariff—if that result has followed such action on the part of Germany as between Germany and the United States, what may we not expect to follow if such a policy is adopted as between Canada, Great Britain and Australia, countries that are not alien in language or sentiment, but friendly and anxious to do all the trade they can with one another.

I do not desire to speak at length; these are considerations that occurred to me while listening to my hon. friend from North Toronto and the leader of the Opposition (Mr. R. L. Borden). There is, of course, the question of finance which is a serious and important question. There is the question as to what is Canada's immediate duty. The question of time is a serious and important

question in connection with matters of this kind. For my part, I do not share the view—which is held, I hope, not by many members of this House, yet the view which seems at times to obtain—that there is much to deplore in connection with the past history of Canada and her work in improving her means of transportation. My belief is that no country in the world has ever accomplished so much in the way of overcoming natural obstacles to transportation, in the same length of time, as the few million people in Canada have done. I give full credit to every one who has had anything to do with that development, whether his sympathies were with the other side of the House or with this. It should be a source of national pride that we have overcome these obstacles. When we see one Transcontinental Railway in full operation, another reaching completion, and the Canadian Northern, which will probably before long be a transcontinental line, three direct lines to Canadian outlets; when we think of the great sacrifices that have been made to develop our transportation system; surely we can have the necessary complement, that which follows as the day the night, we can add to that general system an ocean service which shall put us on the same footing in respect to this, as that upon which we stand in the general business of the country. Sir, what answer can we make when we are told that, while Canada is developing very rapidly, while she is improving her internal transportation system tremendously, she is still satisfied to remain on a side street, still satisfied to remain dependent for the ordinary interests of business upon the courtesy and good will of our neighbours to the south? It ought not to be so. It seems to me the time has come when Canada can afford what is, in this respect, a necessity for her national growth and development.

And it should be done now. Mr. Speaker, even if you allow that everything will be done that can be done, and done with all reasonable speed, it will be impossible to bring this service about inside of four years, probably five years. You have to get the several governments together; there are the interminable discussions between the members of the several governments; the British Government has been brought in; the four Parliaments have to be consulted. In view of all that is to be done, it is not to be expected that this can be brought into effect inside of four or five years. Then if we are going to do it for this generation, the time has arrived when we ought to make a beginning. Temporary financial difficulties which afflict us at the present time, will not, we hope, remain to trouble us four or five years from now. This temporary financial depression will pass away; it was a natural thing; a necessary thing; a good thing. For, it is as necessary in connection with the business corpus that it should have periods of recuperation as it is in connection with our physical bodies. We cannot keep going at full speed all the time. This necessary lull in business had to come. It has come. It has not hurt Canada seriously. In a year or two we shall have emerged from it, and I think that, if we have then been enabled to begin the steps necessary to bring this great project into effect, every one will feel that we have made a very serious mistake. I do not desire to be understood as advocating a reckless financial policy. I am not on my feet for the purpose of criticising the financial policy of the Government; but I am free to say that if, at the end of four or five years, in consequence of arrangements made in pursuance of this resolution, we shall be called upon to pay the subsidy for the purpose of securing this service, I think that some of the expenditures which this Parliament is authorizing might well be cut out for the purpose of furnishing the means of this subsidy. Under any circumstances, many of the things we are called upon to do now, we shall not be called on to do then. We are accomplishing great works, they are passing into the region of things ac-

complished, and what we have to do is look to the future. For my part I am satisfied that my hon. friends opposite can hardly expect the House to take the position that after the representatives of Canada have gone to the Imperial Conference and become parties to the resolution adopted by that conference, the House should decline to endorse the position they took. And I am convinced my right hon. friend, the First Minister, can confidently ask the House to stand by the position he took at the conference.

MILITIA DEPARTMENT.

**Great Improvements. Militia Now Highly Effective.
Ross Rifle Acknowledged to be the Best.**

Canada neither expects nor desires war, but she wishes her citizen soldiers to be prepared to defend their homes and native land if the occasion arises.

In this spirit the Liberal Government have instituted a great many important reforms in the Militia service, bringing it up to a high point of efficiency.

The following new branches and services have been provided: Army Medical Service, Ordnance Corps, Engineers' Corps, Army Service Corps, to take charge of supplies and transportation, a Musketry Instruction School and an Intelligence Branch.

The pay of the Militia has been substantially increased—from 50 cents per day to a possible \$1.00.

The Artillery is being re-armed with the best up-to-date guns.

