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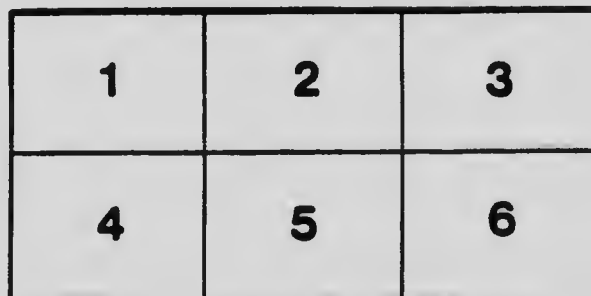
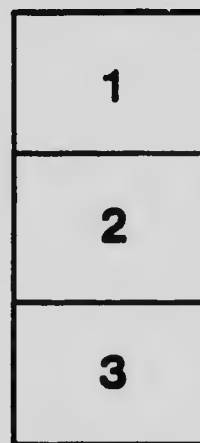
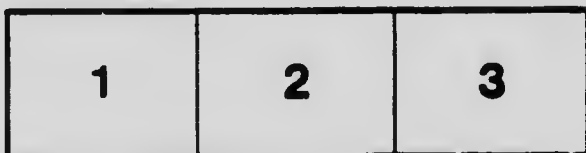
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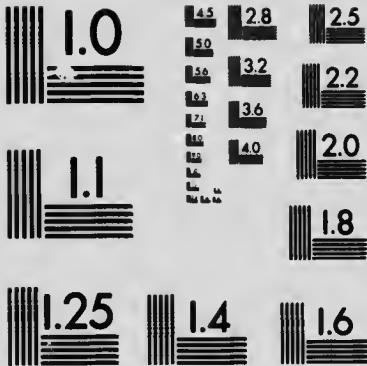
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THE NAVAL DEFENCE OF CANADA AND THE EMPIRE

THE ISSUE BEFORE CANADIANS AND THE ATTITUDE TAKEN BY THE GOVERNMENT AND THE OPPOSITION TOWARDS IT.

The whole discussion of the question by Canada of a naval policy requires as a foundation a clear statement of the case for doing anything at all. Some Canadians are reluctant to see any measures whatever taken for naval defence, and it is necessary to lay before those who hold this view the situation as it appears to those who urge action.

The first question is whether Canada has any interest in the maintenance of the security of the British Empire, and more especially in the safety of the British Isles. We may put sentimental reasons aside for the moment and confine ourselves, in this portion of the treatise at least, to purely business considerations.

GREAT BRITAIN AND CANADA.

Great Britain is of importance to Canada for three reasons among many.

1. She is Canada's largest market, and her governing market; the flow of Canadian products across the ocean to Great Britain gives them their price.

2. She is Canada's source of supply of capital; she has sent vast sums of money to Canada, she is doing it now, and if Canada is to continue to prosper Great Britain must continue for a long time to invest money in her. It is true that many Canadians say that no thanks are due to Great Britain for this, inasmuch as she lends because the security is good and the interest is repaid. Concerning this it is to be said:—
(1) That eminent British authorities on finance assert positively that Canada gets her money from Great Britain at rates of interest about 1 per cent. lower than would be the case if she were outside the British

Empire. (2) That even if this is the case, it none the less still is important for Canada to get the money, and that it would be a calamity to Canada if Great Britain were to find herself unable to continue to invest.

3. She is the source of a great influx of immigration which is peculiarly valuable to Canada, and the continuance of which is greatly to be desired.

WHERE CANADA WOULD SUFFER.

It is fairly clear that Canada would suffer greatly if anything were to happen which would affect Great Britain so as to stop her buying of Canadian products; to stop her sending capital to Canada; to stop her sending emigrants to Canada. If any or all of these were to happen soon the present Canadian prosperity would cease abruptly and hard times would ensue.

Two events can be named which would have some of these effects, and might have all three. These are:—

1. A war in which the British Empire would be unsuccessful, or even hard-pressed.
2. Any war at all—even a successful one.

A GENERAL WAR WOULD DIVERT THE FLOW OF CAPITAL.

The one certain result of war would be to divert the course of British capital from its present currents. War eats up capital. Much of the financial stringency of 1913 has been due to the distant war in the Balkans; the people there have ceased producing, have destroyed vast quantities of property, have spent money unproductively, and are attracting capital from the lending countries for replacement purposes. If Great Britain were to get into a European war which would last nine months, it has been calculated that the direct cost to her would be \$1,500,000,000; that there would be further national expenses, such as the rebuilding of warships destroyed, etc., of perhaps \$5,000,000,000; that she would in the one year lose trade to the extent of perhaps \$1,000,000,000; and that she would suffer a shrinkage in the value of securities to the extent of \$4,000,000,000.* Briefly, she would lose outright perhaps seven billion dollars and would lose in securities to the extent of four billions more. Apart from everything else, she would have all these billions less to invest abroad, more especially in Canada. That means that the flow of British capital to Canada would be arrested. In addition, the buying power of Great Britain would shrink and there would be less demand for our products.

* The Quarterly Review, October, 1910.

Immigration from Great Britain would come to a halt, partly because British men would have military occupation, partly because the stoppage of capital and curtailing of British purchases would interfere with employment in Canada.

CANADA'S INTEREST IS THE CONTINUANCE OF PEACE.

In short, Canada has every reason to hope that Great Britain will not become involved in a great European war.

That is one aspect of the case. Another now may be stated.

The scheme of Canadian national development is largely founded upon the sending of Canadian products to Great Britain. Wheat is the staple Canadian produce, and we go to enormous expense and trouble to send it to that market. We have built trans-continental railways. We have spent millions upon seaports, river channels, aids to navigation. We build elevators, and take endless pains to consult the farmers' interests from the time the wheat leaves the farm to the moment that it is on the ocean vessel, outside of a Canadian harbour, fairly out on the blue waters of the ocean.

THE PROTECTION OF CANADIAN TRADE.

It is a very remarkable thing that hitherto we always have assumed that the moment the Canadian wheat, or cheese, or cattle, got on the Atlantic all its troubles were over. Our solicitude ceased at tide-water. But when the wheat leaves a Canadian port it has nearly 3,000 miles further to go. Can no mischance other than the accidents of navigation possibly occur to it? If war broke out, active, determined and ingenious enemies would do their best to see that a great many mischances befell our wheat and other products. If they were to succeed, our ships would be almost entirely unable to sail across the Atlantic. If they were to succeed partially, many of our ships would be captured, and the rest would charge higher freight rates. Prices might rise in Great Britain, but the increase almost certainly would be eaten up by the increased transportation charges.

KEEP THE SEA CLEAR OF HOSTILE SHIPS.

Thus Canada has an enormous interest in keeping the ocean clear of hostile warships. The British navy has been supreme so long that people in this country have come to take it for granted that the ocean will always be safe. The only reason for that safety is that the British navy has been so strong for the last hundred years that no country with any number of warships has ventured to fight the Empire. Thus the real interest of Canada may be put in this manner:—

OUR SAFETY IS AN OVERPOWERING EMPIRE NAVY.

1. The naval forces of the Empire should be so strong that if any country should fight the Empire, the warships of that country could be chased off the ocean and prevented from harming our ships.

2. But, further than that, the sea-power of the Empire should be so great that no other country will venture to fight at all. Thus peace will be preserved, and peace is our great interest.

We now have one substantive fact achieved. We find that Canada is vitally interested, (1) that the British Isles should continue strong and prosperous; (2) that the Empire should be so strong that no great war is likely to occur.

IS THE BRITISH NAVY STRONG ENOUGH?

Now comes the further question: Is not the British Empire safe already? Is not the British Navy overwhelmingly strong to-day? Is there any need to strengthen it?

THE STAKE AT ISSUE IS ENORMOUS.

We must remember that the wealth and resources of the Empire are so vast, its area embraces territories so enormous, so valuable and so undeveloped, it is so scattered over all the continents and many of the islands of the ocean, that its very existence is utterly dependent upon the security of the highways of the ocean. Because of this dependence, considerations of ordinary business prudence make it incumbent that there shall be no question as to the perfect adequacy of our naval forces to meet any combination or attack that is within the bounds of reasonable probability. The British Empire cannot afford to take the same margin of risk that would be permissible in a power whose territory is all on one continent.

A COMPARISON OF MAN-POWER.

It also must be remembered that the British Empire is not too strong in one great resource—in the number of its white men. The great Powers compare thus:—

British Empire (white men).....	56,000,000
United States	93,000,000
Germany	66,000,000
Austria-Hungary	50,000,000
Italy	36,000,000
France	40,000,000
Russia (in Europe)	135,000,000
Japan	53,000,000

If we separate the European Powers into alliances and systems we find that the comparison is:—

British Empire	56,000,000
Triple Alliance (Germany, Austria-Hungary, Italy)	50,000,000
Dual Alliance (France and European Russia).....	75,000,000

These countries have the following strength in Dreadnoughts:—

	1913.	1915
Great Britain	25	41
Triple Alliance	15	35
Dual Alliance	8	22
Japan	5	9

As for the land forces, the Triple Alliance can command the services of seven million trained men; France has about two and a half million trained men, and Russia about two million available in Europe.

THE DANGER TO THE BRITISH EMPIRE.

It is easy to perceive what a terrible menace a possible combination of European powers would be to the British Empire. They might have a population not far short of 200,000,000, all highly civilized, highly educated, and mostly over-crowded; its armies might include some ten million trained men; its fleets might outnumber those of Great Britain and might have ports and arsenals all along the coastline of Europe. The odds against the Empire, if such a combination should choose to attack it, would be terrible.

THE BRITISH NAVY NOT OPPRESSIVE.

It can hardly be said that Great Britain has used her sea-power unjustly in the past. For instance, until about 1900 Germany had no fleet worth mentioning, and Great Britain was supreme on the water. Did Great Britain use her fleet to oppress Germany? It is difficult to say so. In 1890 Great Britain voluntarily gave to Germany the island of Heligoland; she had acquired this in the Napoleonic wars for the purpose of helping the Germans to free themselves from the French, and it previously had belonged, not to Germany, but to Denmark. Did this look like oppression?

THE PREAMBLE TO THE GERMAN NAVY LAW.

It is necessary to notice one or two statements which have been made in Germany. It is the custom there in passing a law to print in company with the enacting portion an explana-

tory statement, which often is an argument of considerable length, setting forth the reasons for passing such legislation. The preamble of the great German Navy Law of 1900 contained the following remarkable passage:—

"Germany must have a fleet of such strength that a war against the mightiest sea-power would involve risks threatening the supremacy of that power. For this purpose it is not absolutely necessary that the German fleet should be as strong as that of the greatest sea-power, because generally the greatest sea-power will not be in a position to concentrate all its forces against us."

Other German statements may be quoted. For instance, Herr Basserman, the leader of the National Liberal party in Germany, said in the Reichstag, or German Parliament:—

"In our attitude towards England we must keep cool; and until we have a strong fleet, it would be a mistake to let ourselves be drawn into a hostile attitude towards her."

And the *Neueste Nachrichten* of Hamburg said on the day after the text of the German Navy Bill of 1908 was published:—

"Henceforth the policy of the Imperial Navy is to act strictly on the offensive. The time is seasonable so to augment our fleet as to render it capable of engaging the mightiest navy with a good chance of success."

THE GROWTH OF THE GERMAN NAVY.

In 1871 Germany was spending less than \$6,000,000 a year on her navy; in 1881, little over \$6,000,000 a year; in 1891, about \$20,000,000 a year. By 1902 her grants for naval purposes were nearly \$50,000,000. The German naval estimates for 1913 are \$111,457,000. Certain reasons cause this expenditure to represent a very rapid increase in her fleet. One of these is that Germany has conscription, and so pays her sailors very little; moreover, her navy being new, she has not so many pensions, etc., to pay; whereas Great Britain pays her volunteer seamen more liberally and has to meet heavy outlays for pensions and similar charges. The situation is explained in the 1913 issue of Brassey's *Naval Annual*, the foremost publication of the sort in existence:

ENORMOUS INCREASE OF EXPENDITURE.

"In the last ten years," this authority states on page 202, "German naval expenditure has more than doubled, and her expenditure on new construction has nearly trebled. Though the British Navy Estimates for the year 1912-13 amounted to the vast sum of £44,000,000 (\$214,000,000), or almost exactly double those of Germany, the sum Germany is able to devote to new construction is not far short of our expenditure for this purpose. During the current year Germany is spending in round figures £12,000,000 to our £14,000,000. The explanation of this fact is the greater cost of the personnel and the larger number of ships maintained in commission in the British Navy. The result in the increase of German naval expenditure is that Germany now

has a formidable naval force in immediate readiness for service in the waters of Northern Europe, and to meet the new situation large numbers of ships have been withdrawn from foreign stations, and practically the whole of our fighting strength has been concentrated in Home waters."

GERMAN NEW CONSTRUCTION.

The growth of warship-building in the German navy, as distinguished from the cost of the personnel, etc., is as follows:—

1901-2	\$21,900,000
1902-3	21,900,000
1903-4	21,900,000
1904-5	21,900,000
1905-6	21,900,000
1906-7	24,300,000
1907-8	29,100,000
1908-9	36,400,000
1909-10	48,600,000
1910-11	55,300,000
1911-12	56,900,000
1912-13	55,800,000

Since January, 1911, Great Britain has completed 13 Dreadnoughts, and Germany has completed 14.

COMPARATIVE STRENGTH.

It is not necessary to go into elaborate statistics as to comparative strength, but a few figures may be given. Strength will be reckoned only in ships of the Dreadnought, or all-big-gun, type. Great Britain at the end of 1913 will have 29 ships of this sort, and Germany will have 17. The German ships all are on the German coasts close to Great Britain. The British calculation is that, to guard against a surprise at a moment when part of their ships would be under repair, detached, etc., the British fleet should be 60 per cent. stronger than the next strongest fleet, *i.e.*, that of Germany. Further, the British calculation is that they must keep actually on hand about the heart of the Empire a force 50 per cent. stronger than that on the German coast. Thus the 17 German ships need 27 British ships all told, and of these 25 or 26 should be stationed in or near the North Sea.

At the end of 1914 Great Britain will have 34 Dreadnoughts and Germany will have 20. The standards just cited mean that Great Britain should have at least 32 all told, and 30 actually in Home waters.

At the end of 1915 Great Britain will have 41 ships and Germany will have 23. Great Britain will need 35 in the North Sea.

THE WORLD NEEDS OF THE BRITISH EMPIRE.

On the face of these figures the British navy would appear to be quite strong enough. But the North Sea is not the only body of waters where Great Britain desires to place warships. For 250 years it has been recognized as in the highest interest of the Empire to keep a strong fleet in the Mediterranean, an ocean through which flows much of the trade on which the Empire flourishes. In the Mediterranean are the navies of Germany's allies, Austria-Hungary and Italy. At the end of 1913 these navies will put in line 6 Dreadnoughts; at the end of 1914 they will have 10; at the end of 1915 they will have 12; in 1916 they will have 17. British policy needs urgently that the Imperial navy have an equal force in the Mediterranean. But if we allow for the necessary force in British waters, the British navy will be able to spare only three or four in 1913, only four in 1914, and only six in 1915. Thus the Mediterranean will witness the following disparity of forces:—

	Triple Alliance.	Great Britain.
1913	6	4
1914	10	4
1915	12	6
1916	17	?

Thus Great Britain must allow herself to be badly overmatched in the Mediterranean, or pull her force in Home waters down below the standard that is considered desirable.

WHAT ABOUT THE PACIFIC?

In addition there is the Pacific Ocean, in which Canada has great interests. In 1904, Great Britain had in that ocean a fleet of battle-ships stronger than that of any other country, including Japan. She now has there one old-fashioned battleship, and in addition there is the battle-cruiser Australia built by the Commonwealth. Japan at the end of 1915 will have five or six Dreadnoughts.

THE RESULT OF EXTERNAL PRESSURE.

Thus, external pressure has resulted in the naval condition of the Empire being as follows:—

In the North Sea..... Enough ships.
 In the Mediterranean..... Too few ships.
 In the Pacific..... Practically no ships.

If that does not mean that external pressure has put the naval affairs of the Empire in an undesirable position, words have no meaning.

"The China Battle Squadron has disappeared," says Brassey's Naval Annual for 1913 at page 202. "The Japanese Navy is undisputed mistress of the Eastern Seas. In the Mediterranean ten years ago we maintained a powerful fleet. The Mediterranean Battle Squadron has ceased to exist. For a time last year the Mediterranean, our great highway to Egypt and the East, was without a British battleship. In the West Indies, in the waters of South America, and other regions of the world where we have vast commercial interests, the British flag is hardly ever shown, and then only by a small cruiser.

"Twenty years ago the cost to the British taxpayer of Imperial Defence was £35,500,000, of which in round figures £20,500,000 were spent on the Army and £15,000,000 on the Navy. Though our expenditure on Imperial Defence has doubled in the last twenty years, and though the proportions of our naval and military expenditure have been normal, we are not able to give that protection to our interests in distant seas which those interests demand."

WHAT IT COSTS THE MOTHER COUNTRY.

Figures may be given to show the cost of naval protection to the British people:—

Year.	Naval expenditure.	Per head of population.
1880-1.....	\$51,000,000	\$1.43
1885-6.....	63,000,000	1.72
1890-1.....	70,000,000	1.84
1895-6.....	94,700,000	2.38
1900-1.....	145,000,000	3.50
1905-6.....	160,000,000	3.72
1906-7.....	153,000,000	3.47
1907-8.....	152,000,000	3.40
1908-9.....	156,000,000	3.48
1909-10.....	170,800,000	3.76
1910-11.....	194,000,000	4.33
1911-12.....	215,750,000	4.76
1912-13.....	217,700,000	4.77

It will be noticed that as soon as the present Liberal Government in Great Britain came into power it cut down the expenditure, only to find it necessary to increase it again.

THE REASON FOR CANADIAN PARTICIPATION.

The foregoing facts constitute the reason for Canadian participation in the world defence of the British Empire. The Empire lives, exists, by naval strength. That strength is challenged and of late years

has been lessened in comparison with that of other powers. The burden is becoming so heavy that Great Britain is finding it difficult to do much more than to provide for the security of the British Isles. To Canada and the other Dominions it is essential that the naval strength of the Empire should be maintained in the whole of the oceans. It follows that Canada must have an intelligible object in keeping the Empire-navy strong, especially in those parts of the world remote from the British Isles. It is to that end that Mr. Borden and the Government of which he is the leader proposed to build three Dreadnoughts to be available for the world-service of the Empire.

DOES CANADA OWE GREAT BRITAIN NOTHING?

One argument is heard at times. It is that Canada owes Great Britain no gratitude for protection in the past. Sir Richard Cartwright expressed this very forcibly on one occasion, and Liberal speakers from time to time have echoed his words. It is an argument which will revolt most Canadians, but a few specific facts may be mentioned, as bearing on this question of military defence alone, apart from the generosity with which the Mother Country extended to Canada the blessings of civil and religious liberty, granted self-government, gave financial assistance and otherwise aided the country in its earlier days.

BRITISH MILITARY PROTECTION.

At the time of the War of 1812, Great Britain was hard pressed in the great war with Napoleon. She had an army in Spain, another army in the Mediterranean, in pursuance of the war with France; she had a third army in India, and a fourth in the West Indies. Yet from 1803 onwards, as the quarrel with the United States deepened, Great Britain increased her garrison in British North America (Nova Scotia, New Brunswick and the two Canadas), following the principle of keeping on foot a garrison of regular troops equal in number to the whole regular army of the United States. When the war broke out the Mother Country paid all expenses of defending the country. Of the troops which defended the country about half up to 1814, and by far the greater number after the summer of that year, came from across the ocean.

BRITISH EXPENDITURE ON OUR PUBLIC WORKS.

After the conclusion of the war and until after 1860 Great Britain maintained a powerful garrison in British North Amer-

ica. Relations between the British Empire and the United States were by no means easy in the first half of the nineteenth century, and war was close on several occasions. During this whole period the Mother Country kept in the colonies that now compose Canada a regular garrison numerically equal to the whole army of the United States. For years she actually paid more in maintaining this garrison than the colonies raised in taxes for their own administration and development. In the decade from 1841 to 1851 the provincial revenue of old Canada (now Ontario and Quebec) ranged from \$1,500,000 to \$2,000,000, and Great Britain was spending on the defence of the colony about \$2,500,000 a year. The Mother Country built the Rideau Canal; she built the first St. Lawrence canals; she constructed fortifications at Halifax, Quebec, St. John, Kingston, Toronto, Niagara, Amherstburg, and other places, the present fortifications of Quebec alone having cost \$35,000,000. Altogether, the military expenditures alone of Great Britain upon British North America aggregate some four hundred million dollars. These expenditures were incurred to keep Canada a part of the British Empire and to enable the desire of Canadians to remain British to be fulfilled. As for naval expenditure, it has been estimated by the British Admiralty that from 1870 to 1890 Canada's proportionate share of the cost of the squadrons which gave her local defence was from \$125,000,000 to \$150,000,000.

HOW TO USE A FLEET

Some Considerations Bearing Upon the Nature of the Naval Defence which Canada Should Provide.

Frequently, it is alleged or suggested that if Canada's shores are to be defended by Canadian ships, those ships must be kept actually on the coastline of the country. This is a false idea, as a little consideration of history will show.

FIGHT ON THE OTHER SIDE OF THE OCEAN.

So far as Canada is concerned, her Atlantic coast might best be protected from a European enemy by keeping his ships busy in European waters, by fighting them before they can cross the Atlantic, or by obliging them to remain in their harbours. In the same way, her Pacific coast might best be defended on the other side of the Pacific Ocean; a British fleet at Hong Kong would give more real protection to British Columbia than the same fleet at Esquimalt, and a fleet stationed there would equally and simultaneously protect Australia and New Zealand. If a policy of shore defence were adopted, each of these three British countries would be obliged to keep a fleet able to encounter the enemy, whereas one of these fleets, or a third of the total number, if placed at Hong Kong would do the work.

OUR BATTLESHIPS ACROSS THE OCEAN.

Thus we arrive at a conclusion as to the way in which Canada should use any warships she may acquire. If she has battleships, their place is not on her coasts, but on the other side of the ocean, to prevent, or help to prevent, an enemy's fleet from even starting towards her. In addition, it is advisable to provide around our own coasts a torpedo guard, to forbid them to the enemy's small vessels.

OUR SHIPS MUST WORK WITH THE BRITISH NAVY.

Obviously, such ships must work with the ships of the British navy. The only way effectually to defend Canada is to make common cause with the British navy, so that any country contemplating attack on any portion of the British Empire will know that it must expect to encounter the combined naval forces maintained by every portion of the Empire.

THE EMPIRE SHIPS MUST TRAIN TOGETHER.

Certain conditions which assert themselves in practical work make it urgent that the ships which are to fight in company and under one commander should train in company and under the same commander. One of these is the fact that battleships in fighting steam in fixed order, close together, and that it requires incessant drill and practice to enable the officers and men so to handle their ships as to "keep station". A single battleship or battle-cruiser kept isolated (as is proposed under the Laurier scheme) might have her crew well-trained for single-ship work (though in the absence of competition this would not altogether likely); but she would not be able without long training to manoeuvre with other ships of her class, and for some time after joining the fleet she would be a hindrance rather than a help to it. The officers of a fleet should be trained together, so that each one should know the admiral's methods and be prepared to obey his orders intelligently. In naval history nearly all attempts of fleets or navies which had been trained apart to work together in war have resulted disastrously.

THE CASE OF THE OFFICERS.

Another consideration has to do with the officers. We expect Canadians to enter the navy as officers. We can induce them to do so by offering them a career, and the better the chances the more likely the service is to attract spirited and able young men. If the service of a Canadian officer is restricted to the few ships which Canada can possess as part of a separate navy for many years to come, the career will offer comparatively little. The important posts will be few in number, and there will be a great block in promotion, as was the case in the American navy while it remained small. On the other hand, if a Canadian boy entering as a naval cadet had a full and fair chance of becoming an admiral in the Big Navy, of commanding a fleet in the North Sea or in the Pacific or in the Indian Ocean, the attractions would be far greater.

THE ALTERNATIVES.

Thus if the Canadian ships are to defend our country properly and effectively, the larger ones must spend all of their time in company with the ships of the British Navy—incorporated with its squadrons—and most of their time away from the coasts of Canada. The alternative is a navy too small to do its work; without proper training and so of inferior efficiency; in a word, second-rate, inferior, and unable to do the work for which it is created.

COMMAND AND CONTROL

The Difficulty Which Must be Faced in Solving the Problem of the Navy; and How the Borden Government is Setting About It.

The difficulty about keeping the Canadian ships with the British navy is the difficulty of command and control; and this difficulty must be faced. Suppose our three ships form part of an Imperial fleet of eight ships stationed at Gibraltar; that fleet will move hither and thither as the Admiralty orders. It is possible (though not probable) that some of these orders might prove distasteful to the Canadian people. Thus we must face this problem, that Canada, if she pays for the ships, must have a voice in managing them, in directing their movements.