The output of cartridges from the Dominion Arsenal have increased from one and a half millions to 13 millions annually, and a large reserve store is being accumulated.

Rifle ranges have been built in a great many centres and it is the intention of the Government to continue their progressive policy in this regard.

Rifle associations have been instituted—free rifles and ammunition being supplied to members.

A permanent central training camp has been established at Petewawa, on the Ottawa River. The military reserve at this place is large enough to mobilize the whole Canadian force on it.

A Militia Council was established with the Minister of Militia as chairman and all branches of the service represented thereon.

The Mother Country Helped.

The Barracks at Halifax, N.S., and Esquimaux, B.C., which from time immemorial have been manned by troops from the Mother country, were, with the consent of the Imperial Government, taken over by Canada, and they are now manned with Canadian soldiers, the entire expense being borne by the Dominion Government. During the last fiscal year the expenditure in this connection was \$1,216,417.

ROSS RIFLE.

The Government encouraged the establishment of a rifle factory in Canada—the first of its kind—which is manufacturing for Canadian troops, the "Ross Rifle."

The Tories have made a determined effort to prove that this rifle is no good, but it is a notable fact that the Conservative member of Parliament—Colonel

Sam. Hughes—who for years has been recognized by the Opposition themselves as their militia critic, not only declared the rifle to be the best in the world, but openly quarreled with his party over it. Not in words but in effect Colonel Sam told his party on the floor of Parliament that they were making fools of themselves by opposing the Ross Rifle.

As was to be expected, the Colonel was bitterly attacked by his own friends, but he never wavered in his strenuous support of the new rifle, and recent events have completely vindicated him.

At the last Bisley Rifle Meeting held a few months ago, the Ross Rifle broke all records, and created the greatest enthusiasm among riflemen. Here are some brief comments from the English press on its performance:

ENGLISH PRESS ON ROSS RIFLES.

MORNING POST, July 16th. "Long range champion—breaks all records—a rifle of wondrous precision."

DAILY EXPRESS, July 16th. "Records, broken at Bisley—fine Canadian rifle."

DAILY TELEGRAM, July 15th. "Record scoring."

NEW YORK HERALD, July 16th. "Champion of the year."

FIELD, July 18th. "Performance phenomenal."

DAILY MAIL, July 15th. "Success to the new Canadian rifle; an unexpected and altogether wonderful appearance."

STANDARD, July 15th. "Triumph for Ross Rifle"—"Ross beats all the world's rifles." "Lee-Enfield now obsolete; scrap it."

NOTTINGHAM GUARDIAN, July 17th. "Many experts declare that Ross better than new U. S. rifle. Ross Rifle renders Lee-Enfield obsolete."

MORNING POST, July 15th. "An individual triumph"—"Lee-Enfield hopelessly behind."

EVENING STANDARD, July 15th. "Achievements truly remarkable."

DAILY EXPRESS, July 15th. "Victory for the Ross Rifle from Canada."

THE TIMES, July 16th. THE MERITS OF THE ROSS MATCH RIFLE—"After having been yesterday in the unhappy position from a patriotic point of view of being forced to compare our own service rifle and that of the United States, very much to the disadvantage of the former, it is a pleasure to-day to refer to one that has been much in evidence during the first three days of the meeting and which can claim to have been designed, manufactured, and used as a service weapon within the limits of the Empire." (Then follows a column of praise).

THE SPHERE, July 25th. "A plague of possibles."

MORNING POST, July 16th. "Mr Jones shot throughout with the Ross Rifle and has undoubtedly succeeded in demonstrating that this arm, which has been served out to the Canadian Militia is of wonderful precision."

RICH TROPHIES SECURED.

The following rich events were captured by the Ross Rifle at Bisley:
FIRST PRIZE—The "EDGE," open to all comers and to all rifles, distances 1,000 and 1,100 yards, prizes aggregating £50, contributed by Major Edge.
FIRST PRIZE—The "HALFORD MEMORIAL" Challenge Cup, open to all comers and to all rifles, distances 900 and 1,000 yards, prizes the Cup and £60, of which £15 is given by Lt.-Col. Mellish, V.D., the remainder being interest on £600 constituting the Halford Memorial Fund, and money added by the N. R. A.

FIRST PRIZE—The "HOPTON" Challenge Cup, open to all members and to all rifles, prizes a Challenge Cup presented in 1900, by Col. Hopton, late H.L.I., and Ten Guineas given by the Hon. W. F. D. Smith, M.P., and £9. 10s. added by the N. R. A.

SECOND PRIZE—The "WALDEGRAVE," open to all comers and to all rifles, distance 800 yards, prizes aggregating £50 donated by the N. R. A.

The "HOPTON" Challenge Cup is what is known as the Match Rifle Aggregate, that is, it is awarded to the competitor who makes the highest aggregate scores in the "Albert," "Bass," "Bassonlow," "Edge," "Halford Memorial," "Waldegrave" and "M. R. Wimbledon Cup."

The victor in this competition, as well as that for the "EDGE," is Mr. F. W. Jones, of the National Rifle Association. In the "HOPTON" Match he won by four points more than has ever been secured, and in the "EDGE" shot with the new Canadian Ross Rifle and ammunition.

The London "Daily Telegraph," commenting on this says: "Mr. Jones has won the "Hopton" Cup with a score of twenty points more than the trophy was gained with last year. His scores were—

170	in the Albert,
97	" Bass,
146	" Edge,
147	" Halford Memorial,
98	" Waldegrave,
68	" Wimbledon Cup,

"being a total of 726 out of a possible 750, breaking all records."

PERFORMANCES OF ROSS RIFLE.

The following scores recently made at Bisley, England, with the Ross Rifle, are sufficiently eloquent to illustrate the supremacy of this arm over all others.

Competitions open to all comers and all rifles. Notable scores of Ross Rifles (made in Canada) Bisley, 1908.

GOLD JEWEL OF ENGLISH		HIGHEST POSSIBLE
EIGHT.....	F. W. Jones, (Winner).	100
WALDEGRAVE.....	10 shots at 800-900, E. F. Ashdown, 99 F. W. Jones, 98	100
BASS.....	10 shots at 900-1,000, F. W. Jones, 97 E. F. Ashdown, 97	100
WIMBLEDON CUP.....	15 shots at 1,100, F. W. Jones, 68	75
ALBERT.....	10 shots at 800, 900 and 15 at 1,000 F. W. Jones, 170 E. F. Ashdown, 167	175
HALFORD MEMORIAL.....	15 shots at 900, 1,000, F. W. Jones, 147 Record, E. F. Ashdown, 144	150
EDGE.....	15 shots at 1,000, 1,100, F. W. Jones, 146 Record E. F. Ashdown, 141	150

HOPTON MATCH RIFLE AG-

OREGATE.....	F. W. Jones, 726 Record.	750
EANDOO.....	possible, 10 shots at 900	
FREEMANTLE.....	possible, 10 shots at 1,000	
WISTOW.....	possible, 7 shots at 1,000	
DOYLE.....	possible, 7 shots at 900	
ASSOCIATION CUP.....	possible, 10 shots at 900	
M. R. TYRO.....	possible, Cecil Mack, 10 shots at 900	
KINOS NORTON AGGREGATE.....	possible, ties with Mr. Blood, Jones wins in shoot off.	
ECHO SHIELD.....	Mr. Jones made highest score of the winning team.	

The "SPHERE," an English weekly illustrated, sums up British opinion on the performances of Ross Rifles (made in Quebec), with the words: "A plague of possibles."

RESULTS ACHIEVED IN CANADIAN CAMPS.

In all the Camps of Instruction, with the exception of Goderich, the Ross Rifle has been used for target practice this year, and, as might have been expected owing to attacks in Parliament and certain newspapers, the rifles were subjected to the closest possible inspection and criticism. In all over two thousand rifles have been issued and each fired by from 5 to 10 different men, many of whom never handled a rifle before. The rifles were thus subjected to the most severe possible test; that of being manipulated by untrained men. The results have been most satisfactory. No accidents of any kind have occurred and the musketry practice of 1908 show better results than any heretofore, in the Camps of Instruction. Statistics of the camps are not yet in hand so that a detailed statement of results cannot be given, but taking Niagara, the largest training camp in Canada, as an example where some 5,000 men are trained, here, as in other camps, the firing was done with the Ross Rifle, and only 20 men out of this large number failed to qualify, while in 1907 when the firing was done with the Lee-Enfield Rifle, some 400 men failed and thus lost their efficiency pay. In Three Rivers, Levis, Sussex and Charlottetown Camps, there is less than 1 per cent of failure, whereas the regulations have been more rigidly enforced than ever before.