SHALL WE HAVE A VOICE IN EMPIRE POLICY?

Two solutions are proposed for this problem:—

1. The Liberal-Conservative one. It is that Canada should have a voice in managing the forces of which Canadian ships form part; or, to put it in another way, that Canada should have a voice in the foreign policy of the Empire.

OR REMAIN ALOOF?

2. The Liberal one. It is that Canada should have no voice in managing the forces of the Empire; that in peace she should keep her ships separate from other British ships; that when war breaks out—as a result of a policy in which she has had no voice and about which she has not been consulted—she shall, if she chooses, place her ships at the disposal of the British Admiralty; and that her ships shall then be directed by a body in which she has no voice; or that otherwise Canada, after enjoying all the advantages of connection with the Empire for a long period of peace, shall seek refuge in a cowardly neutrality, and separate from the Empire for all time to come.

SHALL GREAT BRITAIN ALWAYS CONTROL OUR FOREIGN POLICY?

Let us take the Liberal solution first. Under it Canada in peace time would keep up a naval force which would be separate from the British navy and, through lack of emulation, lack of training in large fleets, lack of incentive, etc., probably somewhat inferior. She also would have nothing to do with the foreign policy pursued by the Government of the United Kingdom. The British Government, in pursuance of a policy upon which it had not consulted Canada, might enter upon a course which would result in war. Canada would then find herself at war whether she liked it or not. If the enemy was a maritime nation, she would find her trade attacked, her ships captured, perhaps her coasts raided: all without her having a word to say as to the outbreak of the war. She then, in all probability, would resolve to place her naval forces at the disposal of the Admiralty; the Admiralty and the Government directing it would remain wholly exempt from consultation with Canadian statesmen, and Canadian ships could be ordered to the ends of the world without a Canadian, even the Prime Minister, having the right to say a word on the subject.

LIBERALS URGE CANADIANS TO REMAIN COLONIALS.

This would prove a thoroughly unworkable arrangement. It would prove especially troublesome if a war occurred which, (1) grew out of a policy with which Canadians were not sympathetic, (2) caused serious damage to Canada. It amounts to the absolute management of our international affairs by the people of the United Kingdom. It makes Canadians in international affairs the subjects, not of King George, but of the Parliament of the United Kingdom. It makes Canada, not an integral portion of the Empire, but a colony. Those who advocate this course wish to remain colonists. Theirs is the Colonial Policy.

CONSERVATIVES URGE CANADIANS TO CEASE TO BE COLONIALS.

The Liberal-Conservative solution is that Canada shall have a voice in the management of the foreign policy of the Empire. Foreign policy in peace determines whether a country shall have peace or war; therefore, it is the foreign policy of the Empire in peace time which is important for our purpose. Further, it is a just and natural constitutional development that King George's subjects in Canada, as they increase in numbers and develop in strength, should take upon themselves higher duties and wider responsibilities, and should become the equals of his subjects elsewhere.

HOW TO GET A VOICE IN FOREIGN POLICY.

The phrase "to have a voice" is large and vague. The subject confessedly is difficult, and when a subject is difficult progress must be gradual. The British way is not to draw up a big scheme all at once and then force everybody to adopt it. Rather the British way is to take one step at a time. The Borden Government has taken the one step. It has arranged that a Canadian Minister shall remain in London permanently, except for journeys to Canada to consult with and sit with his colleagues; that this Canadian Minister is to have a seat all the time on the Committee of Imperial Defence, and that he is to have "free access" to the Prime Minister, Secretary of State for Foreign Affairs and the Secretary of State for the Colonies.

MR. BORDEN'S METHOD.

Mr. Borden described the arrangement in the following terms on December 5th, 1912:—

"I am assured by His Majesty's Government that, pending a final solution of the question of voice and influence, they would welcome the presence in London of a Canadian minister during the whole or a portion of each year. Such minister would be regularly summoned to all meetings of the Committee of Imperial Defence, and would be regarded as one of its permanent members. No important step in foreign policy would be undertaken without consultation with such a representative of Canada. This seems a very marked advance, both from our standpoint and from that of the United Kingdom. It would give to us an opportunity of consultation, and therefore an influence which hitherto we have not possessed. The conclusions and declarations of Great Britain in respect to foreign relations could not fail to be strengthened by the knowledge that such consultation and co-operation with the Overseas Dominions had become an accomplished fact."

(Hansard, 1912-13, p. 692.)

MR. HARCOURT'S STATEMENT.

The Rt. Hon. Lewis Harcourt, Secretary of State for the Colonies, described the arrangement in an official dispatch dated December 10th, 1912. After speaking of the decisions of the Imperial Conference of 1911, Mr. Harcourt said:—

"Subject to consultation with his colleagues in Canada, Mr. Borden provisionally accepted the resolution as passed and stated that he saw no difficulty in one of his Ministers, either with or without portfolio, spending some months of every year in London in order to carry out this intention.

A CANADIAN MINISTER IN LONDON.

"Mr. Asquith and I had, subsequently, several private conversations with him, at which he expressed the desire that the Canadian and other Dominions Minister, who might be in London as members of the Committee of Imperial Defence should receive, in confidence, knowledge of the policy and proceedings of the Imperial Government in foreign and other affairs. We pointed out to him that the Committee of Imperial Defence is a purely advisory body and is not, and cannot under any circumstances become, a body deciding on policy, which is and must remain the sole prerogative of the Cabinet, subject to the support of the House of Commons. But at the same time we assured him that any Dominions Minister, resident here, would at all times have free and full access to the Prime Minister, the Foreign Secretary, and the Colonial Secretary for information on all questions of Imperial policy."

"PENDING A FINAL SOLUTION."

These extracts show clearly what has been effected. It gives Canada information about, and influence in, the foreign policy of the Empire; it does not, and does not pretend to, give her authority in them. Mr. Borden distinctly says what he proposes is "pending a final solution of the question of voice and influence". His view is that it will:—

1. Give Canada more "voice" than she hitherto has had.
2. Give Canada less "voice" than she ultimately will have. For the time being it is enough, because we must learn by experience how it will work out in practice.

THE COMMITTEE OF IMPERIAL DEFENCE.

First we must learn what the Committee of Imperial Defence is. It is a body composed partly of Ministers of the United Kingdom; partly of Ministers of the self-governing Dominions; and partly of certain important officials, usually but not necessarily military and naval. It has several subordinate technical committees, composed of public servants, who work up cases for it to pronounce upon. The Prime Minister of the United Kingdom is the centre of it, and its purpose is to bring together all interests and points of view for study in a collected form. For instance, it has studied what action the civil departments of the Government should take if war were to break out, so that every harbour-master in England will have instant instructions as to what to do in that emergency; and the management of every railway; and so on. The Imperial Defence Committee has studied the problem of the defence of Canada and of Australia, and has prepared plans on the subject. It is consultative and advisory, but its advice has great weight with the Government of Great Britain. It must be borne in mind that the Ministers who sit on it are the most important Ministers of the Imperial Cabinet; so that if they are convinced that a certain course is desirable the Cabinet is practically certain to take the same view.

HOW IT WILL WORK.

Thus we see that henceforward, once the arrangement is effected, Canada will have a Minister sitting on this Committee. Sir Frederick Borden, Minister of Militia in Sir Wilfrid Laurier's Cabinet, sat with it on two or three occasions when questions specially relating to Canada were under discussion. Under the new arrangement, if it is a plan of defence for Malta, or Australia, or Hong Kong; or if it is a discussion of how to use British merchant steamers in time of war; whatever the nature of the discussion, the Canadian Minister will be present and will take part. Two effects will result:

CANADA'S VOICE WILL BE HEARD.

Plans which are being considered in London will be scrutinized from the Canadian standpoint, and if the Committee is in danger of embarking on proposals likely to prove distasteful to Canada they will be given the necessary information to that effect. The man giving them such information will be actually part of the Government of Canada.

CANADIAN GOVERNMENT WILL BE KEPT INFORMED.

The Canadian Government, for its part, will be kept aware of the plans being formed and the trend of world politics. This tendency will be strengthened by the arrangement that the Canadian Minister in London is to have "free access" to the three Ministers of the British Government whose work concerns Canada. That means that he is to be kept aware of the British policy in foreign affairs.

ONE STEP AT A TIME.

Liberals, in criticizing this plan, urge that it does not give Canada a share in the actual decisions affecting policy. The reply is that one step should be taken at a time. Certainly the influence of Canada will be considerable under the new scheme. If the British Government contemplates a given course and if the Canadian Minister on learning of the fact objects, the British Government will consider very seriously before disregarding that objection. At all events, after the Canadian Government has had the experience of working with a full knowledge of Imperial foreign policy, and the British Government has had some experience of the way in which the Canadian Government views foreign affairs, the way will be clear to decide on a new step forward, and to judge more clearly what that step would be.

COLONIALISM VERSUS FULLER PARTNERSHIP.

There the two policies are contrasted. One party wishes to remain Colonials. It wishes Canada to keep aloof from Imperial affairs when she can influence them and to come into them when she cannot influence them. It wishes our relations with France, Germany, Japan and the United States to be controlled for us by Englishmen, and calls our abstention from control "autonomy". The other policy procures for the Canadian Government full knowledge of and considerable influence in the foreign policy of the Empire; it also looks forward to closer relations still, and for a yet greater measure of Canadian control of policies in which Canada is interested.

THE LIBERAL DOCTRINE OF NEUTRALITY.

Canadians must not lose sight of the strange and dangerous assertions of Liberal leaders that Canada may remain neutral in British wars.

First, let us see exactly what they say. There have been numerous examples of it, headed by the clause in the Naval Service Act, 1910, that the Government of Canada in case of war "may" place the Canadian ships at the disposal of the Admiralty. On November 29th, 1910, Sir Wilfrid Laurier said:—

"We should stand on our own policy of being masters in our own house, of having a policy for our own purpose, and leaving to the Canadian Parliament, to the Canadian Government, and to the Canadian people, to take part in these wars, in which to-day they have no voice, only if they think fit to do so." (Hansard, 1910-11, p. 455.)

CANADIAN SHIPS MIGHT NOT FIGHT.

Earlier in that year, on April 19th, 1910, on being questioned by Mr. R. L. Borden, Sir Wilfrid Laurier put his view more plainly:—

MR. R. L. BORDEN: Would the right hon. gentleman permit me to ask him a question? Suppose a Canadian ship meets a ship of similar armament and power belonging to an enemy, meets her on the high seas, what is she to do? I do not ask now what she will do, if attacked; but will she attack, will she fight?

SIR WILFRID LAURIER: I do not know that she would fight, I do not know that she should fight either. She should not fight until the government by which she is commissioned have determined whether she should go into the war. That is the position we take, my hon. friend takes a different position. He says that without any question, under all circumstances, we are bound to send our ships into the war. We take a different position, and we say:—Let the country judge between us.

MR. R. L. BORDEN:—Would our ports and harbours be neutral like our fleet until an order-in-council had been passed?

SIR WILFRID LAURIER: I do not understand what my hon. friend means by asking if they should be neutral.

MR. R. L. BORDEN: I understood the Prime Minister to say that our ships would not fight until they were ordered to do so, and, therefore, they

would in effect be neutral until the Governor in Council had made an order that they should participate in the war. Have I misstated my hon. friend's position?

SIR WILFRID LAURIER: No.

MR. R. L. BORDEN: Then, inasmuch as our ships, under the conditions mentioned, will be practically neutral, I would like to know whether our ports and harbours will also be neutral in the same way?

SIR WILFRID LAURIER: I do not understand what my hon. friend means by asking if they would be neutral. If he means after an enemy has come into our harbour, then it will be time to resist them with our fleet.

MR. R. L. BORDEN: But if our ships do not attack the enemy when they meet the enemy on the high seas, on the same principle, may not the enemy's fleet come into our harbour without resistance or attack, without fear of aggression? Surely, that can be done; if it is feasible for the country owning those harbours to maintain neutrality on the high seas.

SIR WILFRID LAURIER: That would be a question to determine any time that a warship entered a Canadian port.

MR. R. L. BORDEN: The position of the Prime Minister is that ships flying the British flag should meet an enemy on the high seas and not attack them. That is a new tradition for the British navy. (Hansard, 1909-10, pp. 7461-62.)

CANADA "MAY NOT BE IN THE CONFLICT".

After the election of 1911 the Liberal leader modified his position a little, but not very much. Speaking on December 12th, 1912, on the Naval Aid Resolution, he said:—

"When England is at war, we are at war; but it does not follow that because we are at war we are actually in the conflict * * * We can be in the conflict only through two things, namely, actual invasion of our soil, or the action of the Parliament of Canada * * * Is it not a fact that our forces can go to war only by the action of this Parliament? You may give your sanction, now or at any time if you choose; but no one in this country will claim that we can go to war, except by the will of Parliament or by the force of circumstances." (Hansard, 1912-13, pp. 1034-35.)

THE MEANING OF THE LIBERAL DOCTRINE.

In effect, Sir Wilfrid Laurier and a good many of his followers claim that Canada is to determine, not only what part she will take in future wars, but whether she will take any part at all.

It is to be noted in the first place that Sir Wilfrid Laurier, whether intentionally or not, used exceedingly vague phrases. One is "take part"; the other is "go to war". There are more ways of "taking part" in a war than sending ships to join the battle fleet of one of the contending parties.

WARS WHERE PARTICIPATION WAS IMPOSSIBLE.

There have been and may be a certain number of wars in which Canada did not "take part" because, (1) there was no need to send armed forces, (2) the enemy did not come into contact with her at any

point. One such war was the Afghan War of 1879; the army in India was quite sufficient for the fighting necessary, and, Afghanistan being an inland country whose people do not travel outside of their own territory, Canada came into no sort of contact with the affair. The same conditions prevailed during the Egyptian War of 1882 (for the Egyptians had no merchant ships), during the Sudan campaigns of 1885 and 1898, and in numerous conflicts with savage races. It is meaningless to apply the expressions "take part" and "go to war" to insignificant struggles of this sort, which, compared to great wars, are but magnified police operations. What we all are thinking of are conflicts in which a great power or powers are arrayed against the British Empire. Sir Wilfrid Laurier's words mean that Canada is to stand aloof from or "take part" in such a conflict exactly as she chooses.

It already has been said that there are more ways of "taking part" than sending our ships, or our soldiers, to the scene of hostilities. Many questions would have to be settled. Among them are the following:—

WOULD THE LIBERALS ALLOW BRITAIN TO RAISE TROOPS IN CANADA?

Would Canada permit her territory to be used as a base of naval or of military operations by British forces? For instance, during the South African War the British Government raised certain troops in Canada; Britain paid for these soldiers, she raised them, she employed them, and Canada had nothing to do with these later "contingents", beyond the fact that some of her officials helped the British officials. Allowing that to be done was an act of war; it was "taking part"

COULD BRITISH WARSHIPS USE CANADIAN PORTS?

Would Canada give unrestricted use of her ports to British men-of-war to take refuge, concentrate, repair and refit? Would she allow them to bring their prizes to those ports? Would she establish prize courts to condemn them?

COULD HOSTILE WARSHIPS USE CANADIAN PORTS?

If she did all those things, would she allow warships of the nation fighting against the rest of the British Empire the same privileges in her ports? Suppose a large hostile warship were to chase a small British warship into Halifax. If Canada were really a neutral country she would be bound to order that British ship out of the harbour at the expiry of 24 hours, to be captured or sunk by her waiting enemy. If she neglected to do so she would not be behaving as a neutral, but would be "taking part".

WHAT ABOUT TRADE WITH THE EMPIRE?

What would Canada do if an enemy's fleet appeared on her coast? Let it buy coal and provisions and refresh itself? Or fight with it with all the resources at her command?

Would Canada continue to trade with other portions of the Empire? Would she protect British merchant vessels coming to her own waters? Would she expect the British navy to defend Canadian ships on the high seas?

Would Canada keep on trading with the enemy? Would she seize any merchant vessel belonging to the enemy which put into her ports? Would she allow British warships to seize hostile merchant ships in Canadian waters?

WHEN THE KING IS AT WAR WE ARE AT WAR.

These are only samples of the numerous questions which can be asked, each dealing with perfectly possible, and probable, developments; and in each case to give the answer which every Canadian will give means "taking part". All Canadians are subjects of His Britannic Majesty, and Canada is part of his dominions. When he is at war, Canadians are at war. If the enemy is important enough to come into contact in any way with Canada, Canada must "take part" and Canada "is not in the conflict" only when the foe is some tribe or country so small as to have no trade under its own flag. International law recognizes no middle position between whole-hearted belligerency and absolute neutrality.

WHAT WOULD THE REST OF THE EMPIRE THINK.

There is another consideration: what would the rest of the Empire think of Canada's neutrality? And what would it do? Would not the rest of the Empire think that Canada was seeking to combine the advantages of membership of the British Empire with avoidance of its risks and obligations? And would not British warships decline to protect Canadian merchant ships?

WHAT WOULD THE ENEMY DO?

Again—would the enemy recognize Canada's neutrality? It takes two to be neutral. The Empire is an international unit. It is difficult to see how a foreign power could distinguish a citizen of Canada from

any other British citizen. Canadian merchant ships would be precluded from flying the British flag, and British ship-owners would be forbidden to register in Canada and hoist the Canadian ensign. General Botha made an excellent remark in an interview with Reuter's Agency:

"If it is to the advantage of the Empire to have a number of its Colonies neutral, obviously it is to the disadvantage of the enemy. The enemy decides whether any part of the Empire is to be left alone."

HOW COULD CANADA MAINTAIN HER NEUTRALITY?

Finally, how is a country like Canada to assert and maintain its neutrality? Contending powers respect the neutrality of other countries only when they must. Witness the way in which Japan and Russia used Chinese territory as their fighting ground. There are only three ways in which neutral countries can make their neutrality respected:—

1. By having armed force so formidable that both belligerents will be afraid to trespass.

2. By having some more powerful country guarantee its neutrality. Canada, under Sir Wilfrid Laurier's theory, is to refuse the protection of the British navy; therefore, she must ask for the protection of some foreign power. Which power do the Liberals intend to invoke?

3. There is a third status possible, that of a "protected state" assigned to the oversight of some powerful neighbor. The only instances now in existence are the republics of Andorra and San Marino. Do the Liberals want Canada to join this noble band and make a third? And what neighbour will they choose as protector and superior?

In this connection may be quoted a remark by Major P. A. Silburn, D.S.O., M.P. for a Natal constituency in the Parliament of South Africa, in his book "The Evolution of Sea-Power":—

Let us assume for a moment that the neutrality idea, favoured by fortunately only a small section of colonials, was actually carried out, and what we all hope is the impossible really happened, that the British fleet lost a decisive battle in the North Sea; either the victorious power now in command of the seas would at leisure annex the newly declared independent and neutral states on the justifiable plan (? plea) that such declaration was made in the most sordid and cowardly spirit of self-interest; or if such a power was high-minded enough to refuse to sully its flag by placing such treacherous states under its protection, it would not be long before, in the case of Canada, that state passed by force of arms to the possession of the United States of America. The feeble struggles of an infant navy would avail her little, and in the case of Australia the Japanese Government would hardly waste time in sending her whole naval strength to make that long-wished-for and desirable country an Asiatic dependency. (Evolution of Sea-Power, pp. 229-230)

COLONIAL NEUTRALITY MEANS SEPARATION.

In brief, Sir Wilfrid Laurier's doctrine of Colonial neutrality, followed out, means separatism. The policy of the Liberal-Conservative party is that Canada is part of the Empire; that as such she is involved in any war into which it is drawn; and that she must do her part to bring any such war to an honourable conclusion.

A PRECEDENT FROM SCOTLAND.

The history of the British Isles affords a remarkable precedent. Between 1604, when the Crowns of England and Scotland were united, and 1707, when the Parliaments of the two countries were united, a condition of affairs existed in some respects not unlike that which obtains now between the United Kingdom and the self-governing dominions. Scotland had her own Parliament and local self-government, the only tie between the two countries being the common King. The King, however, took the advice of his English Ministers in foreign policy, and Scotland repeatedly found herself at war in pursuance of a policy framed by Englishmen. Scotland had no Foreign Minister and no ambassadors of her own, and when injustice was done to Scotsmen abroad representations had to be made through the English Secretary of State and the English ambassador. Scotland had an army of 3,000 men, a militia, and a navy of three small frigates, and these forces were involved in war by the action of Englishmen. On the other hand, English warships protected Scottish merchant ships.

SCOTLAND'S EXPERIMENTS WITH SEPARATIST POLICY.

As Scotland developed her trade, she found her policy more and more conflicting with English policy. For instance, in 1703, when the King of the two countries was at war with France, the Scottish Parliament passed a bill allowing a certain amount of trade between Scotland and France. In other words, Scotland asserted a right to treat alone with the King's enemies. In 1705 the Scottish Parliament demanded that Scottish ambassadors, accountable to the Parliament of Scotland, should take part in all negotiations with foreign countries.

SCOTLAND'S ALTERNATIVE WAS SEPARATION OR A VOICE IN POLICY.

Thus Scotland claimed a voice in the making of peace and war. The issue plainly became one of separation or closer union; Scotland had either to become a separate state or to acquire a voice in the foreign policy of an united Kingdom. The latter alternative was embraced, and there ensued the union under which Scotland prospered greatly.

THE "SCOTTISH NEUTRALITY" PARTY.

Thus we see that there was a "Scottish Neutrality" party prior to 1707, and that their policy led away from the true path of their country's prosperity and glory.

HISTORY OF CANADIAN NAVAL DEFENCE

How the Several Dominions Answered the Call of the Mother Country.

The history of Canada's participation in Empire defence goes back to 1851. In that year Great Britain asked her colonies to bear a larger share in the cost of her land defence. The Canada of that day (the provinces of Quebec and Ontario of to-day), though she had a revenue of less than \$6,000,000 a year, took action, and by 1855 had in existence a force of volunteers from which the present Active Militia force is descended. By 1870 the Dominion had assumed full charge of her land defence.

PRIOR TO 1902.

In 1902 there went through the Empire a feeling that the Mother Country should be helped by the daughter nations. Let us see what reply Canada, then ruled by Sir Wilfrid Laurier, made to the call.

WHAT THE OTHERS WERE DOING.

By 1902 Australia, which long had been interested in naval defence, had naval forces amounting to nearly 2,000 men; 242 were permanent and 1,637 "partially-paid". She had one "harbour defence ship" three gun-boats and four torpedo boats. She was spending about \$360,000 a year on these local forces, with which she was not satisfied. In addition, she was paying £106,000, or \$515,000, a year to the British navy as a contribution to the upkeep of the squadron maintained in Australasian waters.

New Zealand was paying £20,000 a year to the British navy for the same purpose as the Australian contribution.

Cape Colony was paying £30,600 a year to the Navy.

Natal was paying £12,000 a year to the Navy.

Newfoundland was contributing men, in the form of a force of Naval Reserve men recruited among the fishermen and seafaring men of the colony.

THE CONFERENCE OF 1902.

That was the state of affairs in 1902, when the Colonial Conference assembled in London. Australia alone was spending \$875,000 a year in helping the British navy and maintaining local naval forces. At the Conference the Governments of Australia and of New Zealand urged that more be done to help the naval forces of the Empire. The result was:—

Australia increased her contribution to £200,000, or nearly \$1,000,000, a year and undertook to establish a branch of the Royal Naval Reserve.

New Zealand increased her contribution to £40,000, or nearly \$200,000, a year, and undertook to establish a branch of the Royal Naval Reserve.

CANADA DID NOTHING IN 1902.

Canada gave nothing. Her Ministers said that they were "prepared to consider the naval side of defence".* They kept on "considering", till 1909, when public opinion was greatly roused on the subject.

THE CONFERENCE OF 1907.

The Conference of 1907 came. Australia and New Zealand again raised the question of naval defence, and desired to see more done. Cape Colony and Natal were ready to advance. Canada would do nothing further, her Minister of Marine, Mr. Brodeur, pleading that she policed her own fisheries, did some surveying, kept up a wireless service, and had taken over the dockyards at Halifax and Esquimalt. The Australians were anxious to establish a local navy; the New Zealanders to help the Big Navy; the South Africans preferred to raise a local force which could be used anywhere in the world in case of need.

DR. SMARTT'S RESOLUTION.

Finally the Premier of Cape Colony, Dr. Smartt, offered the following resolution:

"That this Conference, recognizing the vast importance of the services rendered by the Navy to the defence of the Empire and the protection of its trade, and the paramount importance of continuing to maintain the Navy in the highest possible state of efficiency, considers it to be the duty of the Dominions beyond the Seas to make such contribution towards the upkeep of the Navy as may be determined by their local legislatures—the contribution to take the form of a grant of money, the establishment of local naval

* Colonial Conference, 1902, p. 74 of the British Bluebook.

defence, or such other services, in such manner as may be decided upon after consultation with the Admiralty and as would best accord with their varying circumstances." (Colonial Conference, 1907, p. 541 of the British Bluebook.)