Rifles and ammunition are undergoing constant changes and improvement, and the Ross Rifle has, like the rifles of other countries, been modified in accordance with experience.

The Minister of Militia, in spite of ignorant criticisms by so-called experts, has adopted the principle of manufacturing a rifle in Canada, and authorized changes as required. The results speak for themselves in the splendid showing made by the Ross Rifle in the hands of the Militia, who, after all, are the men to whom we look to for defence in time of trouble, certainly more than to politicians whose only interest in the rifle is to make capital for election purposes.

EXTENSION OF BOUNDARIES OF PROVINCES.

The following resolution, moved by Sir Wilfrid Laurier in the House of Commons on July 13th, 1908, was adopted:—

"Whereas petitions have been presented to the Government and to this House from the legislative assembly of Manitoba, praying for an extension of the boundaries of the said province northward and eastward, and for an additional subsidy to the said province in lieu of the ownership of public lands in the territory to be so added,

Be it resolved,

That it is expedient that the prayer of the said petition should be acceded to, and that upon such terms and conditions as may be agreed to by the said legislative assembly and by Parliament, the boundaries of Manitoba be extended as follows:

The northern boundary to be the sixtieth parallel of latitude; the western boundary to be the present eastern boundary line of the Province of Saskatchewan to the said sixtieth parallel; the eastern boundary to be the present eastern boundary as far north as the northeast corner of the province, thence on a straight line to the most eastern point of Island Lake, and thence on a straight line to the point where the eighty-ninth meridian of west longitude intersects the shore line of Hudson Bay.

And be it further resolved:

That whereas notwithstanding the extension of territory above described, the ungranted lands of the Crown in the territory so to be added to the said province will still continue to be administered by the Government of Canada for the purposes of the Dominion; and the said province will not have the public and as a source of revenue.

It is just and equitable to recognize the increased cost of civil government which such extension of territory will occasion to the province, and in view of the premises, to make to the said province an increased allowance by money payment, the amount of which should be the subject of negotiation between the Government of Canada and the Government of Manitoba.

And be it further resolved:

That, upon the Legislature of the Province of Ontario consenting thereto, it is expedient to extend the boundaries of the said province, upon such terms and conditions as may be agreed to by the said legislature and by Parliament, so as to include all the territory to the north of the said province lying between the extended boundaries of Manitoba above described and the waters of James Bay and Hudson Bay.

And be it further resolved:

That, upon the legislature of the Province of Quebec consenting thereto, it is expedient to extend the boundaries of the said province, upon such terms and conditions as may be agreed to by the said legislature and by Parliament, so as to include all the territory to the north of the said province now known as Ungava, and extending to the waters of James Bay and Hudson Bay, and the entrance thereto."

SIR WILFRID'S SPEECH

Sir Wilfrid spoke in part as follows: The resolutions to which I now call the attention of the House provide for the extension upon such terms and conditions as may be agreed to by the respective legislatures therein mentioned and by Parliament, of the boundaries of Manitoba, Ontario and Quebec, out of that portion of the northern territories which lies north of the same. This extension has been asked for by the legislature and executive of the province of Manitoba and by the executives of the provinces of Ontario and Quebec. Here the question may be asked, whether it is desirable, or even possible, to create a new province or provinces out of the territory which lies north of the provinces of Quebec, Ontario and Manitoba. Simply to state the question is to suggest the answer. It has never occurred to any one, that out of that territory which extends north from the present frontiers of Manitoba, Ontario and Quebec, it were possible to form anything like a provincial organization. The conditions both of climate and soil preclude the possibility that there can ever be in that section of our country a population of such density as to suggest the desirability of forming a new province. Ungava, which is the largest of these territories, is known to be absolutely barren for agriculture; the same may be said, I think, of the section of country which extends north of the boundary of Ontario. With regard to the section which extends north of the Province of Manitoba above Lake Winnipegosis and Lake Manitoba, there is a portion which is known to be reasonably fertile and reasonably fit for agriculture, in the valley of the Saskatchewan, but immediately beyond that, it is pretty generally admitted that the country is not fit for agriculture. In every one of these territories there is some possibility of timber and forest production. The resources in minerals are very promising, but like all things of this kind, until they have been actually tested and developed, they are uncertain. Under such circumstances therefore there is only one of two courses to follow. One is to continue to administer this territory as we are doing at present; and the administration at the present time is practically nil, it simply provides for the administration of justice in case of crime committed, and some cases of a similar character, because there is practically no population in that territory. The other recommendation is to hand over this territory to the provinces which now claim it, and whose geographical form is such that it may be brought within the purview of their provincial and municipal organizations. Of these two courses before the Government, the more reasonable, the more practical and the more expedient in the interest of all parties appeared to be that these respective territories should be annexed to the Provinces of Manitoba, Ontario and Quebec, so that there might be the usual provincial and municipal administration as their development takes place. This course was contemplated, I may say by the fathers of Confederation, because in the British North America Act of 1871, suggested by this Parliament and the Government of that day and passed by the British Parliament, provision was made not only for the creation of new provinces out of the general Dominion territory, but also for the extension of the provinces now existing. I call the attention of the House to Section 3 of that Act which reads as follows:—