SIR WILFRID LAURIER'S REFUSAL.

Sir Wilfrid Laurier replied as follows:—

"I am sorry to say, so far as Canada is concerned, we cannot agree to the resolution. We took the ground many years ago that we had enough to do in our respect in our country before committing ourselves to a general claim. The Government of Canada has done a great deal in that respect. Our action was not understood, but I was glad to see that the First Lord of the Admiralty admitted we had done much more than he was aware of. It is impossible, in my humble opinion, to have a uniform policy in this matter: the disproportion is too great between the Mother Country and the Colonies. We have too much to do otherwise; in the Mother Country, you must remember, they have no expense to incur with regard to public works; whereas in most of the Colonies, certainly in Canada, we have to tax ourselves to the utmost of our resources in the development of our country, and we could not contribute, or undertake to do more than we are doing in that way. For my part, if the motion were pressed to a conclusion, I should have to vote against it." (Colonial Conference, 1907, p. 542 of the British Bluebook.)

Dr. Smartt argued, but the Prime Minister of Canada tartly replied: "I have said all that I have to say on the subject."

POSITION OF THE ADMIRALTY IN 1907.

It is important, in view of what occurred subsequently, to notice the attitude of the British Government and the Admiralty at this Colonial Conference of 1907. Lord Tweedmouth, the first Lord of the Admiralty, delivered an address in which the following observations occurred:—

"The only reservation that the Admiralty desire to make is, that they claim to have the charge of the strategical questions which are necessarily involved in Naval Defence, to hold the command of the naval forces of the country, and to arrange the distribution of ships in the best possible manner to resist attacks and to defend the Empire at large, whether it be our own islands or the dominions beyond the seas. We thoroughly recognize that we are responsible for that defence. We want you to help us in that defence. We want you to give us all the assistance you can, but we do not come to you as beggars; we gladly take all that you can give us, but at the same time, if you are not inclined to give us the help we hope to have from you, we acknowledge our absolute obligation to defend the King's dominions across the seas to the best of our ability * * *

"Of course, if each separate colony is to be treated on a different footing, we are quite ready to do that and to make separate arrangements with each separate colony according to its own wishes. I thoroughly recognize the great difference that there is between the conditions of one country and another. The desire of the Admiralty is to meet those wishes so far as they possibly can be met. I think, perhaps, it is impossible suddenly to make a change. I would suggest that a beginning should be made, and that probably the best way to start would be to allocate to local purposes certain portions of the subsidies already given. The particular purposes to which that money should be devoted

should be discussed in detail between the representatives of the various Colonies and the Admiralty, so that a thoroughly good scheme might be worked out in the end. At the same time we do not put aside the payment of the subsidies at all. From those Colonies who are desirous of continuing altogether on the lines on which they have gone in the past, we shall be very glad to accept their contribution, and accept it gratefully, and do the best to apply the money in a useful manner." (Colonial Conference, 1907, pp. 129, 131, British Bluebook.)

HON. GEORGE E. FOSTER'S RESOLUTION.

As time went by it became evident that the Canadian people were awakening to the importance of the question of naval defence. In January, 1909, when Parliament assembled, Hon. George E. Foster gave notice of the following resolution:—

"That in the opinion of this House, in view of her great and varied resources, of her geographical position and national environments, and of that spirit of self-help and self-respect which alone befits a strong and growing people, Canada should no longer delay in assuming her proper share of the responsibility and financial burden incident to the suitable protection of her exposed coast line and great seaports." (Hansard, 1909, p. 3484.)

This resolution affirmed the same principle as that which had been embodied in the Smartt resolution against which Sir Wilfrid Laurier had declared so sharply two years before. Mr. Foster's resolution was brought forward by him and discussed in Parliament on March 29th, 1909. In the interval there had arisen alarm over the relative position of the British navy. New Zealand and Australia had offered Dreadnoughts. What did Canada do?

SIR WILFRID LAURIER'S AMENDMENT.

Sir Wilfrid Laurier moved an amendment to Mr. Foster's resolution as follows:—

"The House fully recognizes the duty of the people of Canada, as they increase in numbers and wealth, to assume in larger measure the responsibilities of national defence.

"The House reaffirms the opinion, repeatedly expressed by representatives of Canada, that under the present constitutional relations between the Mother country and the self-governing dominions the payment of any stated contribution to the Imperial treasury for naval and military purposes would not, so far as Canada is concerned, be a satisfactory solution of the question of defence.

"The House has observed with satisfaction the relief afforded in recent years to the taxpayers of the United Kingdom through the assumption by the Canadian people of considerable military expenditure formerly charged upon the Imperial treasury.

"The House will cordially approve of any necessary expenditure designed to promote the organization of a Canadian naval service in co-operation with and in close relation to the Imperial navy, along the lines suggested by the admiralty at the last Imperial Conference, and in full sympathy with the view that the naval supremacy of Great Britain is essential to the security of commerce, the safety of the empire and the peace of the world.

"The House expresses its firm conviction that whenever the need arises the Canadian people will be found ready and willing to make any sacrifice

that is required to give to the Imperial authorities the most loyal and hearty co-operation in every movement for the maintenance of the integrity and the honor of the empire." (Hansard, 1909, p. 3512.)

NO REAL AID FOR GREAT BRITAIN.

This amendment, involving the withholding of all real aid to Great Britain in what appeared to be a grave crisis in the Empire's affairs, was not satisfactory to the opposition. At the same time, Sir Wilfrid Laurier was in control of the government of the country, and the Conservative party took the ground that the patriotic course was to procure from the Government some pronouncement on the subject, even though it was a half-hearted one.

MR. R. L. BORDEN'S COURSE.

Mr. R. L. Borden found the passages printed in bold type particularly objectionable, and also disliked the fourth paragraph, that relating to a Canadian naval force, as too vague. He made representations to Sir Wilfrid Laurier, who became aware that public feeling on the subject was running high, and the following form was agreed upon:

THE RESOLUTION OF MARCH, 1909.

"This House fully recognized the duty of the people of Canada, as they increase in numbers and wealth, to assume in larger measure the responsibilities of national defence.

"The House is of opinion that under the present constitutional relations between the mother country and the self-governing dominions, the payment of **regular and periodical contributions** to the Imperial treasury for naval and military purposes would not, so far as Canada is concerned, be the most satisfactory solution of the question of defence.

"The House will cordially approve of any necessary expenditure designed to promote the **speedy** organization of a Canadian naval service in co-operation with and in close relation to the Imperial navy, along the lines suggested by the admiralty at the last Imperial conference, and in full sympathy with the view that the naval supremacy of Britain is essential to the security of commerce, the safety of the empire and the peace of the world.

"The House expresses its firm conviction that whenever the need arises the Canadian people will be found ready and willing to make any sacrifice that is required to give to the Imperial authorities the most loyal and hearty co-operation in every movement for the maintenance of the integrity and honour of the Empire."

HOW MR. BORDEN IMPROVED THE RESOLUTION.

It will be seen that under pressure from Mr. Borden, Sir Wilfrid Laurier dropped the ungracious third paragraph, boasting of what Canada had done; changed "any stated contribution" to "regular and periodical contributions"; and put teeth into the fourth paragraph by the insertion of the word, "speedy".

WHAT THE RESOLUTION MEANT.

This unanimous resolution affirmed:—

1. That Canada acknowledged her responsibility in regard to Imperial naval defence.
2. That Canada promised action.
3. That, in time of emergency, special contributions are advisable and proper.
4. That, for a permanent policy, Canada should organize a naval service *along the lines suggested by the Admiralty in 1907*, to co-operate with the Imperial navy and *to be under one command with the Imperial navy in time of war.*

THE RESOLUTION WAS THE GENERAL POLICY.

This was the famous Resolution of March, 1909. Both parties agreed upon it, and it may be described as the charter of the naval policy of Canada. It represents a general policy to which all parties assented.

THE SPECIAL POLICY OF THE LAURIER GOVERNMENT.

It is one thing to lay down a General Policy. It is necessary to carry it out by devising a Special Policy. The dispute between the parties arose, not over this general policy, but over the special policy devised by Sir Wilfrid Laurier and his party as a means of carrying it out.

THE CONSERVATIVE CONTENTION.

The Conservative contention is that the Liberal Government, in carrying the Resolution of 1909 into effect devised a poor, halting, ineffective and positively harmful plan, which made a mock of Canada's loyal desire to aid the Empire. Later, in 1912, the Conservative Government laid before Parliament a temporary policy which carries out one aspect of the general policy of the Resolution of March, 1909, and the Liberals resisted it savagely.

THE LAURIER SPECIAL POLICY

Weak, Halting and Inefficient Measures which the Liberals Adopted to Carry Out the General Policy Which Had Been Unanimously Adopted.

The Resolution of March, 1909, and the interest shown by the other Dominions, resulted in the Defence Conference of 1909. This was held in July and August of that year in London. As a result of it the three great overseas Dominions, Canada, Australia and New Zealand, took action.

THE DEFENCE CONFERENCE OF 1909.

The Admiralty met the delegates from overseas with a definite proposition. In effect, they told the delegates that the Imperial navy could look after the Atlantic, but that it had been compelled virtually to abandon the Pacific, an ocean in which Canada was considerably, and Australia and New Zealand were wholly, interested.

THE ADMIRALTY PROPOSAL IN 1909.

Accordingly, they suggested that all parties unite in establishing an Imperial Pacific Fleet; the proposal was that *Canada and Australia should each contribute a Fleet Unit* and that New Zealand and the Mother Country should co-operate in providing two additional Units, so that there would be a *fleet of four battle-cruisers*, a dozen light cruisers of the "Bristol" type, 24 large destroyers, and a dozen submarines. Thus the several Dominions would have had their own naval forces, and these would have been combined into a splendid fleet in the Pacific. Based probably at Hong Kong, it would have protected all three Dominions, so far as their Pacific seaboard was concerned.

LAURIER'S RESISTANCE SPOILED SCHEME OF FOUR FLEET UNITS.

Owing to the resistance of Canada, led by Sir Wilfrid Laurier, this scheme of four Fleet Units fell through. Evidence that it was presented is available. The official report, in the portion devoted especially to

Canada, states that the Canadian representatives took the following position:—

"While, on naval strategical considerations, it was thought that a Fleet Unit on the Pacific as outlined by the Admiralty might in the future form an acceptable system of naval defence, it was recognized that Canada's double sea-board rendered the provision of such a Fleet Unit unsuitable for the present." (Defence Conference, 1909, British Bluebook, p. 23.)

MR. ASQUITH'S STATEMENT.

After the refusal Mr. Asquith, in his statement to the British House of Commons of August 26th, 1909, said:—

"A remodelling of the squadrons maintained in Far Eastern Waters was considered on the basis of establishing a Pacific Fleet, to consist of three units in the East Indies, Australia and China Seas." (Ibid., p. 19.)

SIR WILFRID LAURIER'S ADMISSION.

Later, Sir Wilfrid Laurier in introducing the Naval Service Bill, on January 12th, 1910, admitted that Canada had been asked to provide a fourth Unit for the Pacific:—

"The representatives of the Canadian Government at the Conference took the ground that it would not be advisable for Canada to have all her fleet on the Pacific Ocean. Evidently, as I understand the Conference, the British Government were anxious to have a strong force on the Pacific." (Hansard, 1909-10, p. 1736.)

MR. WINSTON CHURCHILL'S TESTIMONY.

Finally, Mr. Winston Churchill's letter to Mr. Borden of January 24th, 1913, contained the following passage:—

"In 1909 the question turned upon the provision by Canada in the Pacific of a fleet corresponding to the Australian fleet unit, involving an initial expenditure estimated at £3,700,000 and maintenance at an estimated cost of £600,000 per annum. The Canadian Government did not think this compatible with their arrangements and suggested that they should provide a limited number of cruisers and destroyers which were to be stationed in the Pacific and Atlantic." (British White Paper, Cd. 6,689, p. 4. Hansard, 1912-13, p. 5211.)

Sir Joseph Ward, in his letter of 11th August, 1909, to Mr. McKenna, mentioned the proposal that Canada furnish one Fleet Unit. (Defence Conference, 1909, British Bluebook, p. 27.)

THE ADMIRALTY'S MEMORANDUM, 1909.

The Admiralty further outlined its position in a memorandum which was published. In this it stated:—

"If the problem of Imperial naval defence were considered merely as a problem of naval strategy it would be found that the greatest output of

strength for a given expenditure is obtained by the maintenance of a single navy with the concomitant unity of training and unity of command. In furtherance, then, of the simple strategical ideal the maximum of power would be gained if all parts of the Empire contributed, according to their needs and resources, to the maintenance of the British Navy." (Ibid., p. 21.)

The memorandum, however, went on to recognize the desire of some Dominions for naval forces of their own, and it said:—

NOTHING SMALLER THAN A FLEET UNIT, WITH A BATTLE CRUISER.

"In the opinion of the Admiralty, a Dominion Government desirous of creating a navy should aim at forming a distinct Fleet unit; and the smallest unit is one which, while manageable in time of peace, is capable of being used in its component parts in time of war." (Ibid., p. 21.)

It will be seen that the Admiralty distinctly said that one Fleet Unit is the smallest force which it is advisable for a Dominion to set up by itself. It later described the battle cruiser as "The essential part of the Fleet Unit." Further, Mr. Asquith in his statement in the British House of Commons on August 26th, 1909, said:—

THE FLEET MUST BE OF A CERTAIN SIZE.

"It was recognized that in building up a fleet a number of conditions should be conformed to. The fleet must be of a certain size, in order to offer a permanent career to the officers and men engaged in the service; the personnel should be trained and disciplined under regulations similar to those established in the Royal Navy, in order to allow of both interchange and union between the British and the Dominion Services; and with the same object, the standard of vessels and armaments should be uniform." (Ibid., p. 19.)

Thus it is evident that the British authorities regarded one Fleet Unit as the minimum force to be set up by a Dominion desiring a navy of its own.

WHAT A FLEET UNIT MEANT.

It is convenient here to set down what a Fleet Unit would have meant if ordered in 1909:—

One Battle Cruiser (originally styled "armoured cruiser"). The type recommended was the "Indefatigable". The ships ordered by Australia and New Zealand are of 18,800 tons displacement, mount eight 12-inch guns, each firing a shell weighing 850 pounds, have a speed considerably in excess of 25 knots an hour, and need a crew of from 750 to 800 officers and men.

Three Light Cruisers (formerly called "second class cruisers"). The type recommended was the "Bristol" or "Town" class, so called because they were named after British towns and cities. The ships

ordered by Australia are of 5,600 tons displacement, steam about 26 knots, are armed with eight 6-inch guns, and need about 375 officers and men.

Six destroyers. The type recommended was an improved "river" class, so called because the original ships of this class were named after rivers in Great Britain. Those ordered by Australia displace 700 tons, have 26 knots speed, carry one 4-inch and three 12-pounder guns, and need 66 officers and men.

Three submarines. The type recommended was the "C" class, so termed because all the vessels of that type were named C1, C2, C3, etc. The earliest vessels tried were the A class; the next type was the B class. The C class, which in 1909 were the most modern, displace 321 tons when submerged, are 135 feet long and go from 12 to 14 knots an hour on the surface. It may be added that since then there have been built the D class, of 604 tons displacement and 15 to 17 knots surface speed, and the E class, of 800 tons submerged displacement, 176 feet long and 16 knots surface speed; while an F class is being built of 1,200 tons displacement and 18 to 20 knots surface speed. Three submarines probably would need what is called a "mother-ship" and at least 100 officers and men, as the crews cannot live on board them and must be frequently relieved.

THE LAURIER ANSWER TO THE BRITISH REQUEST.

This is the force for which the Admiralty asked. What was the answer of the Laurier Government?

THE LAURIER ANSWER TO THE BRITISH REQUEST.

1. It refused to go in for the Pacific Ocean scheme. Sir Wilfrid Laurier explicitly said this in introducing the Naval Service Bill:—

"The representatives of the Canadian Government at the Conference took the ground that it would not be advisable for Canada to have all her fleet on the Pacific Ocean." (Hansard, 1909-10, p. 1786.)

And, again, on the second reading:—

"Is there a man who will blame us because we said to the Admiralty that we could not agree to put all our forces on the Pacific Ocean?" (Hansard, 1909-10, p. 2969.)

2. It refused to contribute a dollar for naval purposes outside of Canada or to admit the principle of contributions.

3. It refused to accede to the principle of full Imperial control in time of war.

4. It resolved on two small, cheap, separated naval forces. It asked the Admiralty, not for a scheme that would fit in with the needs of the Empire, but what sort of forces could be procured for £400,000 and £600,000 a year. In the end it resolved on two forces:—

- (a) One on the Atlantic, of two light cruisers and six destroyers.
- (b) One on the Pacific, of two light cruisers.

5. It also promised to try to raise and train seamen for these vessels and bought two old cruisers to serve as training ships—the “Niobe”, a large vessel, and the “Rainbow” a small one.

It should be added that Australia accepted the idea of a Fleet Unit and a navy of her own. New Zealand agreed to furnish one battle-cruiser.

A HUMILIATING COMPARISON.

It is important to observe that at the end of August, 1909, the three Dominions started even. Australia agreed to build a whole Fleet Unit. New Zealand to build a battle-cruiser; Canada to build four light cruisers and six destroyers. Australia and Canada both wanted to establish naval ship-building industries within their own borders. Now let us see what progress the three countries made with these programmes. We may set forth the progress made by them all since the alarm of March, 1909:—

DATE.	AUSTRALIA.	NEW ZEALAND.	CANADA.
March, 1909....	Loyal Resolutions Passed.....	Loyal Resolutions Passed.	Loyal Resolutions Passed.
August, 1909....	Defence Conference.	Defence Conference.	Defence Conference.
Autumn, 1909....	Destroyers begun....	.....	.....
June, 1910.....	Battle Cruiser <i>Australia</i> begun....	Battle Cruiser <i>New Zealand</i> begun....	.....
October, 1910....	.....	Three destroyers ordered.....	.....
December, 1910.	Two destroyers reach Australia.....	.....	.....
February, 1911..	Light Cruiser <i>Sydney</i> begun.....	.....	Tenders called for 4 cruisers and 6 destroyers.
April, 1911.....	Light Cruiser <i>Melbourne</i> begun....	.....	.....
May, 1911.....	.....	.....	Tenders opened.
July, 1911.....	.....	Three destroyers completed. <i>New Zealand</i> launched	.....
October, 1911...	<i>Australia</i> launched.	.....	Contracts not given.
May, 1912.....	<i>Sydney</i> launched....	.....	.....
September, 1912.	<i>Melbourne</i> completed	.....	.....
October, 1912...	.....	<i>New Zealand</i> completed.....	.....
March, 1913....	<i>Australia</i> completed	.....	.....
July, 1913.....	<i>Sydney</i> completed	.....	.....

In addition, Australia built a third destroyer and began a third cruiser, the *Brisbane*, in her own dockyards. Slow progress has been made on the *Brisbane*. The latest Australian report, dated May 31, 1913, states that raw material was then being imported for her construction.

NO PROGRESS IN CANADA IN TWO YEARS.

It will be seen that when the Laurier Government, at the end of July, 1911, decided to hold a general election Australia had two destroyers in her harbours and a battle-cruiser and two light cruisers under construction and well advanced; the *Australia* was launched about the time the Laurier Government went out of office. New Zealand had a battle-cruiser launched and three destroyers for action. Canada had a lot of plans and tenders upon which the Government had refused to make a decision.

LAURIER GOVERNMENT DID NOT CARRY OUT ITS OWN POLICY.

Thus it appears that the Laurier Government did not build even the poor, inferior little programme which it promised to undertake. Excuses have been made that the Government was occupied with other matters. The hammers were ringing on the Australian and New Zealand ships, and two Australian destroyers were in Australian waters months before the Laurier Government even called for tenders. The fact that there was some delay in passing the Naval Service Act affords no reply. The Canadian Naval Defence Act was passed in March, 1910, and the Australian Act not until November, 1910. The Australians passed their act later and ordered their ships before they passed their act.

Thus the Australians and New Zealanders meant business with their big programmes and Canada did not mean business with her little programme.

HOW THE LAURIER GOVERNMENT STARTED THE NAVY.

Ships are not all. The Laurier Government set out to raise and train men. To do this it had to find the men; to provide the necessary establishments for recruiting and training these men; to build up a shore plant generally; and to organize a Government department to administer all these forms of activity. The Naval Service Department was organized; the Naval College at Halifax was begun; and the two old cruisers were obtained.

A FIASCO IN RECRUITING.

The training ships reached Canada in October and November, 1910. Some efforts were made to attract young men and boys to join, posters being displayed in a number of post offices; the efforts were not vigorous, and up to March 31st, 1912, the total number of Canadians who had been procured to serve as seamen or stokers was 349. Of these a number have deserted. The complement of a "Bristol" is 376, all ranks; so that there had been obtained and put under training perhaps enough men, from the numerical standpoint alone, to man one of the several ships promised. So far as officers are concerned, 29 cadets so far have been admitted to the Naval College which has been set up; the numbers are insufficient, as four "Bristols" and six destroyers would require about 80 officers.

PROPER ARRANGEMENTS FOR TRAINING NEGLECTED.

A singular situation, however, has developed with regard to the training of the seamen. The normal course is to "enter" a boy, as naval parlance has it, and to instruct him for two years on a training ship; he then is ready to pass out of the ship to other agencies for further training, and as one class passes out room is made for the youngsters who are just entering. The technical officers engaged warned the Laurier Government that it would be necessary to provide from the start for all phases of the sailor's training, and recommended that simultaneously with the procuring of the training ship naval barracks should be commenced. These barracks would be completed about the time the men first entered were ready to leave the *Niobe* and *Rainbow*, and in them the young seamen could be housed, and their training pursued. But the naval barracks were not begun, and the situation which ensued was that the *Niobe* was filled up with young men who ought to leave her to make room for newcomers, but for whom there was no accommodation elsewhere. What would become of a college whose graduating class could not leave it? That was the situation of the training ship, on the Atlantic coast at least. This is the direct result of the administration of the Naval Service Department by the Laurier Government, for naval barracks would take time to construct and the time to commence them was in 1910. The business of raising and training men for the Navy was in a complete mess in September, 1911.

THE IMPERIAL SIDE.

So much for the business aspect of the case. The Laurier Government broke its promise to build ships. Next comes its showing on the Imperial side.

The Defence Conference ended in August, 1909. The Canadian Parliament met on November 12th, 1909. It was not till January 12th, 1910, that Sir Wilfrid Laurier introduced the Naval Service Bill. It provided for the ten ships, four light cruisers and six destroyers, already mentioned, and also for a smaller light cruiser of 3,300 tons, of what is called the "Boadicea" type; the proposal to build this eleventh vessel was dropped very early. The ships were to be built in Canada. Sir Wilfrid Laurier said:—

COST OF BUILDING IN CANADA ONE-THIRD GREATER.

"The total cost of these eleven ships will be, according to the British figures £2,328,000, or a little more than \$11,000,000. According to Canadian prices, supposing the ships were to be built in Canada, we would have to add at least 33 per cent. to the cost just given." (Hansard, 1909-10, p. 1727.)

In 1913 the Liberals declared that it was absurd to suppose that building in Canada would cost one-third more than building in England. It will be seen that Sir Wilfrid Laurier when in power was the first to make this statement in Parliament.

AN ORD. B-IN-COUNCIL NAVY.

The proposed Canadian Navy was not to pass automatically under the control of the Admiralty in time of war; but, in case of emergency—defined as "war, invasion, riot or insurrection, real or apprehended"—it *may* be placed by the Government at the disposal of the Admiralty for general service in the Royal Navy. If this was done when Parliament was not in session, then Parliament was to be summoned within 15 days to approve the action of the Government. But if the Government were to choose not to allow the Canadian navy to take part in an Imperial war, Parliament was not necessarily to be summoned, so as to force the Government to take action.

CANADIAN NEUTRALITY AVOWED.

Sir Wilfrid Laurier defended this on the ground that Canadian "autonomy" must not be impaired. He said:—

"If England . . . we are at war and liable to attack. I do not say that we shall always . . . , neither do I say that we would take part in all the wars of England . . . is a matter that must be determined by circumstances, upon which the . . . Parliament will have to pronounce and will have to decide in its . . . judgment." (Hansard, 1909-10, p. 2965).

Questioned by Mr. Borden on April . . . 10, Sir Wilfrid Laurier however was plain in his avowal of a separate The passage in

which he said that a Canadian warship need not necessarily attack a hostile warship of equal force has already been quoted at pages 21 and 22.

SEPARATIST MOTIVES OF LIBERALS.