"The Parliament of Canada may from time to time, with the consent of the legislature of any province of the said Dominion, increase, diminish or otherwise alter the limits of such province, upon such terms and conditions as may be agreed to by the said legislature."

We are therefore to-day just carrying out the intention which was embodied in the Act. The case of Manitoba seems to be particularly pressing. Manitoba has the smallest territory of all the western provinces and it is a matter of public

notoriety that there is in Manitoba a sentiment of disappointment, almost akin to irritation, that the province has not been as liberally endowed as the adjacent provinces of Alberta and Saskatchewan which were carved out of territory out of which the boundaries of the Province of Manitoba could have been increased. We all sympathize with this sentiment and there is no reason that I can see why this desire for increased territory should not be gratified. There is a more important consideration and that is that at the present time we are taking measures and asking Parliament to vote an appropriation for the construction of the Hudson's Bay Railway; that is to say, of a railway which is destined to connect the existing systems of railways on the prairies with Hudson Bay. This railway is not so much intended to develop local traffic as to provide an outlet to the sea board for the ever increasing products of our western provinces. It has therefore been thought advisable, not only advisable but I should say necessary, that immediate steps should be taken to provide for this new territory, municipal and provincial organization since it is probable that following the construction of this railway population must set into that territory and, therefore, the requirements of civilized man should be provided for in the way of administration and otherwise. These are the main reasons which have prompted us to ask Parliament to assent to this resolution which I have placed on the table.

In 1905 the Province of Manitoba made a strong appeal to this Parliament to have its boundaries extended but it seemed to the Government at that time wise and prudent before acceding to the request, that the adjacent provinces of Ontario and Saskatchewan, which, perhaps, might have also a claim to the territory which was sought by Manitoba, should have an opportunity of being heard. We therefore extended an invitation to the several provinces to meet us and discuss this question. A conference took place in November, 1906, at which all the respective governments that I have just named were represented. The Dominion Government was represented by the Prime Minister; the Minister of Justice and the Minister of the Interior; the Ontario Government by Mr. Whitney, the Premier, Mr. Foy, the Attorney-General, and Mr. Matheson, the Provincial Treasurer; the Government of Manitoba by Mr. Roblin, the Premier, Mr. Rogers and Mr. Campbell, the Attorney-General, and Saskatchewan by Mr. Walter Scott, the Premier, and Mr. Lamont, the Attorney-General. The Province of Saskatchewan, at that conference, through its representatives, asked to be allotted the territory which extends north-eastward of the provincial boundary to the shores of Hudson Bay. After giving due consideration to this claim on the part of the province of Saskatchewan, it seemed to us, that, as between the claim of the Province of Saskatchewan and of the Province of Manitoba to have the territory which lies north of Manitoba and west of Saskatchewan allotted either one way or the other, the weight of argument was certainly in favour of Manitoba and we could not grant the prayer of Saskatchewan. We therefore had to ignore it. We are prepared to admit the claim of Manitoba to have its boundary extended northward up to 60th parallel of latitude. But a difficulty arose as between the Provinces of Manitoba and Ontario as to the extension of the boundary eastward. The claim of Manitoba was that its territory should be extended eastward, north of the Albany River, that is to say, between the Albany River and Hudson Bay, to a meridian line drawn from the confluence of the Mississippi and Ohio Rivers. Perhaps some hon. member may ask: Why bring the line of the confluence of the Mississippi and Ohio Rivers into this question? The older members of the House will remember that this line was exhumed out of old documents at the time of the controversy between Sir John Macdonald and Sir Oliver Mowat as to the boundary line between Ontario and

Manitoba. It is not necessary to go into that old controversy to-day, but let me say at once that if the prayer of Manitoba had been granted and if its boundary had been extended over the northern boundary of Ontario between the Albany River and the waters of Hudson Bay as prayed for, the eastern boundary of Manitoba and the western boundary of Ontario in this new territory which is to be allotted would have been brought into the vicinity of the longitude of Fort William, Port Arthur and Lake Nipigon. The Government did not think it would be advisable to agree to such a claim as that.