It may be added that this separatist view of the Canadian navy was put forward by certain Liberals, both inside and outside the House of Commons. Examples are:—

Dr. G. A. Turcotte, Liberal member for Nicolet:—

"I intend supporting the present policy of the Government because the more in my humble opinion we assert our national existence, the more we approach the state of national perfection, and the closer we get to the status of independence . . . Is it not proper and fair to acknowledge that the Canadian people gravitates towards and aspires after a state of complete development, complete maturity, which cannot be after all anything but independence, if not annexation . . . The establishment of a war navy will, in my humble opinion be the last step towards independence." (Hansard, 1909-10, p. 4624, 4625, 4628.)

And again:—

"I take back nothing that I have said. I stand firm in the position I took, that sooner or later independence or annexation will be the destiny of this country." (Hansard, 1910-11, p. 500.)

"WE ARE NOT INDEBTED TO GREAT BRITAIN FOR ANYTHING."

Mr. M. Y. McLean, Liberal member for South Huron, on March 1st, 1910:—

"I say this claim of our hon. friends opposite that we are greatly indebted to Great Britain is a fallacy which cannot be supported by fact. As a Canadian, I wish to say that in a material sense we are not indebted to Great Britain for anything, and in no sense is Canada indebted to her for more than good will and filial affection." (Hansard, 1909-10, p. 4418.)

A STEP TOWARDS THE INDEPENDENCE OF CANADA.

On October 29th, 1910, the Montreal Witness, Liberal, reported joint meetings held at L'Avenir and Ulverton in the Drummond-Arthabaska election thus:—

"The candidates, Messrs. Perrault and Gilbert, with their supporters, held two meetings yesterday, one in L'Avenir, and the other in Ulverton. The feature of the speeches was that in the navy bill the Liberals declared they saw a step towards the independence of Canada, while their opponents concluded that it was a step backwards to the loss of our autonomy.

The same paper on November 2, 1910, reports the meeting held at Victoriaville in the same election as follows:—

"Five or six members of Parliament were present at that meeting on the Liberal side, and they decided to let only two of them speak against the

enemy. Mr. Beland, M.P., and Mr. Gauthier, ex-M.P., two of the best orators of the Ministerial party were the choice. It was a splendid duel in which every good reason for or against the navy was presented in the most able manner. The Liberal speakers advocated the Navy Bill as the most glorious measure ever passed by the Canadian Parliament. They declared that it was a step toward the independence of Canada, for only a nation could have a navy."

WHAT THE LIBERALS DID WHEN IN POWER.

This, then, is what the Laurier Government did when in power. The two parties agreed on a General Policy which laid down the following principles:—

WHAT THEY AGREED TO.

1. Regular and periodical contributions to the British navy are regarded as inadvisable.
2. But special contributions to the British navy, to meet special circumstances, are approved.
3. Canada should organize a naval force which should:—
 - (a) Be on lines suggested by the Admiralty.
 - (b) In time of war be under one command with the Imperial navy.
4. This force was to be organized speedily.

WHAT THEY ACTUALLY DID.

The Special Policy which the Laurier Government devised to carry out this General Policy presented the following features:—

1. It made no provision for the immediate needs of the naval defence of the Empire.
2. It rejected the advice of the Admiralty.
3. It provided for a force which should not be under the one Imperial command in time of war unless until the Government of Canada should pass a special order-in-council. This was advocated in separatist language by Sir Wilfrid Laurier and several of his followers.
4. The Government dawdled about organizing the force:—
 - (a) It mismanaged the recruiting of men.
 - (b) It did not order the ships. It did not even call for tenders till the Australians and New Zealanders had made substantial progress with their programmes. It had the tenders before it for the whole of May, June and July, 1911, without ordering the vessels, though it did not contemplate an election until the very end of July, 1911.

THE REAL REASON FOR THE DELAY.

One further remark is to be made in this connection. On May 6, 1913, Mr. Pugsley gave an explanation of the reason for the delay in ordering the ships. He had been declaring that the Laurier Government had had a tender from Cammell, Laird & Co. to build the ships at St. John, and he was asked whether it had or had not accepted the offer. He replied:—

"The reason was that in the province of Quebec the question of a Canadian navy was being made an issue . . . In that province there were certain public men going from platform to platform seeking to create a prejudice against the Government, seeking to make the people believe that in some way the creation of a Canadian navy would work disastrously to the people of Quebec, that it would mean conscription, and that it would mean that the young men of Quebec would be drawn off into foreign wars . . . The Government thought that under the circumstances, as only a very short time had elapsed from the return of the then Prime Minister and the then Minister of Marine from England before the dissolution took place, that it would be proper to leave the awarding of contracts for the building of war vessels and to start upon the Canadian navy until after the elections took place." (Hansard, 1912-13, p. 9162.)

TRIED TO CONCEAL THE FACTS FROM QUEBEC.

This is an interesting confession. The tenders were not accepted because it was necessary to conceal from the people of Quebec the fact that the Government proposed to build a navy. The talk about conscription had been used by Mr. Brodeur against the Tupper Government not many years before, and Mr. Brodeur, who had become Minister of Marine, knew its force in the mouth of Mr. Bourassa and Mr. Lavergne. Therefore, while Mr. Pugsley was promising St. John shipyards and warships, tenders were not accepted and contracts were withheld.

CONSERVATIVE PARTY HAS NOT DEPARTED FROM THE RESOLUTION OF MARCH, 1909.

The conclusion is obvious. The Liberal-Conservative party did not recede from its advocacy of the General Policy decided on in March, 1909. It was justified in opposing the Special Policy put forward by the Laurier Government as not living up to the General Policy. The Liberal party paltered with the issue, in an effort to deceive Quebec.

ATTITUDE OF THE LIBERAL CONSERVATIVE PARTY

Mr. R. L. Borden Pursued an Absolutely Consistent Policy, in Full Accord With the Resolution of March, 1909.

When Sir Wilfrid Laurier first announced his policy Mr. Borden on the first reading of the bill, used the following language:—

“Lay your proposals before the people and give them, if necessary, opportunity to be heard, but do not forget that we are confronted with an emergency which may rend this empire asunder before the proposed service is worthy of the name. In the face of such a situation immediate, vigorous, earnest action is necessary. We have no Dreadnought ready; we have no fleet unit at hand. But we have the resources and I trust the patriotism to provide a fleet unit or at least a Dreadnought without one moment's unnecessary delay. Or, and in my opinion this would be the better course, we can place the equivalent in cash at the disposal of the Admiralty to be used for naval defence under such conditions as we may prescribe. In taking this course we shall fulfil not only in the letter, but in the spirit as well, the resolution of March last, and what is infinitely more important we shall discharge a great patriotic duty to our country and to the whole empire. (Hansard, 1909-10, p. 1761.)

MR. BORDEN'S POLICY.

Thus Mr. Borden without loss of time took the following positions:

1. He suggested that the people be consulted on the permanent policy.
2. He advocated an immediate provision of Dreadnoughts to strengthen the Empire's naval forces.

WHAT “EMERGENCY” MEANS.

It may be noted that Mr. Borden's phrase, “an emergency which may rend this Empire asunder before the proposed service is worthy of the name”, uses the word “emergency” in the sense which Conservatives have steadily employed and which Liberals have persistently misrepresented. The Liberal contention has been that an “emergency” meant some sudden, rapid catastrophe, such as the actual breaking out

of hostilities. Judging by the Australian example, if the Laurier Government had pressed its fleet proposals ahead with diligence, the "proposed service" would not have been "worthy of the name" for four years or more. Thus what Mr. Borden had in mind then was a state of affairs which might take four or five years to develop.

MR. BORDEN'S OBJECTIONS.

The debate on the second reading lasted from February 3 to March 10. Mr. Borden attacked the Government proposals on these grounds:

The suggestions of the Admiralty had been disregarded, both to the establishment of a fleet unit, and as to unity of control.

The bill provided for delay, discussions in council, etc., in time of emergency, and delay might be as fatal from the standpoint of efficient aid, as if the Government decided not to lend the navy at all.

Such a decision would be tantamount to a declaration of Canadian independence.

MR. BORDEN'S AMENDMENT OF MARCH, 1910.

In conclusion he moved the following amendment:—

"That the proposals of the Government do not follow the suggestions and recommendations of the Admiralty, and, in so far as they empower the Government to withhold the naval forces of Canada from those of the Empire in time of war, are ill-advised and dangerous;

"That no such proposals can be accepted unless they thoroughly ensure unity of organization and of action, without which there can be no effective co-operation in any common scheme of Empire defence;

"That the said proposals, while necessitating heavy outlay for construction and maintenance, will give no immediate or effective aid to the Empire and no adequate or satisfactory results to Canada;

"That no permanent policy should be entered upon involving large future expenditures of this character until it has been submitted to the people and has received their approval;

"That in the meantime, the immediate duty of Canada and the impending necessities of the Empire can best be discharged and met by placing without delay at the disposal of the Imperial authorities as a free and loyal contribution from the people of Canada, such an amount as may be sufficient to purchase or construct two battleships or armoured cruisers of the latest Dreadnought type, giving to the Admiralty full discretion to expend the said sum at such time and for such purposes of naval defence as in their judgment may best serve to increase the united strength of the Empire and thus assure its peace and security." (Hansard, 1909-10, p. 2991.)

The Government refused to accept this and it was voted down by the Liberals on March 9, 1910.

MR. MONK'S AMENDMENT FOR A PLEBISCITE.

On the second reading, Mr. Monk, acting on behalf of the Nationalists, offered an amendment that as the bill (which the Liberals in-

tended should constitute a permanent policy) changed the relations of Canada with the Empire, a plebiscite should be taken. The Liberals voted this down on March 9, and Mr. Borden and nearly all of the Liberal-Conservative party voted against it. The Conservative position was that public feeling should be tested by a general election rather than by a plebiscite.

MR. BORDEN FOR CONSULTING THE PEOPLE.

Mr. Borden's position on this matter was expressed on February 3, 1910, when he said:--

"I am as strong as any man in this country in the belief that it is the duty of Canada to participate upon a permanent basis in the defence of this Empire and to do our reasonable share in that regard. But I say that to attempt to force a policy of this kind upon the people of this country without giving them an opportunity to say yea or nay with regard to it, would be one of the worst mistakes that could be made by any man who really favoured that policy. If my hon. friend was able, in very short metre indeed, in 1899, to respond to the popular will, there seems no reason why he should not to-day be equally ready to respond to the popular will upon this question. What the people of this country want, as far as any man can judge who has observed currents of public opinion, what the people of this country desire, is immediate and effective aid to the Empire, and to have any proposals of a permanent character very carefully considered and matured, as they ought to be considered and matured, before any such policy is embarked upon, because there are a great many considerations that must be taken into account. (Hansard, 1909-10, p. 2989.)

MR. BORDEN'S POLICY IN BRIEF.

It will be seen that he favoured *an immediate contribution without an election and the testing of the permanent policy by a general election.*

On March 10, Mr. W. B. Northrup moved the six months' hoist. This was defeated.

MR. BORDEN FOR ONE UNITED NAVY.

The bill received its third reading on April 20, 1910. On that day Mr. Borden said:--

"What I contend for is the principle that in time of war there shall be one united naval force for the whole Empire, and that naval force shall be available to meet any enemy that may assail the integrity of the Empire.

But there is something beyond and above all that. If the naval forces of the Mother Country and all the dominions form part of one great united naval force of the Empire in time of war, what follows? Any enemy assailing the British Empire knows that it must meet those forces in times of war, that they are available for attack or resistance, for upholding the integrity of the Empire and the supremacy of its sea control. What is the other alternative? Under the proposals of the government what may an enemy anticipate??

It may anticipate that it will have to meet the naval forces of the Mother Country plus a potential order-in-council, which may not come into force until the integrity of the Empire shall have been destroyed * * *

ABSURD, UNWORKABLE, DANGEROUS AND REVOLUTIONARY.

"The proposals of the government seem to me in one aspect to be absurd and unworkable, but in another aspect they are dangerous and revolutionary. In so far as they are not unworkable, they are dangerous; in so far as they are not absurd they are revolutionary, because it is absolutely inconceivable that if Great Britain were engaged in a naval war and the Canadian naval force acted as if it belonged, not to the Empire or to Canada, but to some neutral country, such a condition would not lead or at least conduce to the early separation of this country from the British Empire * * *

"I am desirous, that this country shall co-operate upon some permanent basis in the naval defence of the Empire. I do not see how it is possible for us to remain within the Empire without taking some responsibility in that regard. What will the proposal of the government work out to? If we are to abstain from taking part in some war which may concern Great Britain or other dominions of the Empire chiefly, will Great Britain, on the other hand, when our Pacific coast may be assailed, say that she will take no part on our behalf, and that her navy shall remain in the North Sea? I am disposed to think that there is only one way of dealing with the naval forces of the Empire, and that is to have them united under some central control, and let the world know that those united forces are available for the maintenance of the sea supremacy of the Empire in time of war. They may not be called upon when certain wars occur, even wars involving the employment of the naval forces; but the mere fact that they are available is the important consideration. This is the principle I stand for and the principle I desire to see carried out. It is desirable, in the first place, that we should co-operate upon some permanent basis. It is desirable, in the second place, that if the conditions of the Empire at the present time are emergent, we should bear some immediate and effective aid to the Empire as a whole. I still maintain, notwithstanding all the arguments that have been advanced to the contrary that the proposal I submitted to the House involves the true principle in that regard; and that the true solution, the wise solution, of the great problem that is before the people of Canada to-day would be, in the first place, to bring immediate and effective aid in the manner I have already indicated to the House on the second reading of this Bill, and, in the second place, to mature more carefully and wisely the proposals for permanent co-operation by Canada in the naval defence of the Empire—to bring these proposals into parliament and discuss them, then to submit them to the people at a general election, and after that to have them carried into force according to the mandate and the direction of the free people of Canada." (Hansard, 1909-10, pp. 7533-7536.)

When the bill came up in the Senate, the Liberal-Conservative leader in that body, on 27th April, 1910, on the second reading, moved the following amendment:—

"This House is not justified in giving its consent to this bill until it is submitted to the judgment of the country."

The Senate voted this down.

When Parliament reassembled for the session of 1910-1911, which proved to be the last before the general election of 1911, Mr. Monk on November 22, moved an amendment to the address in reply to the speech from the throne regretting that the Government declined to consult the people "on its naval policy and the general question of the contribution

of Canada to imperial armaments". Mr. Borden agreed that the people should be consulted on the permanent naval policy, but could not support the concluding suggestion. Accordingly, he moved the following amendment to the amendment:—

MR. BORDEN'S AMENDMENT IN NOVEMBER, 1910.

"We beg to assure Your Excellency of the unalterable attachment and devotion of the people of Canada to the British Crown and of their desire and intention to fulfil all just responsibilities devolving upon this country as one of the nations of the empire. We desire, however, to express our regret that Your Excellency's gracious speech gives no indication whatever of any intention on the part of Your Excellency's advisers to consult the people on the naval policy of Canada." (Hansard, 1910-11, p. 228.)

In supporting this, Mr. Borden said:—

NAVAL CONTROL.

"Perhaps I should say a word or two on the subject of naval control which has been spoken of during this debate. While I respect the opinions of able and intelligent men who disagree with me, I cannot see that it is possible to maintain the naval supremacy of this Empire by a series of dis-united navies, not under one central control. We may be of different minds as to whether Canada should contribute to the defence of the Empire outside of her own territory, but if we once make up our minds that Canada is so to contribute, then it seems to me absolutely sure and beyond argument that the naval supremacy of the Empire can only be upheld by one great naval force under one great central control. That is my conviction, that is one reason why it seems to me the naval proposals of the Government are useless and could not be carried out effectually.

WHAT THE CONSERVATIVES WOULD DO.

"It may be fairly asked what we would do if we were in power to-day with regard to a great question of this kind. It seems to me that our plain course and duty would be this. The Government of this country are able to understand and to know, if they take the proper action for that purpose, whether the conditions which face the Empire at this time in respect to naval defence are grave. If we were in power we would endeavour to find that out, to get a plain, unvarnished answer to that question, and if the answer to that question, based upon the assurance of the government of the Mother Country and the report of the naval experts of the Admiralty were such—and I think it would be such—as to demand instant and effective action by this country, then I would appeal to parliament for immediate and effective aid, and if parliament did not give immediate and effective aid I would appeal to the people of this country.

PEOPLE MUST PRONOUNCE ON PERMANENT POLICY.

"Then, Sir, as to the permanent policy, I think the people have a right to be consulted. I do not know whether I have made my position clear, but I have done so according to my humble capacity. I think the question of Canada's co-operation upon a permanent basis in the defence involves very large and wide considerations.

CANADA MUST HAVE A VOICE.

"If Canada and the other Dominions of the Empire are to take their part as nations of this Empire in the defence of the Empire as a whole, shall it be that we, contributing to that defence of the whole Empire, shall have absolutely, as citizens of this country, no voice whatever in the councils of the Empire touching the issues of peace or war throughout the Empire? I do not think that such would be a tolerable condition. I do not believe the people of Canada would for one moment submit to such a condition. Shall members of this House, representative men, representing 231 constituencies of this country from the Atlantic to the Pacific, shall no one of them have the same voice with regard to those vast Imperial issues that the humblest taxpayer in the British Isles has at this moment? It does not seem to me that such a condition would make for the integrity of the Empire, for the closer co-operation of the Empire. Regard must be had to these far-reaching considerations, a permanent policy would have to be worked out, and when that permanent policy had been worked out and explained to the people of Canada, to every citizen in this country, then it would be the duty of any government to go to the people of Canada to receive their mandate and accept and act upon their approval or disapproval of that policy." (Hansard, 1910-11, pp. 227-228.)

MR. BORDEN'S MANIFESTO IN 1911.

When the general election came Mr. Borden, on August 14, 1911, issued a manifesto, in which the following passage occurred:—

"Since the last general election the Government has entered upon a new line of policy in regard to naval affairs, which is of far-reaching importance. The policy adopted was not debated before the people during that election, and it bears all the earmarks of a hasty and ill-considered scheme. In my judgment, our duty to the Empire cannot be properly or effectively fulfilled by such a measure. I hold that the plan of the Government contemplates the creation of a naval force that will be absolutely useless in time of war, and, therefore, of no practical benefit to Canada or to the Empire. It will cost immense sums of money to build, equip and maintain. It will probably result in time of war in the useless sacrifice of many valuable lives, and it will not add an iota to the fighting strength of the Empire. The more it is considered, the more does it become evident that the whole naval plan of the Government is an unfortunate blunder."

MR. BORDEN IN THE 1911 CAMPAIGN.

Speaking at London during the election, on August 15, 1911, Mr. Borden said:—

"The Government naturally seek to withdraw their naval policy from public attention in this contest. They propose at great expense to construct a so-called navy which will be absolutely useless as a fighting force. Upon the testimony of the leading members of the British Cabinet expressed in their public utterances we believed that the Empire was confronted with a grave emergency and we urged immediate and effective aid. The question of Canada's permanent co-operation in Imperial naval defence involves far-reaching consideration. The Government's proposals were clearly a political makeshift and not a serious attempt to deal with a difficult question. Responsibility for Empire defence clearly involves some voice in Empire policy. Canada's permanent and effective co-operation in naval defence can only be

accomplished by proposals which take account of this consideration and any such proposals should be submitted to the people for their approval.

"The Prime Minister (Sir Wilfrid Laurier) proposes to solve all difficulties by spending enormous sums on a useless navy with all the wasteful incidents of political patronage and by reserving the right to declare Canada's complete neutrality in time of war. This is a remarkable conception of our allegiance. If Canada remains neutral when Britain is attacked why should not Britain remain neutral when Canada is attacked? The Government's policy means the dismemberment of the Empire if it means anything and already it has been greeted with enthusiasm and acclaimed in quarters where that dismemberment would be hailed with rejoicing." (Montreal Gazette, August 16, 1911.)

Thus in the heat of the election Mr. Borden drew attention to his twofold policy of immediate and effective aid as a temporary policy and the submitting of a permanent policy to the electors.

SIR WILFRID LAURIER ON MR. BORDEN'S POLICY.

Further, speaking at Sorel on August 23, 1911, Sir Wilfrid Laurier said:—

"Mr. Borden's idea is to vote \$25,000,000 and give it to England. Do you want a navy actually made and manned in Canada or do you want to make an annual contribution to England?"

MR. BORDEN'S POLICY WAS DISCUSSED IN THE 1911 ELECTION.

Sir Wilfrid Laurier misrepresented Mr. Borden's policy, but he drew the people's attention to it.

Again, Mr. A. K. Maclean, speaking in Halifax on September 12, 1911, asserted that the navy was a principal subject under discussion, and that the Borden policy was to send twenty-five million dollars out of the country, while the Laurier policy was to build ships in Canada.

Further, at the convention held in Waterloo, Ont., on August 22, 1911, the Hon. William Lyon Mackenzie King said:—

Are the people of this country going to place at the head of affairs a man who will be precipitated into such a position as this, who will take from the treasury of this country and who would have taken money enough to build two Dreadnoughts and send that money to England so that they could spend it as they pleased? And against what country? He was ready to send money to build warships to fight Germany.

Many of the electors in North Waterloo are of German descent. Mr. King's utterance aroused wide comment, and his attempt to attack Mr. Borden's policy and his unworthy appeal to German-Canadians aroused a disapprobation which showed that Mr. Borden's policy commanded general favour.

Thus we see that Mr. R. L. Borden from the first announcement of the Liberal Special Plan to the general election followed a policy

which was thoroughly clear, thoroughly consistent, and entirely in harmony with the course which he adopted when he came to power.

He advocated a single contribution of Dreadnoughts, to meet the present needs of the Empire, without either referendum or election.

He advocated the testing of popular opinion on the permanent policy by a general election.

CANADIAN PEOPLE HAD AMPLE NOTICE.

Thus the electors of Canada had ample notice that Mr. Borden's policy was to give a single contribution at once, if the Admiralty said there was need, and to follow this up by devising a permanent policy which would be tested by a general election. He enunciated this policy as early as January, 1910; he repeated it again and again during that year; he drew attention to the subject and his stand thereon in his election manifesto and on the platform, and his policy was attacked by Sir Wilfrid Laurier and other Liberals on the platform, in and out of Quebec.

AND MR. BORDEN HAS A MANDATE.

The assertion that Mr. Borden had no mandate for his temporary policy of giving "immediate and effective aid" to the Imperial Fleets, in the form of three Dreadnoughts, thus is shown to be baseless. The people of Canada chose to elect him as Prime Minister after he had three times in Parliament in 1910, by speech and by motion, declared that his policy was to take exactly that course; and after he had in the course of the general election, by manifesto and speech, expressly drawn their attention to his naval policy. When a political leader repeatedly announces that he favours a certain course, when that course is debated by his opponents, and when he is elected at the ensuing general election, he has a mandate.

Throughout, Mr. Borden and the Liberal-Conservative party were firm in advocating an appeal to the people on the question of permanent policy and the Liberals were equally firm in refusing to allow any such appeal. The point is important, because the Liberals afterwards demanded that the Conservatives should not pass a temporary policy, let alone a permanent one, without an election.

POLICY OF THE BORDEN GOVERNMENT

Scrupulously Pursued the Line Laid Down by the Prime Minister When He Was Leader of the Opposition—A Consistent Course.

Mr. Borden became Prime Minister, and in the summer of 1912 he proceeded to Great Britain, to consult the British Government and the Admiralty. This was exactly what he had promised to do on November 24, 1910. (Hansard, 1910-11, p. 228; see above p.)

MR. BORDEN IN GREAT BRITAIN.

While in Great Britain he was received with great goodwill and hospitality, but refrained from giving any indication of his policy, beyond making clear the right of Canada to a voice in the control of a foreign policy the means of carrying out which she helps to keep up. Speaking at the Royal Colonial Institute on July 10, 1912, he said:—

"I have always held the conviction, and I hold it to-day—I am saying no new thing to you to-night when I declare that in my opinion the sea defence of the Empire can best be secured by one navy. (Cheers). Our ideal has been one King, one Flag, one Empire, one Navy (loud cheers) one Navy, powerful enough to vindicate the flag and maintain the integrity of the Empire. (Cheers).

NO SACRIFICE OF AUTONOMY.

"Now I do not want you to understand that in this regard we are proposing, nor is it necessary, to sacrifice in any respect the autonomy of the Canadian people. That is as dear to us as your own is to you. We have had almost complete autonomy in every respect during the past 20 or 25 years. It has been a gradual growth, a gradual evolution from the day of federation down to the present. We have vindicated our fiscal policy so (cheers), and from time to time the control of the Dominion over its own affairs has been emphasized. Therefore, in saying to you that I believe the supremacy, that the sea defence of the Empire, as an Empire, which, after all is the real defence of the Empire, as an Empire, can best be secured and best maintained by one Navy, I do not wish you for one moment to understand that I propose in that regard that any portion of the autonomy we have won in the past shall be sacrificed.

INSISTS THAT CANADA MUST HAVE A VOICE.

"I would like you to remember that those who are or who became responsible for the Empire's defence must, in the very nature of things, have some voice in that policy which shapes the issues of peace and of war. (Cheers). I would like you to understand that Canada does not propose to be an "adjunct" even of the British Empire (cheers), but, as has been well and eloquently expressed, to be a great part of a greater whole." (Times, July 11, 1912.)

MR. BORDEN'S SPEECH OF DECEMBER 5, 1912.

On his return Mr. Borden made his first pronouncement on December 5, 1912. This was at the earliest moment possible; Parliament was called on November 21; no business could be done until the debate on the Address was concluded, and the Opposition kept that alive until December 3. Mr. Borden's speech in making his announcement was of peculiar importance. He based it on a Memorandum on the naval situation which the Admiralty had drawn up. This Memorandum:—

THE ADMIRALTY MEMORANDUM.

1. Drew attention to the extraordinary increase of the German navy.
2. Proved that this had not been provoked by British naval increases.
3. Explained the gravity of the new German naval law of the spring of 1912. "The effect of the law will be that nearly four-fifths of the entire German navy will be maintained in full permanent commission; that is to say, instantly and constantly ready for war. . . . The number of battleships and large armoured cruisers which will be kept constantly ready and in full commission will be raised by the law from 21, the present figure, to 33—an addition of 12, or an increase of about 57 per cent."
4. Drew attention to the manner in which this great fleet is kept massed close to the shores of Great Britain.

THE SITUATION IN 1915 AND 1916.

5. Examined the situation as it will be in 1915 and 1916. Briefly, it will be that Great Britain will be in a fairly satisfactory position in the North Sea, in a less satisfactory position in the Mediterranean, and dangerously weak in overseas stations. "At the present time, and in the immediate future, Great Britain still has the power, by making special arrangements and mobilizing a portion of the reserves, to send,

without courting disaster at home, an effective fleet of battleships and cruisers, to unite with the Royal Australian navy and the British squadrons in China and the Pacific for the defence of British Colonies, Australia and New Zealand. . . . This power, both specific and general, will be diminished with the growth not only of the Germany navy, but by the simultaneous building by many powers of great modern ships of war."

6. Concluded as follows: "The Prime Minister of the Dominion, having inquired in what form any immediate aid that Canada might give would be most effective, we have no hesitation in answering, after a prolonged consideration of all the circumstances, that it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply."

This whole Memorandum is to be found in Hansard, 1912-13, pp. 679-684. It also is printed on pages 102 to 106.

THREE DREADNOUGHTS.

Acting on this official information; Mr. Borden proposed that Canada build three large battle-cruisers. "These ships," he said, "will be at the disposal of His Majesty the King for the common defence of the Empire. They will be maintained and controlled as part of the Royal Navy; and we have the assurance that if at any time in the future it should be the will of the Canadian people to establish a Canadian unit of the British Navy, these vessels can be recalled by the Canadian Government to form part of that navy, in which case, of course, they would be maintained by Canada and not by Great Britain. In that event, there would necessarily be reasonable notice of such recall."

NOT A PERMANENT POLICY.

Mr. Borden made two things clear:

1. This is not a permanent policy; it is the "immediate and effective assistance" of which he had spoken repeatedly.

NOT A POLICY OF CONTRIBUTIONS.

2. It is not to constitute the beginning of a permanent policy of regular and periodical contributions. He said:—

"In presenting our proposals, it will be borne in mind that we are not undertaking or beginning a system of regular and periodical contributions. I agree with the resolution of this House in 1909, that the payment of such contributions would not be the most satisfactory solution of the question of defence." (Hansard, 1912-13, p. 687.)

LIBERAL MISREPRESENTATION CORRECTED.

These are points upon which there has been much misrepresentation since by the Liberals. Mr. Borden repeated these assertions again and again:—

On February 27, 1913, on the second reading of the bill:—

"We are now proposing a measure of aid to the naval forces of the Empire, not by way of permanent co-operation but by way of meeting a need, an urgent need, which ought to appeal to every patriotic and thoughtful Canadian." (Hansard, 1912-13, p. 4258.)

SIR WILFRID LAURIER CONTRADICTED.

On April 7, 1913, he said:—

"The right hon. gentleman, (Sir Wilfrid Laurier) has reiterated over and over again in the course of his remarks that this is a policy of permanent contribution. I desire, speaking upon my responsibility as a member of this government, to take the strongest possible exception to the statement which the right hon. gentleman has made. I say, in the first place, that it is not a policy of contribution at all, and I say, in the second place, that it is not a permanent policy. That was stated on the 5th day of December last, I have stated it on more than one occasion since, and I state it again to-day in the strongest form of expression that parliamentary usage will permit." (Hansard, 1912-13, p. 7238.)

On May 15, 1913, Mr. Lemieux declared that Mr. Borden had "pledged Canada to pay permanent political contributions".

Mr. Borden challenged this and said:—

"I want to remind him (Mr. Lemieux) that I stated distinctly the reverse of that." (Hansard, 1912-13, p. 9965.)

HON. GEORGE E. FOSTER'S CONTRADICTION OF LIBERAL ASSERTIONS.

On December 18, 1912, the Hon. George E. Foster said:—

"The late Administration went out of office, and my right hon. friend formed a Government. When asked in the House what he proposed to do in reference to the policy of naval defence, he made exactly the same answer as he had made when leader of the Opposition. He said: 'I propose to go to Great Britain and ascertain, as nearly as I can, the exact state of affairs. If I find that there is a need or necessity, I will come back and ask this House for a money vote to meet that need. Then I will take up the question of permanent policy and thoroughly look into it * * *'

"Without going more into detail, that has been the policy of the present Government. Let me now, however, again call attention to the fact that, whether designedly or not, there is a disposition, upon which many individuals have already acted, to declare to the country that there is only one branch to the Government's defence policy; and that is the branch of contribution; that a permanent policy has been thrown to the winds, and there is to be no Canadian naval service. This is an absolute mis-statement of the Government's policy." (Hansard, 1912-13, p. 1373 and p. 1380.)

AND HON. W. T. WHITE'S.

On April 8, 1913, the Hon. W. T. White said:—

"Is there, in the Bill brought down by my right hon. friend to provide for increasing the effective naval forces of the British Empire, a single word or syllable or letter indicating that we are about to make the payment of regular or periodical contributions to the Imperial treasury? There is not one word whatsoever . . . I defy any hon. gentleman who can read and understand the English language to say there is one word in the Bill now before the House in contravention with the principle enunciated and laid down in the resolution of 1909. Further, I desire to say I am entirely against a policy of periodical or stated contributions, and that has been the policy of the right hon. Prime Minister from the beginning." (Hansard, pp. 7298-9.)

OTHER CORRECTIONS.

On December 17, 1912, Mr. H. B. Ames said:—

"There has been an attempt on the part of the Opposition to reduce this debate to a comparison of permanent policies. It is nothing of the kind. Hon. gentlemen opposite are overlooking entirely the fact that the permanent policy of the Government has not yet been disclosed." (Hansard, 1912-13, p. 1294.)

On May 9, 1913, Mr. A. E. Fripp said:—

"Neither must it be forgotten that the naval policy of the Government now propounded, is only a temporary policy." (Hansard, 1912-13, p. 9519.)

On May 26, 1913, Senator Lougheed said:—

"The present Prime Minister was then (1910) leading the Opposition, and no policy was more clearly defined than that which he laid before the House in 1910, and which in brief was that the scheme then before Parliament was inadequate and unsuited to the conditions that had arisen, and that under the emergency that faced the Empire he proposed that a substantial contribution should be made to the Imperial Government, and further that, if in the approaching elections he came into office, he would commit himself to an emergency contribution being made, and to the promulgation of a permanent policy, which, before its adoption, he would submit to the electorate . . .

"The grant in the Bill before us is an emergency grant." (Senate Hansard, pp. 714 and 717.)

SIR WILFRID LAURIER'S ADMISSION.

Further, Sir Wilfrid Laurier's amendment of December 12, 1912, demanded that Canada should "*enter actively upon a permanent policy of naval defence*,"—an express admission that Mr. Borden's proposal did not represent a permanent policy.

And, again, in the same amendment Sir Wilfrid Laurier regretted "the intention of the Government to indefinitely postpone the carrying out by Canada of a permanent naval policy." This is another admission; or rather a complaint, that the bill did not represent a permanent policy.

ASSISTANCE TO BRITAIN; A VOICE IN FOREIGN POLICY.

In dealing with the Admiralty Memorandum, Mr. Borden proceeded on two lines:—

1. The specific measures which should be taken by way of "immediate and effective assistance."
2. The change which is bound to come in the relation of Canada to the Empire as a result of her bearing a share in common defence.

In dealing with actual naval conditions, he made the following important remarks:—

CHANGE IN NAVAL CONDITIONS.

"The great outstanding fact which arrests our attention in considering the existing conditions of naval power is this. Twelve years ago the British navy and the British flag were predominant in every ocean of the world and along the shores of every continent. To-day they are predominant nowhere except in the North Sea. The paramount duty of ensuring safety in home waters has been fulfilled by withdrawing or reducing squadrons in every part of the world, and by concentrating nearly all the effective naval forces in close proximity to the British Islands. . . ."

NEED FOR NAVAL SUPERIORITY.

"The real test of our action is the existence or non-existence of absolute security. We cannot afford to be satisfied with anything less than that, for the risks are too great. It should never be forgotten that without war, without the firing of a shot or the striking of a blow, our naval supremacy may disappear, and with it the sole guarantee of the Empire's continued existence. I especially desire to emphasize this consideration; for all history, and especially modern history, conveys to us many grave warnings that the issue of great events may be determined, and often is determined, not by actual war resulting in victory or defeat, but by the mere existence of unmistakable and pronounced naval or military superiority on either side.

"The fact that trade routes, vital to the Empire's continued existence, are inadequately defended and protected, by reason of necessary concentration in home waters, is exceedingly impressive and even startling."

Dealing with the question of a separate navy such as the Laurier Government had proposed, he said:—

NO SEPARATIST NAVY.

"There have been proposals, to which I shall no more than allude, that we should build up a great naval organization in Canada. In my humble opinion, nothing of an efficient character could be built up in this country within a quarter or perhaps half a century. Even then it would be but a poor and weak substitute for that splendid organization which the Empire already possesses, and which has been evolved and built up through centuries of the most searching experience and of the highest endeavour. Is there really any need that we should undertake the hazardous and costly experiment of the highest endeavour? Is there really any need that we should undertake the hazardous and costly experiment of building up a naval organization especially restricted to this Dominion, when upon just and self-respecting terms we can take such part as we desire in naval defence through the existing naval organization of the Empire, and in that way fully and effectively avail ourselves of the men and the resources at the command of Canada?"

THE QUESTION OF BUILDING.

On the subject of where the ships should be built, which afterwards was much debated, he said:—

"They will be built under Admiralty supervision in the United Kingdom, for the reason that at present there are no adequate facilities for constructing them in Canada. The plant required for the construction of a dreadnought battleship is enormous, and it would be impossible at present to maintain shipbuilding in this country on such a scale. In any case, only the hull could be built in Canada; because the machinery, the armour, and the guns would necessarily be constructed or manufactured in the United Kingdom. The additional cost of construction in Canada would be about \$12,000,000 for the three ships, and it would be impossible to estimate the delay."

It will be seen that subsequent information made it clear that the additional cost of building in Canada would be more like \$17,000,000.

BUILDING UP CANADIAN SHIP-BUILDING.

On the question of ship-building in Canada, Mr. Borden added:—

"No one is more eager than myself for the development of shipbuilding industries in Canada, but we cannot, upon any business or economic considerations, begin with the construction of Dreadnoughts; and especially we could not do so when these ships are urgently required within two or three years at the outside, for rendering aid upon which may depend the Empire's future existence. According to my conception, the effective development of shipbuilding industries in Canada must commence with small beginnings and in a businesslike way . . . I am assured, therefore, that the Admiralty are prepared in the early future to give orders for the construction in Canada of small cruisers, oil-tank vessels, and auxiliary craft of various kinds. The plant required is relatively small as compared with that which is necessary for a Dreadnought battleship, and such an undertaking would have a much more secure and permanent basis from a business standpoint. For the purpose of stimulating so important and necessary an industry, we have expressed our willingness to bear a portion of the increased cost for a time at least. I see no reason why all vessels required in the future for our Government service should not be built in Canada, even at some additional cost. In connection with the development of shipbuilding, I should not be surprised to see the establishment of a higher class of engineering works, which will produce articles now imported and not presently manufactured in Canada."

CO-OPERATION AND AUTONOMY.

In dealing with the changes in the administration of the Empire rendered necessary by Canada's act in at last assisting with the defence of the Empire, he said:—

"We are necessarily confronted with the problem of combining co-operation with autonomy. It seems most essential that there should be such co-operation in defence and in trade as will give to the whole Empire an effective organization in these matters of vital concern. On the other hand, each dominion must preserve in all important respects the autonomous government which it now possesses. Responsibility for the Empire's defence

upon the high seas, in which is to be found the only effective guarantee of its existence, and which has hitherto been assumed by the United Kingdom, has necessarily carried with it responsibility for and control of foreign policy. . . . When Great Britain no longer assumes sole responsibility for defence upon the high seas, she can no longer undertake to assume sole responsibility for and sole control of foreign policy which is closely, vitally, and constantly associated with that defence in which the dominions participate. It has been declared in the past, and even during recent years, that responsibility for foreign policy could not be shared by Great Britain with the dominions. In my humble opinion, adherence to such a position could have but one and that a most disastrous result."

A CANADIAN MINISTER IN LONDON.

After describing the Committee of Imperial Defence, he said:—

"I am assured by His Majesty's Government that, pending a final solution of the question of voice and influence, they would welcome the presence in London of a Canadian minister during the whole or a portion of each year. Such minister would be regularly summoned to all meetings of the Committee of Imperial Defence, and would be regarded as one of its permanent members. No important step in foreign policy would be undertaken without consultation with such a representative of Canada. This seems a very marked advance, both from our standpoint and from that of the United Kingdom. It would give to us an opportunity of consultation, and therefore an influence which hitherto we have not possessed. The conclusions and declarations of Great Britain in respect to foreign relations could not fail to be strengthened by the knowledge that such consultation and co-operation with the Overseas Dominions had become an accomplished fact."

A TEMPORARY POLICY OF IMMEDIATE AID.

Such is the temporary policy of immediate and effective aid which Mr. Borden presented to Canada and passed through the House of Commons after a resistance by the Liberals embittered and unpatriotic beyond precedent. The following facts are to be borne in mind concerning it:—

NOT A PERMANENT POLICY.

1. It is not part of a permanent policy of contributions. Mr. Borden said this on December 5, 1912; on February 27, 1913, and on April 7, 1913. Mr. Foster said so on December 18, 1912. Mr. White said so on April 8, 1913. Mr. Ames said so on December 17, 1912. Mr. Fripp said so on May 9, 1913.

WHAT MR. BORDEN HAD ADVOCATED IN OPPOSITION.

2. It is exactly what Mr. Borden had advocated in his amendment of February 3, 1910; in it he moved that a *permanent policy*

should be submitted to the people, but that *in the meantime*, to discharge the immediate duty of Canada and meet the impending necessities of the Empire, there should be a contribution of two battleships.

3. It is exactly what the Admiralty desire; the last paragraph of their Memorandum states that if Canada wishes to aid the Empire, "it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply".

MR. WINSTON CHURCHILL ON THE CANADIAN SHIPS.

4. It is really needed; Mr. Winston Churchill early in 1913 made two important statements on the subject. On March 26, in introducing the naval estimates, he said:—

"First, there is the obvious dilemma about the Colonial ships. Either it is safe our standard of 60 per cent. is sufficient for the time being or it is not. If it is not proven to us that more is required, and if we are convinced we will increase it. If it is sufficient then the Colonial ships and other vessels are *ipso facto* redundant, and from that very cause an unjustifiable extravagance. That is in my opinion a false dilemma indeed, if I might emulate or borrow from the spacious vocabulary of the Prime Minister, I would call it a fuliginous dilemma.

A WARNING.

"The people of these islands cannot be expected to go on indefinitely bearing the whole burden of Imperial naval defence. We have done, and are doing, our duty, and more than our duty to the Empire as a whole. We are confronted with a great preoccupation in European waters in consequence of which we are making naval preparations hitherto unequalled in peace time. The maintenance of the strongest Navy in the decisive theatre is in itself the main safeguard for peace and security of the whole British Empire. We have also now, and in the immediate future we shall have, the power by making special arrangements to send powerful squadrons to any part of the British Empire which may be locally threatened.

THE NEED FOR CANADIAN ACTION.

"It is evident, however, that were the pressure in the decisive theatre to grow continuously, our power to detach local reinforcements would gradually become diminished. It therefore behoves the Overseas Dominions to make exertions for their own, and for the common security, whether by what are called local navies, or by what, in the Admiralty view, is more effectual, by additions to the Imperial Navy. It behoves them to make exertions by the one method or the other to preserve, restore, or increase the world-wide mobility of the Imperial Fleet. It could never be supposed that the naval development of the Dominions, and of the great possessions of the Crown overseas, could be restricted or discouraged on a count of any European standard, which we, in this island, found it convenient for the time being to follow. They, too, like us, must remain absolutely free, it is for them to choose the method of their naval developments, and it is for them to choose also, whether any naval forces, which they may call into being with our aid,

shall be additional to the British standards, or whether they shall be contributions in aid of the heavy burden now borne by the British taxpayer.

THE CANADIAN SHIPS ARE NEEDED.

"If, therefore, we are confronted with this, as I call it, false dilemma of the Colonial or Dominion ships, we may answer it directly. They are additional to the requirements of the 60 per cent. standard; they are not additional to the whole world requirements of the British Empire.

HOW THE CANADIAN SHIPS WILL BE USED.

"May I, with the indulgence of the House, make at this point a digression from the main argument I am pursuing, in order to outline the scheme of employment by the Admiralty of any capital ships which may be provided by Canada for general Imperial service. Of course, it is understood that Canada will always retain a right to recall these ships or giving reasonable notice; but while they are under the direct control of the Admiralty it is not proposed to merge them in the regular squadrons of the British Fleet. We propose to form them with the 'Malaya,' and, if agreeable to the Dominion concerned, with the 'New Zealand' into a new squadron of five ships of high uniform speed, to be called the Imperial squadron, which would be based on Gibraltar, and from that station could easily reach any portion of the British Empire in a shorter time than any European force of equal power could move. From that station it would be possible for such a squadron to reach Halifax in five days, Quebec in six, Jamaica in nine, the South American coast in twelve, Cape Town in thirteen, Alexandria in three, Sydney in twenty-eight, New Zealand in thirty-two, Hong Kong in twenty-two, and Vancouver in twenty-three days and the Channel in a very much shorter time.

SHOWING THE FLAG.

"Our intention is that this squadron should, as opportunity offers, cruise freely about the British Empire, visiting the various Dominions, and showing itself ready to operate at any threatened point at home or abroad. The Dominions will be consulted by the Admiralty on all the movements of this squadron, which are not dominated by military considerations, and special facilities will be given to Canadians, Australians, South Africans, and New Zealanders to serve as men and officers in this squadron. In this way, a true idea will be given of a mobile Imperial squadron of the greatest strength and speed patrolling the Empire, showing the flag, and bringing really effective aid wherever it may be needed. The squadron could, of course, be strengthened from time to time by further capital ships, or by fast cruisers, if any of the Dominions thought fit."

DEVELOPMENT OF NAVAL BASES.

"Side by side with this the Dominions will be encouraged by the Admiralty to develop the necessary naval bases, dockyards, cruisers, local flotillas, or other ancillary craft, which would enable the Imperial squadron to operate for a prolonged period in any particular threatened theatre to which it might be sent. There is no more valuable principle in Imperial federation than this principle, which I am bringing forward to-night, of inter-Dominion action. The homely old tale of the bundle of sticks, each of which could be snapped separately, but which bound together were unbreakable, is the last

word in the naval strategy of the British Empire. We cannot, of course, direct or control these developments. Each one of the Dominions is absolutely free to take its own course, and the Admiralty will do its best to work loyally in naval matters, with the responsible Ministers of any Government that may come into power in any part of the British Empire. That is our duty, but it is also our duty, with our knowledge and experience in naval matters, which is necessarily greater, to state clearly what we believe to be the right and sound plan for these important developments to follow in the future, and endeavour to combine, so far as possible, what is best for each with what is best for all." (English Hansard, 1912-13, pp. 1748-1761.)

MR. WINSTON CHURCHILL ON COMPARATIVE STRENGTH.

On March 31, Mr. Churchill said in the House of Commons:—

"We came to the conclusion some time ago that the minimum standard of 'Dreadnoughts' which should be maintained in Home waters should be three to two as compared with Germany; that is to say, that one-sixth of the 60 per cent. superiority might be considered available for foreign service or for the general service of the Empire in addition to the surpluses to which I have referred. Again, I say that these standards are conventional standards, and they are not to be interpreted unreasonably, nor ought they to be interpreted in any way which fetters the freedom of the Admiralty in moving the ships as they may think necessary from time to time, it being ridiculous to tell us that one or two ships more or less make any essential difference, having regard to the rest of the Fleet.

"THE WHOLE WORLD SERVICE OF THE BRITISH EMPIRE.

"Applying this principle to the figures for 1915 and 1916 it will be found after providing for the 50 per cent. superiority in Home waters, that there will be available for foreign service, for the whole world service of the British Empire—that is the phrase which should be used—follows: In the first quarter of 1915, seven; in the second quarter, ten; in the third quarter five; in the fourth quarter, seven; in the first quarter of 1916, ten; in the second quarter, five; in the third quarter, five; in the fourth quarter, seven; in the first quarter of 1917, nine and so on, an average of between six and eight vessels.

THE DOMINION MUST HELP.

"That is quite sufficient for the year 1915, with which we are at present dealing, but, having regard to the responsibilities of the British Empire both in the Pacific and the Mediterranean, and having regard in particular to the new developments in the Mediterranean, it is clear that the margin of strength available for the whole world service of the British Empire will not be sufficient for the first quarter of 1916 unless further steps are taken either by the Dominions or by ourselves.

THE THREE CANADIAN SHIPS ABSOLUTELY NEEDED.

"From this point of view, the reality of the need of the three Canadian vessels will be well appreciated. They would raise the margin of the strength available for the general defence of the Empire, after the main need in Home waters has been met, as follows: 1915, in the fourth quarter, 10; 1916 in the first quarter, 13; in the second quarter, 8; in the third quarter, 8; in the

fourth quarter, 10; 1917, in the first quarter, 12, and so on, an average of 9 or 10 vessels available for the whole world service of the British Empire. That, in the absence of further developments in the Mediterranean or in the Pacific beyond what is now in prospect, would be sufficient. If, however, new developments took place of such a kind as to affect Admiralty problems, or if the Canadian ships were to miscarry for any reason, the situation would have to be reviewed. It is unnecessary at the present moment, and it would be premature for me to say any more on the subject. I have given the fullest information in my power to the House, and I hope I shall not be pressed to add to it. I could not accede to such a request.

SOMEONE MUST PROVIDE THOSE THREE SHIPS.

"It is necessary, however, to make it clear that the three ships now under discussion in Canada are absolutely required from 1916 onwards for the whole world defence of the British Empire, apart altogether from the needs of Great Britain in Home waters; that they will play a real part in the defence of the Empire; and that, if they fail, a gap will be opened to fill which further sacrifices will have to be made without undue delay by others.

"With these facts in view, I ask the House seriously: Is it not unwise for some people on one side of the House to say that the Canadian ships are redundant, superfluous, and an unnecessary burden— (Hon. Members: 'No,') —and is it not equally unwise for other people on the other side to say that they ought to be redundant, superfluous, and an unnecessary burden? Both these views seem to me to be equally wrong and equally harmful to our interests, and I must repeat that the Canadian ships are absolutely necessary for the whole world defence of the British Empire from the end of 1915, or from the beginning of 1916 onwards. The fact that they are necessary is no measure of their value. Their value far exceeds the value of three ships. We can build three ships ourselves if necessary. Parliament has never refused to supply the money for that which responsible Ministers have considered necessary for the proper discharge of the responsibilities of the Crown. It is the fact of this great new nation coming forward, with all its measureless strength and possibility, to testify to the enduring life of the British Empire that has already produced an impression throughout the world of more value than many 'Dreadnought' ships, an impression which throughout the world conduces both to the safety of this country and to the peace of nations." (English Hansard, 1913, pp. 86-87.)

LIBERALS FIGHT THE NAVAL AID BILL

Desperate Resistance Offered to the Proposal to Give Ships to Fill a Need Existing for the World Defence of the British Empire.

The Liberal party offered a desperate resistance to the Naval Aid Bill, resorting to obstruction, and rendering it necessary to introduce and resort to closure to pass it through the House of Commons. Their majority in the Senate refused to pass the Bill.