On the other hand, the Province of Ontario, represented on that occasion by Mr. Whitney, Colonel Matheson and Mr. Foy, urged that the boundary of Ontario should be the Churchill river, that the boundary of Manitoba should be a continuation of the present boundary of that province northward until it reached the Churchill River and then that the Churchill River should be the boundary between the two provinces. As the two provinces could not agree upon their respective claims it became the duty of the Government to give to the matter its very best consideration and to endeavour to arrive at a conclusion which would commend itself to the judgment, not perhaps of both parties, but of all fair minded men. We could not agree to the claim of the Province of Ontario that the Churchill River should be made the boundary for one very obvious reason which will, I think, commend itself to all those who do me the honour of listening to me. It is expected that the new railway to Hudson Bay will have its terminus at Churchill: in fact, it cannot have its terminus anywhere else. Churchill is known to be the best of the harbours on Hudson Bay and perhaps the only harbour. The only rival harbour possibly is the harbour at the mouth of the Nelson River but I understand, although I speak subject to correction, that, as between the two harbours, Churchill is by far the preferable one. At all events, I think it is admitted that the mouth of the Churchill River should be the terminus of the railway. If the terminus of the railway is to be at the mouth of the Churchill River it is reasonable to expect that a town of some proportions must eventually grow up at the mouth of that river, and if you have the two provinces separated by the Churchill River, Manitoba on the one side and Ontario on the other, and a town growing up upon both sides of the river, it is manifest that complications would arise and that the progress of the city might be materially retarded for the necessity of having legislation either from one province or the other. Therefore, it is far preferable, far more convenient and far more suitable in every possible way that the city be either in one province or the other.

Taking all these things into consideration we believe we could not grant the prayer of the Province of Ontario to extend its boundary to the Churchill River. After giving the matter the best consideration we could we came to what we think is a fair conclusion and one which will be acceptable to all reasonable men, namely, to fix the boundary of Manitoba from the north-east corner of the Province of Manitoba extending it over the height of land between the water system of the Hayes River and the Nelson River on one side and the water system of the Severn River on the other side. That was the idea which actuated us when we came to approach the subject and to decide upon it. Our first intention was to make the height of land between the Hayes River on the one side and the Severn River on the other, the boundary. But when we came to put this line upon the map we found that serious complications might arise if we were to say ipsissima verba that this height of land should be the boundary because we found that the height of land between the Hayes River and the

Severn River did not extend all the way to the shore of Hudson Bay but that it was met some distance from the shore by another height of land. The height of land between the Hayes River and the Severn River runs north and south, but at some distance from Hudson Bay that height of land is met by another height of land which runs east and west. Therefore, without adhering to the same idea we had to express it otherwise and we determined that the boundary should be a straight line from the north-east corner of the present boundary of Manitoba to the east end of Island Lake and thence to a straight line to the point where the eighty-ninth meridian of west longitude intersects the shore line of Hudson Bay. This practically adheres to the height of land as the boundary so far as it can be done, but we do not put it in so many words for the reason wherein I have stated.

The new territory which is to be added to Manitoba will be about 180,000 square miles in round numbers. I had a precise calculation made on the basis of the height of land, but it is sufficient to observe the boundary now adopted will give to Manitoba added territory of about 180,000 square miles. The present area of Manitoba is 73,732 square miles and with the area to be added, her total area will be about 253,000 square miles. The territory of Ungava which is added to the Province of Quebec is 180,000 square miles (water) and 266,000 square miles (land), or a total of 456,000 square miles. I have not the figures with regard to the Province of Ontario, but I believe the added territory is in the neighbourhood of 140,000 square miles.

I have the figures as to the population which may be in the territory now being added to Manitoba. I made no inquiries as to the population of the territory to be added to Ontario or Quebec because I believe it is admitted that in this territory there is no white population. The population of the territory to be added to Manitoba, according to the last census, is as follows:—

Memorandum repopulation of the parts of Northwest Territory added to the Province of Manitoba under the resolution of 1908, as shown by the census of 1901.