This resistance was due mainly to anxiety to force an election which would give them another chance of power. To a party freshly in opposition an election is a game in which it has nothing to lose, and some chance of gain. Before Mr. Borden's policy was announced at all, before Parliament was called, Liberals at the capital were prophesying that their party would obstruct the Government on some measure or other, force it to dissolve, and get another chance of power. In anticipation of this they established a large central office in Ottawa, printed large quantities of pamphlets, and organized for a general election. Their whole course in this matter must be viewed in the light of this determination to force an election, which they arrived at before they knew what the naval policy of Mr. Borden's Government was. They viewed the naval defence of the Empire merely as a means to try to get back again into power.

On December 12, 1912, Sir Wilfrid Laurier moved an amendment to the resolution on which Mr. Borden had founded his Naval Aid Bill.

THE BORDEN RESOLUTION.

Mr. Borden's resolution was in the following terms:—

"Resolved, that it is expedient in connection with the Bill now before this House intituled: An Act to authorize measures for increasing the effective naval forces of the Empire, to provide:—

"(a) That from and out of the Consolidated Revenue Fund of Canada there may be paid and applied a sum not exceeding thirty-five million dollars for the purpose of immediately increasing the effective naval forces of the Empire;

"(b) That the said sum shall be used and applied under the direction of the Governor-in-Council in the construction and equipment of battleships or armoured cruisers of the most modern and powerful type;

"(c) That the said ships when constructed and equipped shall be placed by the Governor-in-Council at the disposal of His Majesty for the common defence of the Empire; and

"(d) That the said sum shall be paid, used and applied, and the said ships shall be constructed and placed at the disposal of His Majesty subject to such terms, conditions and arrangements as may be agreed upon between the Governor-in-Council and His Majesty's Government."

SIR WILFRID LAURIER'S AMENDMENT.

Sir Wilfrid Laurier's amendment was:—

"That all the words after the word 'That' be struck out, and the following be substituted therefor:—

"This House declines to concur in the said resolution and orders that the same be referred back to the committee with instructions to amend the same in the following particulars, namely, to strike out all the words after clause (a) and substitute therefor the following:

"The memorandum prepared by the Board of Admiralty on the general naval situation of the Empire and communicated to this House by the right hon. the Prime Minister on December 5 shows that several of the most important of the foreign powers have adopted a definite policy of rapidly increasing their naval strength.

"That this condition has compelled the United Kingdom to concentrate its naval forces in home waters involving the withdrawal of ships from the outlying portions of the Empire.

ADMITS THE BORDEN POLICY IS TEMPORARY, NOT PERMANENT.

"That such withdrawal renders it necessary that Canada without further delay should enter actively upon a permanent policy of naval defence.

"That any measure of Canadian aid to Imperial naval defence which does not employ a permanent policy of participation by ships owned, manned and maintained by Canada and contemplating construction as soon as possible in Canada, is not an adequate or satisfactory expression of the aspirations of the Canadian people in regard to naval defence, and is not an assumption by Canada of her fair share in the maintenance of the naval strength of the Empire.

ANOTHER ADMISSION.

"This House regrets to learn the intention of the Government to indefinitely postpone the carrying out by Canada of a permanent naval policy.

"It is the opinion of this House that measures should be taken at the present session to give effect actively and speedily to the permanent naval policy embodied in the Naval Service Act of 1910 passed pursuant to the resolution unanimously approved by this House in March, 1909.

"This House is further of the opinion that to increase the power and mobility of the Imperial Navy by the addition by Canada under the above Act of two fleet units, to be stationed on the Atlantic and Pacific Coasts of Canada respectively, rather than by a contribution of money or ships, is the policy best calculated to afford relief to the United Kingdom in respect to the burden of Imperial naval defence, and in the words of the Admiralty memorandum, to restore greater freedom to the movements of the British squadrons in every sea and directly promote the security of the dominions; and that the Government of Canada should take such steps as shall lead to the accomplishment of this purpose as speedily as possible."

WHAT THE LAURIER AMENDMENT MEANT.

Thus, if Sir Wilfrid Laurier's amendment had prevailed, the resolution would have read:—

“Resolved, that it is expedient to provide:—

“(a) That from and out of the Consolidated Revenue Fund of Canada there may be paid and applied a sum not exceeding thirty-five million dollars for the purpose of immediately increasing the effective naval forces of the Empire;

“The Memorandum prepared by the Board of Admiralty on the general naval situation of the Empire and communicated to this House by the right hon. the Prime Minister on December 5 shows that several of the most important of the foreign powers have adopted a definite policy of rapidly increasing their naval strength.

“That this condition has compelled the United Kingdom to concentrate its naval forces in home waters, involving the withdrawal of ships from the outlying portions of the Empire”, etc., and so on to the end of the amendment.

LIBERALS VOTED TO SPEND \$35,000,000 AT ONCE.

In other words, the Liberal leader proposed to fit together Mr. Borden's first paragraph, appropriating \$35,000,000, and his own motion, demanding the immediate adoption, in the course of the session, of a permanent policy of two Fleet Units.

The Liberals voted for this amendment on February 13, 1913.

MR. VERVILLE'S AMENDMENT.

On February 11, 1913, Mr. Verville, the member for Maison-neuve, who was elected as a Labour member, but who has invariably acted with the Liberals, moved an amendment to the amendment to add to the whole resolution the following words:—

“And the consent of Parliament should not be given to this resolution until it has been submitted to and received the approval of the electors.”

Sir Wilfrid Laurier and the Liberal party voted for this on February 13, 1913.

MR. TURRIF'S AMENDMENT.

When the Bill came up for second reading, Mr. J. G. Turriff, Liberal member for Assiniboia, on February 18, 1913, moved the following amendment:—

“That the said Bill be not now read a second time, but that it be resolved, that it is the constitutional duty of the Government, under the terms

of the British North America Act, immediately to introduce a measure for the readjustment of the representation of the provinces in the House of Commons, according to the population of the said provinces as established by the census of 1911, and that this House do not proceed further with this Bill until such readjustment has taken place, and the people have been duly consulted on the said Bill."

The Liberal party voted for this on February 27, 1913.

On February 27, 1913, Mr. J. P. O. Guilbault, Nationalist member for Joliette, moved in amendment to the amendment:—

"That the following words be added to the amendment, 'by way of plebiscite'."

The Liberals voted against this on February 27, 1913.

The second reading was passed on February 27, 1913. The Liberals and seven Nationalist members, Messrs. Achim, Barrette, Bellemare, Boulay, Guilbault, Lamarche and Mondou, voted against it.

AMENDMENTS ON THIRD READING.

On the third reading, on May 15, 1913, the Liberals moved the following amendments:—

By Mr. German:—That the appropriation for the building of the ships be voted from year to year by Parliament, instead of in one sum.

By Mr. Lemieux:—That all the works contemplated by the Bill should be executed under the Naval Service Act.

By Mr. Carvell:—That all the works contemplated under the Bill should be by contract upon public tender.

By Mr. Carroll:—That "whenever practicable" in the construction of the ships provided for, steel and other materials produced in Canada should be used.

LIBERAL AND NATIONALIST AGREE.

By Sir Wilfrid Laurier:—The six months' hoist.

Mr. J. P. O. Guilbault, Nationalist member for Joliette, tried to move the same motion as Sir Wilfrid Laurier, rising simultaneously; the Speaker, however, recognized the Leader of the Opposition. When Sir Wilfrid Laurier had finished his speech, Mr. Guilbault said that he seconded the motion. In accordance with Parliamentary custom, the Speaker mentioned the name of a Liberal member sitting close to Sir Wilfrid Laurier as the seconder; Mr. Guilbault, however, meant to move it and offered to second it.

THE SENATE KILLS THE BILL.

When the Bill reached the Senate the Liberal leader there, Sir George Ross, moved the following amendment:—

"This House is not justified in giving its assent to this Bill until it is submitted to the judgment of the country."

This was carried by a vote of 51 to 27. All the Liberal Senators voted for the amendment except the late Senator Ellis.

This killed the Bill.

CURIOUS PERFORMANCES OF THE LIBERAL PARTY.

Such being the story of the Bill, let us now look at the record of the Liberal party thereon.

First, it will be seen on examining Sir Wilfrid Laurier's amendment of December 12 that the leader and the party:—

ANALYSIS OF THE LAURIER AMENDMENT.

(1) Voted to appropriate \$35,000,000 in a lump sum for the purpose of immediately increasing the naval forces of the Empire.

(2) Demanded that Canada should "enter actively upon a permanent policy of naval defence," "without further delay"—*thereby admitting that the resolution before the House did not represent the permanent policy of Mr. Borden's Government; and demanding action forthwith, without any general election.*

(3) Condemned the Government for its intention "to indefinitely postpone the carrying out by Canada of a permanent naval policy"—*a second admission that the Naval Bill does not represent a permanent policy; and a second demand for action without a general election.*

(4) Demanded that the Naval Service Act of 1910 be acted upon *during the present session, i.e., in advance of an election.*

(5) Further demanded that the Government build Two Fleet Units, one to be stationed on the Atlantic and one to be stationed on the Pacific coast.

(6) Demanded that the vessels of these Fleet Units be built and manned in Canada.

Next let us examine the first paragraph of the resolution as Sir Wilfrid Laurier would have had it read, appropriating \$35,000,000 in a lump sum for immediate aid to the naval forces of the Empire. On this the Liberal party pursued a very remarkable course.

LIBERALS REFUSED TO CONSULT THE PEOPLE ON A PERMANENT POLICY.

First, let us recall the course of the Liberal party while in office:—

On March 9, 1910, it had voted down a proposal to submit a permanent policy to the people.

On March 9, 1910, it had voted down a proposal to submit a permanent policy to a plebiscite.

On December 1, 1910, it had voted down a proposal to consult the people on a permanent policy.

Next let us see what it did with this proposition in 1913:—

VOTED FOR ELECTION IN ADVANCE OF TEMPORARY POLICY.

On February 13, 1913, it voted for Mr. Verville's sub-amendment, that before Parliament consented to the proposition it should be submitted to the electors. As the Liberals voted against a subsequent amendment demanding a plebiscite, it is plain that Mr. Verville and the Liberals meant a general election. Thus they voted *that the session should end with no action taken*; that there should be a general election and that the new Parliament should guide its action by the result of the contest.

VOTED FOR PERMANENT POLICY AT ONCE.

On the same evening, twenty minutes later, the Liberal party voted for Sir Wilfrid Laurier's amendment, which among other things demanded that the Government should go ahead with a permanent policy "*at the present session*", and "*without further delay*", i.e., *without any election*.

VOTED ON BOTH SIDES OF THE QUESTION.

Thus on the same day, within the same hour, Sir Wilfrid Laurier and the Liberal party *voted on both sides of the same question*. They first voted that nothing should be done, that not even a temporary policy should be authorized, until a general election had been held, and they then voted that a permanent policy should be pushed on before a general election should be held.

ANOTHER CHANGE OF FRONT.

Thirdly, on February 27, after having voted that \$35,000,000 should be appropriated in a lump sum for the purpose of immediately

strengthening the naval forces of the Empire, they voted that the bill to that effect be abandoned until there had been a general election.

Fourthly, they voted against a plebiscite on the subject.

Thus the record of the party is:—

1. They voted to do nothing till a general election had occurred.
2. They voted to spend \$35,000,000 before a general election.
3. They voted to go ahead with a permanent policy before a general election.
4. They voted to do nothing until a general election had occurred.
5. They voted against a plebiscite.

It only needed a vote for a plebiscite to make this double-faced policy complete.

AMUSING INCONSISTENCIES OF AN ANGRY AND DESPERATE PARTY.

Or, to put it in another way, the Liberal party in the House of Commons voted for the following propositions:—

1. That \$35,000,000 be voted in a lump sum, to be applied over a series of years to the immediate increasing of the naval forces of the Empire. (Voted on February 13, 1913.)
 2. That the money needed for the foregoing purpose be not voted in a lump sum, but by yearly vote. (Voted on May 15, 1913.)
 3. That Canada should "enter actively upon a permanent policy of naval defence", and do so "without further delay". (Voted on February 13.)
 4. That nothing in the way of naval defence be done until an election had been held. (Voted on February 13.)
 5. That the Government should be condemned for not carrying out a permanent naval policy at once. (Voted on February 13.)
 6. That nothing in the way of naval defence should be undertaken until redistribution had been effected and an election held. (Voted on February 27.)
 7. That measures be taken during the session, *i.e.*, in advance of any election, to carry out the Naval Service Act, *i.e.*, a permanent policy. (Voted February 13.)
 8. That two fleet units be established, as speedily as possible, *i.e.*, without waiting for an election. (Voted on February 13.)
 9. That there be no plebiscite. (Voted on February 27.)
- There is sufficient variety here to suit nearly all tastes.

THE COURSE OF THE SENATE.

The course of the Senate may be glanced at.

In 1910 the Senate had before it a Bill to establish a permanent naval policy. In the Commons repeated demands had been made that an election should precede its adoption, not because it helped the Empire, but because it committed the country to a permanent policy. The minority in the Senate moved to take the opinion of the electors, on this ground. The majority of the Senate voted this down and passed the Act.

In 1910 the policy of the Senate was:—A Permanent Policy and No Election.

In 1913 the Senate had before it a Bill which embodied a temporary, not a permanent, policy. Those who introduced it said that the policy was temporary, not permanent. Sir Wilfrid Laurier in his principal amendment had twice admitted that the policy embodied in the Bill was not permanent. The same majority in the Senate insisted that there must be an election first.

In 1913 the policy of the Senate was:—No temporary policy without an election.

The two are in absolute contradiction.

MR. BORDEN'S FINAL ANNOUNCEMENT.

Finally, on June 6, 1913, just as Parliament was about to prorogue, Sir Wilfrid Laurier tauntingly asked Mr. Borden what he proposed to do about it. Mr. Borden replied:—

"The announcement by the Government of the United Kingdom that the taxpayers of the British Islands are to be called upon to pay for three Dreadnoughts which are to be laid down in the place of those that should have been furnished by Canada under the provisions of the Naval Aid Bill, is a matter for earnest and grave consideration. In the first place, that action of the British Government, according to my conception, shatters every argument and contention on the part of those who reiterated over and over again to this House that there was no condition of urgency."

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WHAT WILL BE DONE.

"The defeat of this measure by the Liberal majority in the Senate at the dictation of the right hon. gentleman who leads the Opposition, prevents us at present from arranging that the British Government shall proceed with the construction of these ships on behalf of Canada. Technically, the Parliament of Canada has refused this aid. In reality, this aid has been refused by a partisan majority in the Senate, at the dictation of the right hon. gentleman, a majority having no responsibility whatever to the people of Canada. But, in view of the fact that these proposals were made by the

Government of Canada upon information which they had received from the British Government through the Admiralty, which they regarded as disclosing grave conditions, it may be possible in the future to make right that which had been made wrong at the present by the right hon. gentleman and his irresponsible friends in the other House. The construction of these ships is apparently to be proceeded with by the British Government. It is quite out of the question for us at the moment to make any advance or approach to the Imperial authorities under the condition which has been created by my right hon. friend, because, technically, this measure has been rejected by the Parliament of Canada, although, in reality, it has been defeated by a few partisans in the Senate who do not represent in any sense whatever the true desire and wish of the Canadian people.

THE GOVERNMENT IS DETERMINED.

"As the construction of these ships is to be proceeded with by the British Government, as they are apparently to be of the same character, the same strength and the same fighting value as those which we proposed, as they are to be employed for the same purpose, that of the common defence of this Empire, which we had in mind, it is the firm intention and determination of this Government, if it remains, as undoubtedly it will remain in power, to bring down, at a later date, a proposal for the acquisition or construction of three battleships, as was proposed in the Naval Aid Bill of 1912. In that way, before the completion of these ships, we hope and expect to be in a position to say to the British Government: Canada is prepared to do now what the unworthy action of a partisan majority in the Senate prevented her from doing before; Canada will take over and pay for and acquire these ships and will place them at the disposal of His Majesty the King for the common defence of the great Empire of which Canada forms a part."

IS THERE AN EMERGENCY ?

Liberals Say No — Persons Who Know Say That the Necessary Margin of Strength is Declining and that Action by the Dominions is Necessary.

From this point onward it is necessary to examine a series of propositions laid down by the Liberals. These are not particularly well connected or consistent, but they must be examined one by one.

The first thing to notice is that Sir Wilfrid Laurier and the Liberals utterly deny that there is an emergency. "This document," Sir Wilfrid Laurier said on December 12, "shows that there is no emergency; that England is in no danger, whether imminent or prospective." (Hansard, 1912-13, p. 1025.) The Liberals have followed this lead ever since. Again, Sir Wilfrid Laurier contended that he knew in 1909 everything disclosed in the Admiralty Memorandum of 1913. He said:

SIR WILFRID LAURIER KNEW IT ALL.

"The memorandum which my right hon. friend submitted the other day disclosed nothing which we did not know before. Every word that is there we knew; every figure we knew. I may say more; every word, every figure in that memorandum we discussed four years ago. We discussed it in the month of March, 1909." (Hansard, 1912-13, p. 1029.)

THEN WHY HIS CHANGE IN POLICY ?

This being the case, we notice that Sir Wilfrid Laurier while in power and knowing all these things, (1) was content with a poor, weak, little policy, and (2) did not carry it out; and that Sir Wilfrid Laurier out of power, and trying to get back, is for a fine, big policy, though he says that he has learned no new facts and that there is no emergency or danger.

IN POWER AND OUT OF POWER.

Thus the situation, on the same facts, is:—

1909—Sir Wilfrid Laurier, in power, decides upon certain information to provide four light cruisers and six destroyers.

1912—Sir Wilfrid Laurier, out of power, and upon the same information, wants two Dreadnoughts, six light cruisers, twelve destroyers, and six submarines.

If Sir Wilfrid Laurier wants so large a force to-day, why was he content with so small a force in 1911?

The four light cruisers and six destroyers which the Laurier Government talked of but never ordered would have cost \$11,280,000 and would have been finished slowly and so late that they would go on their first cruise as old-fashioned vessels, liable to meet many other vessels of similar type but superior design.

The two fleet units which Sir Wilfrid Laurier now demands (upon the very same information which he says he possessed in 1909) would cost, if built in Great Britain, about \$50,000,000; if built in Canada, on Sir Wilfrid Laurier's own calculation of 1910, \$66,000,000; and would not be finished much before 1920.

IS THERE AN EMERGENCY?

From this consideration of Sir Wilfrid Laurier's attitude on the emergency, we may pass to the more important question of whether there is or is not such an emergency; or, rather, whether it is necessary to provide three battle-cruisers for the British Empire.

A DEALING IN FUTURES.

The whole question of "emergency" or rather "need" is a dealing in futures. It takes on an average from 30 to 36 months to build a British battleship, about 18 months to build a fairly large cruiser, and shorter times to build smaller craft, such as light cruisers, destroyers and submarines. The Admiralty thus have to consider two questions:

1. Are the ships now completed sufficient in number and power to deal with the ships now completed belonging to any country or countries which might become hostile?

WHAT ABOUT 1916?

2. Will the ships now completed, plus the ships which are being built, be sufficient two, three or four years hence to meet the ships which then will be at the disposal of other countries which might declare war?

So far the answer to the first question always has been "yes". The question which Governments, members of Parliament, and the electors have to consider is the second. It takes from two to three years to turn a resolve to build ships into the ships themselves, ready to fight an

enemy. If the three Dreadnoughts which were to have been provided by Canada are begun in October, 1913, they will be ready in the fall of 1915 or the beginning of 1916. The question of "emergency" or "need" thus relates to conditions in 1915, 1916 and 1917, not to conditions in 1913. An ignorant man, or a man who wishes to mislead the people thus can make cheap points by saying there is no "emergency" because the British fleet of the present moment is strong enough for its work.

The real state of the case is set out by Mr. Winston Churchill's statement that the Canadian ships are absolutely necessary "from the end of 1915 or from the beginning of 1916 onwards".

If the ships are necessary in 1915 or 1916 they must be begun in 1913. That is the need.

WAS THE ALARM IN 1909 BASELESS?

An example of this sort of talk is the repeated assertions of the Liberals that the alarm of 1909 was a mere baseless "scare". In that year Liberal Cabinet Ministers in Great Britain told Parliament that the German Navy was increasing so rapidly that the situation in 1912 would be serious if some steps were not taken. Liberal orators in Canada to-day declare that in 1912 the British navy was strong enough—therefore, the alarm had been baseless. They do not mention that the British Parliament forthwith ordered four battleships that it had not intended to order, and that it is because of the presence of those four ships that the British navy is strong enough for its work to-day.

This can be proved. In the spring of 1913 the strength of the two navies in Dreadnoughts ready for service was:—

Great Britain and New Zealand:.....	24
Australia	1
Germany	13

IT CAUSED SIX EXTRA SHIPS TO BE BUILT.

Of the 25 ships belonging to the British Empire, six owe their existence to the "German scare" of 1909. The *Conqueror*, the *Monarch*, the *Thunderer*, ships mounting ten 13.5-inch guns each; the *Princess Royal*, a battle-cruiser with eight 13.5-inch guns; the *New Zealand* and the *Australia*, battle-cruisers, each mounting eight 12-inch guns; all are in the service of the British Empire to-day because of that "scare". If the Laurier Government had done what the Australian and New Zealand Governments did in that year there would be seven additional vessels, not six. But for those vessels the British

ships available for European waters in 1913 would number 19 instead of 24. The Admiralty's latest calculation is that the British navy in waters immediately about the British Isles must be 50 per cent. stronger than that of the next strongest power. To maintain this standard over the 13 German Dreadnoughts the British navy needs 19 or 20 Dreadnoughts. Thus but for the "scare" the British navy this year would have but 19; would be barely equal to the needs created by the German navy alone, and would have not a Dreadnought to spare for the Mediterranean or elsewhere.

PROBABLE SITUATION IN 1915.

The whole question of emergency or need thus is transferred to a time in the future. In the spring of 1915, so far as we can see ahead, the Admiralty will be obliged to watch closely the following navies:—

Germany	20 Dreadnoughts
Austria-Hungary	4 "
Italy	6 "
	—
Total	30 "

These three powers are in alliance. Italy and Austria-Hungary are on the Mediterranean, an ocean which is of enormous importance to the British Empire. Thus in 1915 Great Britain will need to have in or near the North Sea a force of Dreadnoughts 50 per cent. in excess of the 20 German ships, i.e., 30; and in addition she must have in the Mediterranean ships enough to meet the 10 Italian and Austrian vessels. If we allow a simple equality we have need for 40 Dreadnoughts, exclusive of any force in the Pacific. If we allot a smaller force, say 8 ships, to the Mediterranean, we still need 38.

A POSSIBLE DEFICIENCY IN 1915.

As a matter of fact, Great Britain in 1915 will have about 27 Dreadnought battleships and 9 battle-cruisers available; or 36 ships. There will be a deficiency. In the Mediterranean 6 ships must face 10.

PROBABLE SITUATION IN 1916.

In 1916 the German fleet will rise to 26 Dreadnoughts, so that Great Britain will need 39 ships in or near the North Sea, while Austria-Hungary and Italy will have 17 Dreadnoughts. The navy maintained by Great Britain in that year will have 46 ships; so that there will be only seven ships available for the world-wide needs of the Empire, whether in the Mediterranean, the Southern and Western

Atlantic, or the vast expanse of the Pacific; an altogether inconsiderable and insufficient force for a duty so vital and so far-reaching.

It may be noted that in all these calculations two British battleships, the *Lord Nelson* and *Agamemnon*, are included, though they are not quite of Dreadnought design, being intermediate in power between the Dreadnought proper and the pre-Dreadnought.

THE "SELECTED MOMENT".

Another note may be added as to the high provision made against the next strongest navy, of three to two. The reason has been described by Mr. Churchill as the theory of the "selected moment". No fleet can keep all its ships all the time ready for action; vessels must return to port to be repaired and refitted; often a considerable percentage of ships is absent from the squadron at a given moment. If a foreign power were secretly to determine upon war, it could arrange to have every vessel ready at a selected moment, and at that moment, if the British Government were not aware of this design, detachments of the sort mentioned might have reduced the number of British ships actually on hand. Thus a large margin is necessary.

PAST EXPERIENCE SHOWS A LARGE PREPONDERANCE NECESSARY.

As bearing upon this subject, it may be pointed out that in 1803, when the last great war with Napoleon began, the British had 111 battleships on the active list, while France had only 43 built and 25 building. Yet the world-wide needs of the Empire caused so many detachments that there was a hard struggle, and Nelson at Trafalgar put into line only 27 ships to 33. In 1793, when the Revolutionary war broke out, Great Britain had 113 ships on the active list to 76 in France. In 1776, when France declared war, the fleets were more evenly matched, though that of Great Britain still was superior; and Great Britain was hard pressed and was worsted in the war. The experience of Great Britain is that she must have a large numerical superiority over the ships of a possible antagonist, for she has interests all over the world which demand detachments. Thus she cannot concentrate all her fleet at the one point.