Parts of the District of Keewatin containing:—

	Indian and Half- breed	White	Total
Black River.....			
Cross Lake.....	2		2
Gods Lake.....	55	2	57
Island Lake.....	368	..	368
Nelson House.....	525	..	525
Norway House.....	280	7	287
Oxford House.....	230	18	248
Fort Churchill.....	339	6	345
Split Lake.....	89	6	95
	263	..	266

Warren's Landing.....	18	6	24
Yankee Point.....	12	1	13
York Factory.....	242	5	247
Totals from Keewatin.....	2,421	56	2,477

Parts detached from Saskatchewan district by the Act of 1905, containing:—

Cedar Lake.....	118	..	118
Grand Rapids.....	133	11	144
Moose Lake.....	174	..	174
Mossy Portage.....	5	..	5
The Pas.....	793	20	813
Totals from Saskatchewan.....	1,223	31	1,254

Making a total for the new area added to Manitoba of.....	3,644	87	3,731
---	-------	----	-------

FINANCIAL CREDIT OF DOMINION.

Extracits from speech of Hon W. S. Fielding in the House of Commons.
July 17th, 1908:—

My hon. friend (Hon. G. E. Foster) has much to say and is very much alarmed about the credit of Canada. He thinks some dreadful things are going to happen. I again remind my hon. friend that there is not a sentiment in his speech to-night that is not to be found in the speeches of Sir Charles Tupper and himself in the year 1896, and in their speeches of the years following. It is an old, old story of the dreadful things that are going to happen, but which never do happen. My hon. friend talks of the credit of Canada to-day as suffering. But away back in 1896, the illustrious leader of the Conservative party said just the same thing. Now there are some foolish ideas about the credit of Canada. One respected member of this House who had not given the matter much consideration, though he is usually well informed, solemnly advanced the argument one day in the course of discussion that because we borrowed money some years ago for 3 per cent. or less, and have since paid as high as 4 per cent., and sometimes higher, therefore the credit of the country was going to the dogs. Well, that is a foolish argument. Money is a commodity which, like other commodities, rises and falls in value; whenever you find an abundance of money money is cheap, and when you find money scarce, then money is dear. Now, if we want to make comparisons of the credit of Canada, there is abundant material to enable us to do so. The true way to test the credit of Canada is not to ask how much we paid years ago and how much we pay now, but how much did we pay years ago in comparison with some standard security, and how much do we pay now in comparison with the same standard security. Now the highest standard security is the British consols, of which I may say something later. Let me make a comparison now with that very high class security know in financial worlds as Indian government stocks as quoted in London. In 1896, India 3 per cent. stock at its highest quotation was 115, and the Canada 3 per cent. stock at its highest quotation was 107. There was a difference against Canada of 8 points. Turn to the situation now. In recent quotations, the highest for India 3 per cent. stock was 93, while the highest for Canadian 3 per cent. stock is 97. So we have this position, that in 1896 Canada was 8 points worse than India; in this present year, Canada is 4 points better than Indian government stock. Now, if we make a similar comparison with the great corporation stocks of London, which are of very high class, it will be found, if you make the same comparison, that Canada has come closer to them, and is often on even terms, but certainly very much closer to them than in 1896, and that is a true comparison.

Not very long ago, and this has a very important bearing on the credit of Canada, a member of the British Parliament put on the Order Paper a question to Mr. Asquith, who had not then left the position of Chancellor of the Exchequer. This member of Parliament called the attention of Mr. Asquith to the fact that Canadian 3 per cents. stood at a higher price than some of the securities guaranteed by the Imperial Government, and he wished Mr. Asquith to explain how it was. Mr. Asquith was not willing to admit that, on a close calculation, there was that discrimination against guaranteed securities of the Imperial authorities. But at all events, we had this fact, that the two securities were so close together that there was a dispute between financial men in the British Parliament as to whether the guaranteed securities of Great Britain or the securities of Canada occupied the highest place.

GOVERNMENT BONDS HIGHLY FAVORED IN GREAT BRITAIN

Through the efforts of the Government, Canadian Government securities were placed by the British Government on the "Trustee List" in Great Britain, which comprises only the most gilt-edged investments, such as British Consols, etc. The advantage to Canada through this will be seen, when it is explained that the difference between the selling price of a security admitted to the Trustee List and one excluded from it, is from two to three points in a hundred.

The fact that the Canadian Government securities were admitted to the most favored list in the British money market has no doubt operated, and will continue to operate, advantageously to Canadian business securities offered for sale in Britain.

The Opposition, by the way, long coveted this favor, and seriously attempted to secure it, but without success. Moral: Different methods produce different results.

GOVERNMENT LOANS FLOATED AT TWO-AND-A-HALF PER CENT.

In 1897, the Government for the first time in the history of the country succeeded in placing a Loan in Great Britain—the world's money centre—at 2½ per cent. interest. The lowest rate previously obtained was 3 per cent. This Loan was sold at very good figures, the net result being an actual rate of interest of 2 ⅞ per cent. on the purchase price. Compare this with a net rate of 3 ⅞ per cent. under the Conservative regime.

It will be apparent to everyone, that when a country's credit is raised, it operates beneficially to its business interests.

CAPITAL CITY OF THE DOMINION IMPROVED AND BEAUTIFIED

All patriotic Canadians must naturally have a pride in the Capital City of their country.

Shortly after Sir Wilfrid Laurier was returned to power, he promised to make Ottawa the "Washington of the North," and he has faithfully implemented his promise. By substantial financial grants, which have been expended by an independent commission of capable business men, Ottawa has, in the last few years been wonderfully improved and beautified, and is to-day one of the most attractive cities on the North American Continent.

THE GERRYMANDER WIPED OUT

The iniquitous Franchise Act of the Conservatives, known as the Gerry-mander, was wiped out, and a fair distribution of seats was made by a Committee of the House of Commons.

In this re-distribution, justice and fairness prevailed, and it is worthy of note that the Conservatives have never seriously questioned or criticized it.

SUMMARY AND INDEX OF CONTENTS OF THIS BOOK.

(1)	Introduction with statement of conditions of country when Liberals took office. See page.....	1
(2)	Records of progress and prosperity under Liberal rule. See pages... 2, 3	2, 3
(3)	Tariff policy of Liberal Government with references to Preferential Tariff, Surtax, Anti-dumping law, law against Combinations, Extension Preference to British Colonies, Treaty with Japan, French Treaty, Intermediate Tariff and Special article on Attitude of Conservatives. See pages.....	4-18
FINANCIAL ADMINISTRATION.		
(4)	Explanation of Expenditures, Tables, Revenues, Expenditures, Debt, etc. See pages.....	18-27
	Statement of Conservative Attitude. See pages.....	27-29
	Financial Credit of Dominion. See pages.....	122-123
(5)	Transportation. See pages.....	29-30
(6)	Marine Department Administration. See pages.....	31-36
(7)	Intercolonial Railway. See pages.....	37-39
(8)	National Transcontinental Railway. See pages.....	40-44
	As to Cost of Road.....	44-53
	Major Hodgkin's Charges. See pages.....	54-59
(9)	Immigration. See page.....	59
(10)	Development of Great West. See pages.....	60-66
(11)	Records of Two Parties, Re Western Lands. See pages.....	67-68
(12)	Timber Administration of Two Governments Compared. See pages.....	69-74
(13)	New and Old Railway Policy in the West. See pages.....	75-77
(14)	New Railway Act and Railway Commission. See pages.....	77-79
(15)	Agriculture Department. See pages.....	80-93
(16)	Labor Legislation. See page.....	94
(17)	Annuities for Old Age. See page.....	95
(18)	Subsidies to Provinces Increased, see page.....	95
(19)	Post Office Department, see pages.....	96-100
(20)	Trade and Commerce Department, see page.....	101
(21)	Exhibitions, Canadian Resources, see page.....	101
(22)	Modern Trade Statutes, see page.....	102
(23)	Pacific Cable Aided, see page.....	102
(24)	Yukon Development.....	102
(25)	Assay Office Established in Vancouver, see page.....	102
(26)	Canada Now Has Its Own Mint, see page.....	102
(27)	Cold Storage for Fisherman, see page.....	102
(28)	Binder Twine Inspection, see page.....	102
(29)	Prepayment of Customs Duties in Great Britain, see page.....	102
(30)	British War Supplies Purchased in Canada, see page.....	102
(31)	Land Grants to South African Volunteers, see page.....	102
(32)	Use of Opium Prohibited, see page.....	103
(33)	Lord's Day Legislation, see page.....	103
(34)	Civil Service Reform., see page.....	103
(35)	All Red Route, see page.....	103-112
(36)	Militia Department, see pages.....	112-115
(37)	Extension of Boundaries of Provinces, see pages.....	116-121