SITUATION WITH AND WITHOUT CANADIAN SHIPS.

Summing it up, we see that the position as regards battleships available for Empire service, in the Mediterranean, Pacific, etc., outside of strictly British waters, will be:—

	Without the Canadian ships.	With the Canadian ships.
1915.....	4 to 7	7 to 10
1916.....	5 to 10	8 to 13

Finally, after all this argument, there is an absolutely convincing fact to put forward. The men responsible for the British navy say that those three ships are needed, whoever provides them.

THE THREE SHIPS ARE NEEDED.

Mr. Churchill said so on March 31, 1913. After explaining the needs in 1915 and 1916, as given above, he said:—

"It is necessary, however, to make it clear that the three ships now under discussion in Canada are absolutely required from 1916 onwards for the whole world defence of the British Empire, apart altogether from the needs of Great Britain in home waters; that they will play a real part in the defence of the Empire; and that, if they fall, a gap will be opened to fill which further sacrifices will have to be made without undue delay by others. . . .

"I must repeat that the Canadian ships are absolutely necessary for the whole world defence of the British Empire from the end of 1915, or from the beginning of 1916 onwards."

GREAT BRITAIN BUILDS THE SHIPS.

When the Senate rejected the Naval Aid Bill, Mr. Churchill proved that he had meant what he said two months earlier. On June 5, 1913, in reply to a question by Mr. Arthur Lee, the First Lord of the Admiralty, he said:—

"The situation created by the rejection of the Canadian Naval Aid Bill requires immediate action in order that the margin of naval strength necessary for the whole world protection of the British Empire may be adequately maintained for the autumn and winter of 1915 and in the spring of 1916. In these circumstances the Government have determined to advance the construction of the three contract ships of this year's programme, and orders have been issued by the Admiralty, which will ensure their being begun at the earliest possible date instead of in March next." (The Times, June 6, p. 8.)

"Emergency" or no "emergency", it was necessary to order the ships. Mr. Borden tried to order them. The Liberals fought the attempt and by their control of the unrepresentative portion of Parliament defeated it.

So England builds the ships. The fact that they are being built by the peace-loving Asquith Government plainly shows that they are needed.

THE LAURIER SCHEME

Its Complete Lack of Fighting Value—Liberal Plan is for Vessels Which Will Be Absent From the Scene of Decisive Action.

Sir Wilfrid Laurier and the Liberal party propose to establish two Fleet Units, one on each coast. Thus on the Atlantic coast, Canada would have one Dreadnought, three light cruisers, and some torpedo vessels; and on the Pacific coast she would have a similar force.

THE TWO DREADNOUGHTS PERMANENTLY SEPARATED.

Such an arrangement would mean that the fighting part of the force, the two battleships, would be permanently separated. Each would cruise and train alone. No existing navy arranges its force so. The battleships are kept together in squadrons, not segregated.

NATURE OF POSSIBLE WARS.

Further, let us look at the use which such a force would be to Canada and to the Empire if a war broke out.

Let us imagine three sorts of war to occur:—

1. A war in which the heavy fighting was confined to European waters—the North Sea, the Mediterranean, etc., leaving the Western Atlantic and the Pacific free of hostile battleships at the outset.
2. A war in which there would be heavy fighting in European waters and on our Atlantic coast, but not on the Pacific.
3. A war in which there would be heavy fighting on the Pacific.

With regard to war No. 1, it is plain that if the British forces won the victory in European waters Canada would be protected by that victory, that is to say by ships which had not come within two thousand miles of her coasts.

LIBERALS WANT CANADIAN SHIPS TO LOAF IN WAR TIME.

And, under the Laurier plan, while that war was going on two great battle-cruisers would be loafing on the Canadian coasts, one off Halifax, the other off Victoria. If added to the British fleet where the

fighting was going on they would be useful; they might make the difference between defeat and victory. But if the British navy were defeated in European waters, presently a fleet of several Dreadnoughts would visit our coast and our single ship would be overpowered. As for war No. 2, while the British fleet was being occupied in European waters, a squadron of Dreadnoughts might come to our Eastern coasts. Our solitary Atlantic Dreadnought would be confronted with several ships and would be captured or driven to take refuge behind the guns of Halifax.

As for war No. 3, during the period which must elapse before a British fleet could be sent to the Pacific, our solitary Pacific Dreadnought would be exposed to capture or blockade by the superior forces of the enemy.

EITHER TOO STRONG OR TOO WEAK.

Thus the plan is vicious. A single battle-cruiser on each coast would either be too strong a ship to oppose to such light craft as the enemy would send—would be redundant—would be wasted; or she would be overpowered. According to the force the enemy would put into those waters that ship would be either a man put on a boy's job, or a boy sent on a man's errand. Meantime, the fleet doing the real fighting would lose the services of these ships.

A PLAN TO CATCH VOTES, NOT TO DEFEND THE COUNTRY.

Plainly, the whole Liberal scheme is the result of thinking about a war problem with an eye to making votes. The Liberals apparently seek to appeal to those who are impressed with the idea that an inefficient fleet in sight is more useful than an efficient fleet on the scene of action.

THESE SHIPS SOME DAY MAY FIGHT.

They seem to have no idea that these ships some day may fight, that men on their decks will shed their blood for Canada and for the Empire. Yet that is the reason for building them. It is because there is danger of war that we are building those vessels; if there was no danger of war we would not build them; and *the people of Canada, and the public men they elect, are trustees to-day for the brave men who will man those ships.* If they decide in one way, they will enable those seamen, if war actually does come, to fight to the best advantage. If they decide in another way, those men will fight at a disadvantage.

Suppose that a Canadian squadron were overpowered by a superior hostile force—the ships sunk, the men slain; and suppose that the Canadian ships were caught by that hostile force at a disadvantage because a political party for its own ends had ordered it to take up an improper position; what Canadian would like to think that he had voted for that policy?

ONE POWERFUL, FLEXIBLE FORCE NECESSARY.

Planning to meet possible wars is very different from planning to meet business or political dangers. Naval warfare may involve dozens of situations, and that the way to provide against danger is, not to tie one force here and another force there, heedless of what opponents may gather at either place; but to provide one powerful, flexible force which can be sent to any point at which the danger may threaten. It might be wise to have not one ship on the Atlantic and a dozen on the Pacific; or to strip both coasts and to concentrate in European waters; British ships should be put where the enemy is; not tied by the leg to fixed points on their own coast-lines.

BATTLESHIPS WORK IN SQUADRONS.

The need for battleships to train in company has been noticed already. Battleships do not fight singly. They go in squadrons and fleets; the usual strength of a "division" is four ships. It takes a special kind of skill and training to enable ships to work in groups, "to keep station" when steaming close behind one another; to turn simultaneously, etc. In all important navies, battle squadrons spend an enormous amount of time drilling on these lines. In battle half a minute lost in making a turn might cause defeat.

THE TWO PLANS.

Under the Borden plan, the Canadian ships will be part of a large fleet, will train in company, and so will be efficient.

Under the Laurier plan the Canadian ships would be kept isolated, could not train and so would be forced to be inefficient.

Under the Borden plan, the Canadian ships will be wherever the fighting is.

Under the Laurier plan, the Canadian ships would be kept where the fighting is not.

SHOULD CANADA MAN THE SHIPS?

Practical Considerations Which Cannot be Overlooked— Impracticable Nature of Liberal Proposals.

The Liberal party asserts that Canada should man the ships. Liberal speakers do not content themselves with saying Canadians should be given every chance to serve and to be trained; they sneer at the idea of any Englishman being on the Canadian ships. All the seamen must be Canadians, they say.

The first thing is to consider what the Liberals did with the manning question when Sir Wilfrid Laurier was in power.

LIBERAL EFFORTS AT OBTAINING MEN BROKE DOWN.

They botched it. Their attempts at enlisting Canadians were ridiculous.

The first thing to do when talking about manning is to know how many men would be needed. The Liberals have put forward two proposals for building ships.

When in power they undertook to build four cruisers and six destroyers.

When out of power they undertook to build two battle-cruisers, six light cruisers, twelve destroyers and six submarines.

THEY NEEDED OVER 2,000 SEAMEN.

The first plan, that of 1910, would have meant the ultimate employment of not far short of 2,500 officers and men. The complement of a "Bristol" is rather more than 375; of these 20 or more are officers. Thus each ship would need about 360 petty officers, seamen, stokers, etc. Four "Bristols" would need 1,440 petty officers and men, beside about 80 officers. A destroyer of the sort ordered by Australia in 1909 has a complement of 66, of whom five or six would be officers. Six destroyers would need 360 men, in addition to about 30 officers. Thus

the Laurier navy would have needed, merely to provide one crew for each ship:—

Officers	110
Men	1,800

NATURE OF THE MANNING PROBLEM.

But more men must be provided than one crew apiece for each ship. Some of the men must be recruits, undergoing preliminary instruction in the training ships. Others must be ashore taking courses in advanced work—gunnery, torpedo work, navigation, signalling, electricity, etc. Some must be on leave, for men cannot be kept continually afloat or continually at work. In addition, there must be a margin or reserve; for not only will there be a percentage of wastage through death, illness, etc., but if war broke out casualties would occur in action and those who fell should be replaced by trained men. If we add 25 per cent. for these causes we get a total force needed of:—

Officers	140
Men	2,250

Or not far short of 2,500 all told.

So far as officers are concerned, the Laurier Government entered about 30 cadets. None of these now is over the rank of sub-lieutenant. It takes twenty years to train an officer to be a captain. Confessedly, the Laurier navy would have been dependent on the British navy for officers.

THEY GOT LESS THAN 350.

As for men, the Laurier navy enlisted not quite 350, many of whom have deserted. When trained, these would have been about enough to have manned one of the four Bristols. That is what the Liberal party did, in comparison with what it talked about.

It may be added that in Australia, which is being held up as a model to Canada, about 1,800 men have been recruited, or not enough for the original Laurier programme.

DID NOT PROVIDE PROPER ACCOMMODATION.

This is not all. The Laurier Government did not provide the means for training men enough for the ships it talked about building.

Two sets of training establishments are necessary:—

(1) The training ship, where the boys get their first lessons. The Canadian proposal was to keep the boys two years on the ships and then pass them out.

(2) Naval barracks, in which the young seamen passed out from the training ship can be housed for the purpose of giving them further instruction.

Obviously, if the training ships are to keep on receiving a steady flow of recruits, the two-year men must have a place to which to go when their time is up. The naval officers warned the Laurier Government of this, but it took no action. The barracks were not built, and so the *Niobe* presently ceased to be able to accommodate new recruits, for she had no place to which to send her two-year men who should have passed out. Thus the whole scheme broke down.

DID NOT PROPERLY ESTIMATE THE NUMBER REQUIRED.

Not only did the Laurier Government bungle its training scheme, but it provided it on too small a scale to furnish men enough even for the poor little Laurier navy. That navy, it has been seen, would have needed about 2,250 naval seamen, stokers, etc. If the barracks had been built and the *Niobe* and *Rainbow* given a fair chance, these vessels could not have handled more than 400 recruits at one time, or 200 a year. The term of service was seven years. Thus, had all worked smoothly, the training establishments after getting into full swing would have put men into the navy at the rate of 200 a year, and the men in seven years would be time-expired and at liberty to quit. Seven times 200 is 1,400; at the most, the navy would have 1,400 men of seven years' service or less. Allowing for deaths and other casualties, the number would be about 1,200. If we assume that some hundreds would vountarily re-engage for further service we still are hundreds short of the required 2,250.

The Laurier Government did not provide training establishments either large enough or complete enough to man the four cruisers and six destroyers.

TWO FLEET UNITS WOULD NEED 7,000 MEN.

Next comes the question of manning the two fleet units. Each of the two battle-cruisers would need not far short of 1,000 men, of whom 50 or 60 would be officers. The light cruisers probably would need crews as large as those of the "Bristols". The destroyers built

to-day have complements of 100. Half a dozen submarines would need a submarine branch of at least 250. Thus the personnel would work out:—

Two battle cruisers, about.....	2,000
Six light cruisers, about.....	2,200
Twelve destroyers, about.....	1,200
Six submarines, about.....	250
	5,700

Or, adding the margin already noted, about 7,000. Of these about 500 would be officers.

To produce six or seven thousand men, on a basis of seven years' engagement, would mean the enlistment of at least 1,000, more likely 1,200, men every year.

LIBERAL PROPOSAL MEANS 1,200 RECRUITS A YEAR.

Thus the Liberal proposal to man the two fleet units by Canadians means the enlisting of 1,200 Canadians every year.

Can 1,200 Canadians be induced to enlist every year?

The Laurier navy in two years got 350. Its best year saw the enlistment of 223 men.

The Australian navy, in four years, after vigorous recruiting, has entered 1,800 men.

The Canadian Permanent Corps need about 900 recruits yearly. They have trouble in getting them, and 80 per cent. of them are not natives of Canada.

The Royal Northwest Mounted Police needs more than 200 recruits yearly. During the sixteen months between April 1, 1912, and July 31, 1913, it obtained 414 new men. Of these only 61, or less than 15 per cent., were Canadians. In 1912 and 1913 it was necessary to send officers over to England to recruit for the force.

Canadians are not slow to enlist when hostilities threaten and actual service, with all its dangers, is to be expected. But naval warfare demands long and patient training in time of peace; it takes five or six years to train a seaman-gunner to efficiency: and in a country like Canada, where so many opportunities of fortune present themselves, comparatively few young men care to offer themselves for the hum-drum work of peace training.

How would the Liberals get 1,200 Canadians every year to enlist in the navy?

THE AUSTRALIAN EXAMPLE.

In this connection the Liberal demands that Canada should imitate Australia should be noticed. They did not imitate Australian when they were in power, and they do not tell the people exactly what Australia is doing.

ADMIRAL HENDERSON'S SCHEME.

In 1911, the Australian Government adopted a scheme drawn up for it by Admiral Sir Reginald Henderson. He proposed that the Australian Government should embark on a programme which would last for 22 years—that is, until 1933. During the whole of this long period every step forward was to be prearranged and taken in a prescribed order. When it was completed, Australia would have the following fleet:—

A fighting fleet of eight battle-cruisers.

Ten light cruisers.

A torpedo fleet of 18 destroyers and 12 submarines,—i.e., three divisions of destroyers and four divisions of submarines.

A set of auxiliary vessels comprising three depot ships for the destroyer flotillas and one fleet repair ship.

Or 52 ships in all. Admiral Henderson calculated that this force when complete would require nearly 15,000 officers and men. It was to cost £88,500,000, or \$430,000,000.

STAGES OF PROGRESS.

Admiral Henderson proposed that this be reached by steady degrees; at certain dates the progress made would be as follows:—

1918.—One Dreadnought, 22 other vessels, 4,384 officers and men. Of these 2,910 were to be found in Great Britain and 1,474 in Australia.

1923.—Three Dreadnoughts, 39 other vessels, 8,244 officers and men. Of these 3,618 were to come from Great Britain and 4,626 from Australia.

1928.—Six Dreadnoughts, 42 other ships, 12,800 officers and men. By this time all new men would be found in Australia.

1933.—Eight Dreadnoughts, 44 other vessels, nearly 15,000 officers and men.

IMMENSE WORKS NEEDED.

He further proposed two sets of naval barracks, each to hold 2,000 men, and an immense number of naval works, such as dockyards, new harbours, breakwater, wireless stations, etc.

THE RECRUITING OF MEN.

Admiral Henderson told the Australians that by 1918, when they would have comparatively few ships, they would need nearly 4,400 officers and men.

The particulars were:—

Personnel for Fleet Unit.....	2,501
Personnel for harbour establishments and administration....	1,137
Personnel required for additional ships.....	746
	<hr/>
	4,384

THOUSANDS OF ENGLISHMEN NEEDED.

These were the requirements almost at once—nearly 3,000 Englishmen and nearly 1,500 Australians by 1918. From that time on greater numbers of Australians would have to be enlisted. Allowing for this large number of British seamen, and allowing also for the enlisting of many Australians as long-service men, he told the Australians that they must enlist 300 boys a year by about 1915.

THE COST—FOUR HUNDRED MILLIONS.

As for money, Admiral Henderson urged that the Commonwealth start with an expenditure of £3,000,000 (\$14,500,000) a year and keep this up till 1918; that then for five years the expenditure be £4,000,000 (\$19,200,000) a year; that from 1923 to 1928 it be £4,500,000 (\$21,900,000) a year; and that 1928 to 1933 it be £5,000,000 (\$24,300,000) a year.

Those who urge the adoption of the Australian scheme should state what it means.

SHOULD CANADA BUILD THE SHIPS?

Another Vote-Catching Contention of the Liberals—The Facts Utterly Against Them.

The Liberals, in the course of their resistance to Mr. Borden's policy, declared that Canada should build the ships. This next must be examined.

A BUSINESS VIEW.

Mr. Borden proposed to order in Great Britain three of the largest and most powerful ships in existence. As will be seen later, each of these will be of about 29,000 tons displacement, so that he proposed to order 87,000 tons in all. This is to cost \$35,000,000, or just over \$400 a ton. This is a reasonable allowance, and represents the average cost of the later British battleships. Sir Wilfrid Laurier proposed to construct two fleet units, which if composed of modern vessels would aggregate 112,000 tons of shipping, and laid down the following propositions:

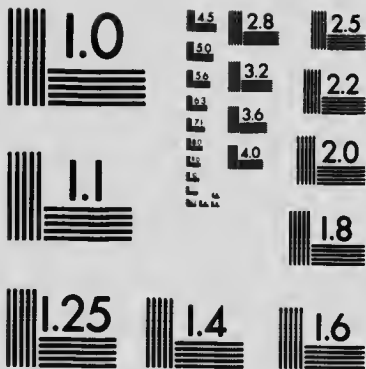
1. They should be built, "as far as possible", in Canada.
2. They should be built with the same sum of \$35,000,000, or about \$312 per ton.

In trying to argue this out the Liberals landed themselves in the position of maintaining (1) that Canada can to-day build Dreadnoughts and other warships, (2) that she can build these vessels as cheaply as Great Britain can.

WHAT THE LAURIER SCHEME WOULD COST.

First, we must ask what the Laurier proposal would cost if the ships were ordered in Great Britain. Mr. Borden asked the Admiralty about this and was informed that prices have increased of recent years so that the cost of a fleet unit is higher than it would have been in 1909-10, when Sir Wilfrid Laurier had his chance of ordering one.





MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

Following is the official statement of the cost of a fleet unit of ships of the latest designs, at the prices of four years ago and at the prices of 1913:—

	British Prices, 1909-1910.		British Prices, 1913.	
1 Battle Cruiser	£2,293,660 =	\$11,162,478	£2,652,100 =	\$12,906,886
3 Light Cruisers	1,112,310 =	5,413,242	1,234,900 =	6,609,846
6 Destroyers	667,026 =	3,246,193	843,000 =	4,102,600
3 Submarines	247,875 =	1,337,725	365,000 =	1,776,333
Sea stores and fuel..	59,280 =	288,496	64,400 =	318,413
Total..	£4,407,151 =	\$21,448,134	£5,159,400 =	\$25,109,078

These figures include hull, machinery, armour (if any), armament, steam and motor boats, anchors, cables, torpedoes, torpedo tubes, ammunition, and reserve of guns and ammunition.

TWO FLEET UNITS MEAN FIFTY MILLIONS IF BUILT IN BRITAIN.

Thus two fleet units would cost £10,318,800, or a little over \$50,000,000, if ordered in Great Britain.

In 1910 Sir Wilfrid Laurier, in introducing the Naval Service Act, said that construction in Canada would cost 33 per cent. more than would construction in Britain. (Hansard, 1909-10, p. 1737.) On this basis the ships would cost \$67,000,000 if built in Canada.

BUT ONE HUNDRED AND FORTY MILLIONS IF BUILT IN CANADA.

And, in addition, the entire plant would have to be laid down. As will be seen later, this would cost about \$73,000,000.

LIBERALS TRYING TO ESTABLISH AN ARMAMENT LOBBY.

And, further, if a seventy-million-dollar plant were laid down in Canada, it would have to get orders for a great many more ships than those of the two fleet units. When these vessels were completed, the shipyard would urge the Ottawa Government to give it more orders, and an "armaments lobby" would be established.

Thus the Liberal proposals mean:—

1. Spending \$67,000,000 for warships.
2. Spending \$73,000,000 for plant.
3. Incurring an obligation to keep on building warships indefinitely.

INCREASED SIZE OF WARSHIPS.

It may be asked why the ships of 1912 and 1913 are so much more costly than those of 1909. The reply is that in the four years which have elapsed the designing of warships has undergone extra-

ordinary development. This has been the case in all classes of ships, and in all classes except light cruisers progress in design has meant increase in size. In the case of the light cruisers, little is known of the vessels which are now being built instead of the "Bristol" type, except that they will be faster and will be to some extent armoured, and so expensive. The development may be shown in the following table; it is assumed that the light cruisers would be of the same displacement as those ordered by Australia in 1909:—

1909.	Tons.	1913.	Tons.
Battle-cruiser (<i>Australia</i>)	18,800	(<i>Queen Elizabeth</i>)	29,000
Light cruiser (<i>Sydney</i>)	5,400	(<i>Sydney</i>)	5,400
Destroyer (<i>Parramatta</i>)	700	(<i>Daring</i>)	1,200
Submarine (C Class)	321	(F Class)	1,200
1 Fleet Unit (1 battle-cruiser), 3 light cruisers, 6 destroyers, 3 submarines	40,163		56,000

Thus, a fleet unit ordered in 1913 would displace 56,000 tons, as against 40,000 tons if it had been ordered in 1909.

SOME SPECIFIC INSTANCES.

This matter of the increase in size, speed and power of warships is so remarkable that it may be advisable to give further particulars.

Had Sir Wilfrid Laurier in 1909 ordered a battle-cruiser, as the Australians and the New Zealanders did, the ship would have been a sister ship of the *Australia* and *New Zealand*. The ships which Mr. Borden intended to order in 1913, and which will be ordered by the Admiralty, will be of the new *Queen Elizabeth* type. The two may be compared:—

	<i>Australia.</i>	<i>Queen Elizabeth.</i>
Displacement	18,800 tons	29,000 tons
Speed (designed)	25 knots	25 knots
Big guns	8 12-inch	8 15-inch
Secondary guns	16 4-inch	16 6-inch
Weight of heavy gun broadside	6,800 pounds	15,000 pounds

In destroyers we may compare the *Parramatta*, owned by Australia, and the *Daring*, recently ordered for the British navy:—

	<i>Parramatta.</i>	<i>Daring.</i>
Displacement	700 tons	1,200 tons
Horse power	9,500	25,000
Speed	28 knots	32-33 knots

Armament: *Parramatta*, 1 4-inch gun, 3 12-pounder guns, 3 tubes. *Daring*, 3 4-inch guns, 4 tubes.

In submarines we may compare the C Class, ordered in 1909, and the F Class, ordered in 1913:

	C Class.	F Class.
Displacement	321 tons	1,200 tons
Speed on surface.....	14 knots	18-20 knots

Larger ships, greater engine power, heavier guns, additional torpedo tubes, all mean greater cost of construction, larger crews, heavier cost of annual upkeep.

MR. CHURCHILL'S EXPLANATION.

The authority for the statements just made may be demanded. On March 26, 1913, Mr. Churchill made the following statement:—

"It may now be stated, without disadvantage, that last year we effected a far reaching change of principle in the design of what are called battle cruisers. These vessels had gradually increased in speed and power until they had become the most costly ships in the world. They were more expensive than the strongest battleship, yet they were not upon an equality with their contemporary battleships in action. We laid it down as a principle that the most expensive ships in the world ought also to be for all purposes the strongest. We have therefore designed a ship, not indeed so fast as our latest battle cruisers, but possessing speed sufficient to overtake and manoeuvre against any battle fleet which can be afloat in the next few years, and which, in addition to this speed, possesses heavier armament and better protection than any battleship yet designed. The cost of this vessel, after making allowance for the rise in prices, is slightly less than the cost of the last battle cruiser, the 'Tiger,' though more, of course, than any of the previous ships. Instead of laying down last year one battle cruiser and three battleships, we have decided that all the four ships of that year and the 'Malaya' shall be of this new type, and it is not unlikely that it may be repeated in the vessels now under discussion in Canada." (British Hansard, 1913, pp. 1756-57.)

Brassey's Naval Annual for 1913 contains additional particulars as to the *Queen Elizabeth* type, to which Mr. Churchill was referring.

Many of the absurdities into which the Liberals fell in the course of the naval debate were due to their efforts to evade the foregoing facts.

LIBERAL ABSURDITIES.

Of these absurdities the most glaring were the efforts to prove that Mr. Winston Churchill and the Lords of the Admiralty were ignorant and incompetent persons, greatly inferior to such men as Mr. Pugsley (who built the Central Railway and bought the Sawdust wharf), Mr. Carvell, and so on. The Liberals found themselves obliged to set themselves up as higher authorities than the men responsible for the British navy, because they discovered, under humiliating circumstances, that the Admiralty considered their proposals unworkable.

THE LIBERALS AND MR. WINSTON CHURCHILL.

It happened that in their arguments to prove that "there was no emergency" Liberals had been constantly quoting one or two reassuring passages in speeches by Mr. Winston Churchill, First Lord of the Admiralty in the Liberal Cabinet in Great Britain. This involved approval of Mr. Churchill as a statesman.

When the question of ship-building came up, Mr. Borden gave the figures already given, showing that the cost of building two fleet units in Canada would be between \$65,000,000 and \$70,000,000. In doing this, Mr. Borden stated that he had communicated with Mr. Churchill and had received certain letters, memoranda, etc., from him; from these he had extracted the table already given and two paragraphs bearing on them; the letters, as a whole, he said, were of a confidential nature.

LIBERALS WANTED MR. CHURCHILL'S LETTER IN FULL.

The Liberals apparently conceived the idea that the letter from Mr. Churchill must contain something damaging to Mr. Borden's case, and that for that reason he was suppressing it. They accordingly raised a cry that he should quote the whole of Mr. Churchill's letters, accused him of having garbled them, and for a whole week, from March 3 to March 10, declared that he was holding back dishonourably documents which if made public in full would help their case. After a few days of this sort of thing, Mr. Borden cabled to Mr. Churchill for permission to publish the correspondence in full. Mr. Churchill consented, and on March 10, Mr. Borden, on being once again challenged, made the whole correspondence public.

—AND GOT IT.

It then turned out that Mr. Churchill's condemnation of the Liberal proposal of building the ships in Canada had been so severe that Mr. Borden had really been kind to the Opposition in keeping it back. Thinking that he was writing privately, Mr. Churchill had expressed himself directly and forcibly, without the cautious phraseology customarily used in public documents.

MR. CHURCHILL'S MEMORANDUM.

These documents are to be found in Hansard, 1912-1913, pp. 5208-5212. The memorandum dispatched by Mr. Churchill on January 23, 1913, was:—

"The suggestion that the proposed battleships could be expeditiously built in Canada cannot be based on full knowledge of the question.

"The battleship of to-day has gradually been evolved from years of experiments and experience. She is a mass of intricate machines, and the armour, guns, gun mountings, and machinery, all require separate and extensive plant of a very costly nature, to cope with the constant changes in designs and composition. In addition to this, the actual construction of a battleship, where high tensile and mild steel are largely used, requires the employment of special riveters and steel workers. These men are difficult to obtain in Great Britain and it is thought it would be a long time before a sufficient number of efficient workmen of this nature could be obtained in Canada.

SPECIAL PLANT AND SPECIAL EXPERTS.

"For the manufacture of armour plate, large steel furnaces, heavy rolling mills, planing machines, carburising plant, etc., capable of dealing with weights of 150 tons at a time, have to be provided—besides which the special treatment to obtain the correct quality of plate requires special experts who have been brought up to nothing else. Such men could not be obtained in Canada.

"For the manufacture of guns, plant consisting of heavy lathes, boring and trepaning machines, wire winding machines, as well as a heavy forging plant and oil tempering baths with heavy cranes, all capable of dealing with weights up to and over 100 tons, are required. The men for this class of work are specially trained and could not be obtained in Canada. For the manufacture of gun mountings, which involves the use of castings of irregular shape from eighty to one hundred tons, and which require special armour treatment, a special armour plate plant is required. The hydraulic and electric machinery for these mountings are all of an intricate and special design, requiring special knowledge, and can only be undertaken by a firm having years of experience of work of this nature.

CHANCES OF SCRAPPING PLANT.

"The manufacture of engines, although requiring special treatment, does not present such great difficulties as that of armour, guns and gun mountings. But in starting a new business of this kind, it would be difficult at this stage to know what plant machinery to put down, as the possible introduction of internal combustion engines may revolutionize the whole of the engine construction of warships. The above does not include specialties, such as bilge pumps, steering gear, and numbers of other details which have to be sub-contracted for all over the country and only with the people on the Admiralty list. The expense of fitting these up, sending them out, and carrying out trials, would become very onerous.

"For the building yard itself, the installation of heavy cranes and appliances for building a vessel of, say, 27,000 tons, is a very heavy item; and the fitting of the blocks and slips to take this weight would require considerable care in selection of site, in regard to nature of the soil for the blocks and launching facilities, so that the existing shipyards might not be adapted for this purpose.

EXAMPLES OF EXPENSE.

"As an example of the cost of a shipyard it may be mentioned that Elswick, in order to cope with increased work, have lately put down a new shipyard, which is costing approximately three-quarters of a million pounds. This yard has already been two years in preparation and will not be ready for laying down a ship for another six months.

"With regard to foreign shipbuilding, Austria-Hungary has largely extended her resources by laying down two large slips at Flume. This scheme was projected in 1909. It is understood that these slips were put down in 1911 and the first battleship commenced in January, 1912. The Austrian

press states that the contract date for completion is July, 1914, but that it is probable there will be a delay of some months in the realization of this. In this instance, however, they have other large yards and all the necessary plant in the country. The cost of this undertaking is not known.

THE CASE OF JAPAN.

"The Japanese have taken twenty years in working up their warship building and now take over three years to build a battleship; and, although anxious to build all ships in their own country, they still find it necessary to have some of them built in Great Britain.

"Spain has developed a shipyard in Ferrol and at Cartagena. They have only found it possible to put down second class battleships of about 15,000 at Ferrol (the bulk of the material coming from Great Britain) and the yards are being financed and worked by English firms (Armstrongs, Howlands and Vickers).

THE PLANT WOULD COST £15,000,000.

"Taking the above points into consideration, it is clear that it would be wholly unwise for Canada to attempt to undertake the building of a battleship at the present moment. The cost of laying down the plant alone would, at a rough estimate, be approximately £15,000,000, and it could not be ready for four years. Such an outlay could only be justified on the assumption that Canada is to keep up a continuous naval building programme to turn out a succession of ships after the fashion of the largest shipyards in Great Britain and Europe."

MR. CHURCHILL'S LETTER.

Mr. Churchill's letter of January 13, 1913, was:—

"I have now had an examination made of the figures which you sent me in your letter of December 18th, and I find that they are not quite in agreement with those which have been worked out here, particularly in regard to the first cost of the Town class cruisers.

"I enclose a table showing the cost of a fleet unit such as is proposed, if constructed in this country (a) on the types and at the prices which were current in 1909-10, when the Australian agreement was made; and (b) at the present time. The considerable increases shown are due partly to the rise in prices and partly to the increased power of the modern battle cruisers or fast battleships.

ADDITIONAL COST OF BUILDING, 25 TO 30 PER CENT.

"I think I may assume that the arguments used in the memorandum sent you on the 23rd instant will have convinced you that the idea of building the capital ships in Canada is impracticable; and I have, therefore, not attempted to obtain an estimate on that basis; it would, indeed, be almost impossible to frame one. But I am safe in saying that the increase in cost could not be prudently calculated at less than 25 per cent. or 30 per cent.

"I also send a table showing similarly the difference in the cost of maintenance of such a fleet unit between 1909-10 and 1913, at British rates of pay; and as it is to be presumed that Canadians would not be attracted to enlist in a Canadian navy except by rates of pay effectively competing with the general rates of Canadian wages, I have added a third column, showing the increase which would be involved by granting the rates of pay now drawn by officers and men serving in the Rainbow and the Nlobe which, taken as a whole, are about two-thirds higher than in the Imperial navy.

WHAT ABOUT MEN?

"Apart from the reply to your immediate question, it seems desirable to comment on another point. The Admiralty will, of course, loyally endeavour to facilitate the development of any practicable naval policy, which may commend itself to Canada; but the prospects of their being able to co-operate to any great extent in manning the units is now much less than it would have been at the time of the Imperial Conference of 1909.

"It must be remembered that the new German Navy Law has necessitated a large increase in the number of ships which His Majesty's Government must keep in commission, and all our manning resources are now strained to their utmost limits, more especially as regards lieutenants, specialist officers (gunnery, torpedo and navigation), and the numerous skilled professional ratings which cannot be improvised or obtained except by years of careful training.

CANADA'S REFUSAL IN 1909.

"In 1909 the question turned upon the provision by Canada in the Pacific of a fleet corresponding to the Australian fleet unit, involving an initial expenditure estimated at £3,700,000, and maintenance at an estimated cost of £600,000 per annum. The Canadian Government did not think this compatible with their arrangements and suggested that they should provide a limited number of cruisers and destroyers which were to be stationed in the Pacific and Atlantic. The Admiralty agreed to help in the organization and manning so far as possible. Between that time and 1912 a commencement was made with the establishment of a Canadian naval force, but in those three years only sm^{all} progress was made with the training of recruits and cadets and it would have been impossible for the Canadian Government to man a single cruiser. The provision of two fleet units consisting of the most modern ships would divert from their necessary stations large numbers of very efficient officers and men which would have to be lent by the Admiralty. The case of the Australian unit stands on a different footing, for its establishment directly relieves the British ships hitherto maintained on the Australian stations thus ultimately setting free a considerable number of men. Looking to the far greater manning difficulties which now exist than formerly in 1909, the establishment of two such units would place a strain upon the resources of the Admiralty which, with all the will in the world, they could not undertake to meet.

"It must further be borne in mind that the rapidity with which modern ships deteriorate, unless maintained in the highest state of efficiency by unremitting care and attention, is very marked. The recent experience of certain South American States in regard to vessels of the highest quality has been most painful, and has led to deplorable waste of money, most of which would probably have been avoided if care had been taken to supply at the time the ships were commissioned, adequate refitting establishments and staffs of skilled and experienced personnel both afloat and ashore."

MR. CHURCHILL IGNORANT—SAYS MR. PUGSLEY!

The reply of the Liberals was a burst of rage against Mr. Churchill and the Admiralty. They declared that the man responsible for the efficiency of the British navy and the safety of the British Empire had shown ignorance enough, in Mr. Pugsley's language, "to make a horse laugh". They argued that the Admiralty did not know its business of building ships as well as they did. They declared that Mr. Churchill had insulted Canada. In this respect their argument got very incoherent, for they committed themselves to the following propositions:

INCOHERENT ARGUMENTS.

(1) Canadian workmen were insulted in that it was said that they could not build these ships.

(2) English and American workmen could be imported; that is, the Liberals admitted that Canadian workmen could not do the work.

(3) The steel of the ship should be admitted free of duty; i.e., that the Canadian steel industry, to which the Laurier Government paid millions in bounties, should lose its best customer.

Canadians can form their own conclusions as to the strength of a case which can be maintained only by arguing that Mr. Winston Churchill, the British Minister responsible for the British navy, is an ignorant and that the Admiralty is composed of a lot of incompetents.

WHAT CANADIAN SHIP-BUILDERS SAY.

So much for the opinion of the Admiralty. We now come closer home, and examine the shipyards of Canada. According to the memorial presented to the Canadian Government in April, 1913, by the Canadian shipbuilders, the country has few yards which build sea-going ships, and none which do so on a large scale. On the Atlantic coast there are a few yards, mostly devoted to repairing, and they employ in shipbuilding, marine, engineering and the allied industries, about 2,000 men. The shipbuilding of the St. Lawrence is of about the same volume; so is that of the Pacific coast. None of these yards is equipped for the construction of armoured vessels, for the manufacture of the enormous engine power required by warships, for the making of guns, gun-mountings, etc., for the extraordinarily numerous articles of equipment.

WORK REQUIRED IN BUILDING A DREADNOUGHT.

In this connection it is necessary to form some idea of the amount of work required to build a Dreadnought. The 1913 issue of Brassey's Naval Annual, on pages 5, 6 and 7, has some remarkable figures. It asks the question how many man-hours are required and gives the following figures for the hull alone:—

Fifteen years ago the hull of a battleship 390 feet long and of 12,950 tons displacement involved 5,273,368 man-hours; or, at 52 hours per week and 50 weeks per annum, for the hull alone the employment for two years of over 2,000 men.

The hull of the first Dreadnoughts, 490 feet long and of nearly 19,000 tons displacement, involved 5,489,863 man-hours.

The hulls of the battleships at present completing (Iron Duke class), 580 feet long and 25,000 tons displacement, mean 7,200,000

man-hours; or the continuous employment of 2,800 workmen for two years.

It further appears that at present in British yards 2,800 men should always be at work on the hull of one battleship.

As regards the machinery of the ship, the present type of ship needs 1,850,000 man-hours, or the continuous labour of 712 men for two years.

“OVER 5,000 MEN CONTINUOUSLY FOR TWO YEARS.”

In addition, labour is needed for the armour, gun-mountings, torpedo-fittings, etc. It takes three months to produce an armour plate. It takes from twenty-one to twenty-four months to make the heavy gun mountings for a battleship. Adding this class of labour, according to Brassey's Naval Annual, “the building of a battleship ready for service involves directly the employment of over 5,000 men continuously for two years.”

And there are only 2,000 men employed in shipbuilding industries on the whole Atlantic coast, and 2,000 men on the St. Lawrence.

SPECIALIZATION OF BRITISH SHIPYARDS.

We now quote from the Shipbuilders' Memorial. The first citation is from page 13:—

“A feature of the situation is the advantage possessed by the British shipbuilder in the great specialization of industry in the United Kingdom. Few yards there can turn out a ship complete; none need to do so. As soon as a contract is obtained by the ordinary British yard it breaks the work up into numerous sub-contracts; the engines come from one firm, the auxiliary machinery (steering gear, davits, condensers, circulating pumps, air pumps, evaporators and distillers, etc.) come from others; chains, anchors, winches and capstans, special castings, engine-room telegraphs, swell the list; and all that the ostensible constructor does is to construct the hull and fit into it the engines and other appurtenances. The sub-contracts sometimes number 150. Canadian yards that wish to compete must do all or nearly all the work themselves.”

DEVELOP MERCANTILE SHIP-BUILDING.

Again, the Memorial says on pages 17 and 18:—

“So far nothing has been said about the proposal that Canada should embark upon naval shipbuilding. This, however, cannot be overlooked, the government having expressly undertaken to try to develop this. It is submitted that the true way to procure plants equal to the construction of naval vessels is to develop a healthy mercantile shipbuilding industry. This is clearly shown by the experience of Great Britain and other countries. The volume of mercantile construction turned out by the yards of the United Kingdom during the four years 1907 to 1910 inclusive, averaged 750,000 tons

a year; it fluctuated from 600,000 to 1,000,000. In 1911 and 1912 the total output was 1,700,000 tons a year. The average output of warships in 1907 to 1910 was 120,000 tons, and the fluctuations were from 67,000 to 138,000 tons. The fluctuations thus were greater in naval than in mercantile construction. Nevertheless, the enormous volume of mercantile work steadied the situation as regards naval vessels, and the effect has been, first, that Great Britain gets her warships built more cheaply than other countries do; secondly, that British yards build most of the warships for the smaller powers. British Dreadnoughts cost from £80 to £90 per ton of displacement; German Dreadnoughts nearly £100 per ton. If, then, the Canadian government were to encourage the setting up of yards devoted wholly or chiefly to naval construction, and were to allow the mercantile construction to languish, the effect would be that as soon as the warships originally ordered were completed the yard would be in difficulties, and would be obliged either to close down or to beseech the government for more orders for warships, irrespective of the fact whether the country needed more war vessels or not.

"Again, suppose that the only shipbuilding plants left in Canada were those established to do naval construction and that alone. Whenever accidents happened in the vicinity, these yards would be tempted to bid for the repair work; they might, indeed, be asked to do it. That would mean taking men off the warships, to put them on the repair jobs; and if the government were in a hurry for its warships a conflict of interests would ensue. In short, if the yards do naval business and no other new construction the result will be unsatisfactory. If, however, government policy proceeds on the double line of ordering naval vessels and encouraging mercantile construction, the industry will expand more rapidly, will be in a more healthy condition, and will the sooner be able to quote low prices to the government. There would be a wide difference in the efficiency of a yard which had in hand a cruiser, a government surveying vessel, an Admiralty tank steamer or collier, some repair work and nothing else, and a yard which in addition to the foregoing had several merchant ships under construction; the addition of the merchant vessels would give the elasticity of staff as between government work and emergency repair work."

THE SENSIBLE WAY.

Thus we see that the Canadian shipbuilders themselves, in a memorial in which they ask for Government assistance, ask, not for immediate orders for warships, but for the upbuilding of a mercantile shipbuilding industry from which they can work into the construction of warships gradually.

WAGES IN CANADA AND IN GREAT BRITAIN.

The appendix to the same pamphlet contains a comparative statement as to wages paid to shipyard labour in Canada and in Great Britain, respectively. The whole appendix is as follows:—

"Following is a comparison between British and Canadian labour rates. The Canadian figures are those paid in yards on the Great Lakes. Those relating to Great Britain relate to the large private shipyards. The comparison is approximately accurate, and from the figures given it would appear that the rates on the Lakes are about 68%, taken all round, higher than those paid in the best shipyards in Great Britain and Ireland, and between 70% and 80% higher than the rates ruling in the British Government dockyards. The information available regarding the rates in the dockyards is not comprehensive enough to form a thorough comparison.

"The figures given do not allow for the apprenticeship system which obtains in Great Britain, where a great amount of good work is done by youths earning from 2.22c. per hour in their first year to about 5.33c. per hour in their fifth year. If this were taken into account the excess paid here over the rates paid in merchant establishments would probably come out at about 70%."

TRADE.	Rate per hour. 60 hours per week. Average rate.	Rate per hour in Great Britain 54 hours per week. Standard rate.	Canadian Rate higher by.	Government Dockyard Rates.		
				Per week of 48 hours.	Per hour.	Canadian Rate Higher By.
Carpenters.....	27.50c. and up.	18.00c.	52½%	\$8.70	18.12c.	52%
Joiners.....	27.50c. and up.	"	52½%	7.35	15.27c.	80%
Plumbers.....	28.50c. and up.	"	58½%	"	"	86.5%
Blacksmiths.....	27.50c. and up.	17.32c.	59%	"	"	80%
Machine Shop.....	27.50c. and up.	"	"	"	"	80%
Machine Shop Helpers	16.00c.	8.66c.	85%			
Painters, Red Leaders.	19.18c.	17.32c.	12.00 } 14.66c.			
Patternmakers.....	30.50c.	18.00c.	30%	"	"	25%
Riggers.....	20.60c.	17.32c.	69%	"	"	100%
Platers—Time rates...	30.00c.	18.22c.	19½%			
" —Piece rates...	40c. to 60c.	18c. to 54c.	64%			
" —Helpers, time	18.58c.	9.10c.	39%			
" —Helpers, piece	.....	12c. to 15c.	104%			
Caulkers on time.....	27½c.	16.88c.	63%			
" " piece ...	37c. to 64c.	.....	.....	
Drillers on time.....	20c.	10.00c.	100%			
" " piece.....	37c. to 49c.	.....	.....	
Hand Rivetters—Time	30.00c.	16.88c.	78%			
" —Piece	36c. to 46c.	24c. to 48c.	14%			
Labourers.....	17.50c.	8.88c.	97%	\$5.14	10.70c.	63½%
Stagers.....	20.00c.	10.00c.	100%			
Boilermakers.....	27.50c. and up.	18.00c.	52½%			

WHAT THE LIBERALS DID WHEN IN POWER.

Incidentally, there has been a great deal of talk by Liberals about using the navy to build up the Canadian ship-building industry.

Did the Liberals when in power show any zeal in building up the Canadian shipbuilding industry? If they did, we may agree that their demand is sincere and to be taken respectfully. If we find that they took no interest in the matter, may we not conclude that their present demand is merely a matter of talk and is insincere?

The Canadian Government needs for its ordinary business a considerable number of ships—dredges, tugs, fishery patrol vessels, lighthouse tenders, etc. These are not war vessels and are not so difficult to build; warships require a great deal of specialized work. Orders for these vessels would be a good way of encouraging the Canadian ship-

builders. The record shows that the Laurier Government during the period of office ordered the following vessels outside of Canada:

Name.	Tons.	Cost.
Niobe	11,935	\$1,044,333
Rainbow	3,600	243,333
Arctic	762	70,000
Canada	411	181,233
Champlain	522	90,033
Druid	503	110,960
Earl Grey	2,357	501,266
Galveston	1,332	146,000
Lady Grey	733	208,994
Lady Laurier	1,051	184,933
Minto	1,091	175,433
Montcalm	1,432	265,233
Princess	542	45,000
Simcoe	913	160,600
Cartier	556	177,633
Lady Evelyn	483	65,816
Scotia	1,461	228,730
Restigouche	475	60,397
Industry	766	233,990
Fruhling	748	318,353
Mastoden . . . . .	...	200,000
Lobnitz Rock Breaker	391	70,000
Lobnitz Rock Breaker No. 1	391	70,000
Total . . . . .	...	\$6,940,936

And, in addition, a number of smaller vessels.

THE CONSERVATIVE PLAN.

In contrast to this, the Borden Government will encourage the building in Canada of mercantile vessels, and also of such vessels used by the navy as mercantile yards can construct. Mr. Borden has effected an arrangement with the Admiralty whereby the British navy will procure certain auxiliary vessels from Canadian yards; the price will be higher than would be the case if the ships were bought in Great Britain, and the excess price will be defrayed, partly by the Admiralty, partly by the Canadian Government.

MR. BORDEN'S STATEMENT.

The first statement of Mr. Borden's plan is to be found in his great speech of December 5, 1912. After saying, "No one is more eager

than myself for the development of shipbuilding industries in Canada", he went on to observe:—

"I have discussed this subject with the Admiralty, and they thoroughly realize that it is not to the Empire's advantage that all shipbuilding facilities should be concentrated in the United Kingdom. I am assured, therefore, that the Admiralty are prepared in the early future to give orders for the construction in Canada of small cruisers, oil-tank vessels, and auxiliary craft of various kinds. The plant required is relatively small as compared with that which is necessary for a dreadnought battleship, and such an undertaking would have a much more secure and permanent basis from a business standpoint. For the purpose of stimulating so important and necessary an industry, we have expressed our willingness to bear a portion of the increased cost for a time at least. I see no reason why all vessels required in the future for our Government service should not be built in Canada, even at some additional cost. In connection with the development of shipbuilding, I should not be surprised to see the establishment of a higher class of engineering works, which would produce articles now imported and not presently manufactured in Canada."

HIS LETTER TO MR. CHURCHILL.

This statement rested upon a correspondence with the First Lord of the Admiralty which Mr. Borden laid on the table on December 12, 1912. (Hansard, 1912-13, pp. 1020-1023.)

Writing on October 3, 1912, to Mr. Churchill, Mr. Borden said:—

"As I explained to you in England it is sufficiently manifest to me that the construction of battleships of the largest and most powerful class cannot be undertaken in this country within a reasonable period, having regard to the grave conditions which we are called upon to confront. At our interviews in London I suggested to you a possible solution which you will doubtless recall. If the Canadian Parliament should vote a large sum of money sufficient for the construction of two or three battleships of the latest type and should authorize the expenditure of that money in the United Kingdom, it would seem not only practicable but reasonable that the great ship-building firms to which the contracts might be let should undertake the beginning of a ship-building industry in one or two parts of this country.

"Moreover, you will perhaps agree in the importance from an Imperial standpoint of the early establishment not only of dockyards but of naval bases provided with the necessary equipment both for building and for repairing war vessels of the smaller type at least.

"I cannot too strongly emphasize the importance of the considerations which have been very briefly set forth in this letter. Possibly the particulars, the early arrival of which your recent cable announces, may cover this point."

Writing on October 5, 1912, Mr. Borden added:—

"In writing to you on the 3rd instant with respect to the importance at this juncture of stimulating or encouraging the beginnings of a ship-building industry in Canada, I omitted to allude to the proposal or suggestion more than once discussed between us, that war vessels, such as destroyers or small cruisers, might be built within a very early period in Canada, and that possibly an arrangement might be made to divide the extra cost between the two Governments."

THE ADMIRALTY'S PROMISE.

Mr. Churchill replied, on November 4, 1912, as follows:—

"I have given careful consideration to your two letters about the encouragement of the ship-building industry in Canada. I recognize the importance

of such a policy on general grounds not less than from the immediate Canadian standpoint; and any practical scheme for Admiralty co-operation would command my support. The main difficulty to be surmounted is to obtain that high degree of expert knowledge and experience which modern war-ships require for the efficient construction.

"We might, however, in the first instance agree upon certain classes of vessels with which it may be considered that competent Canadian shipyards would be able to deal. The most suitable classes of vessels with which to inaugurate the system would be cruisers, oil tank vessels and small craft for auxiliary services. We should, if it would meet your views, be prepared to invite tenders from approved Canadian firms for the construction of some vessels of such classes in the near future.

"It would be understood that progress with this policy would have to depend on the prices quoted being reasonable, having regard to all the circumstances (including the fact that Canada will be prepared to share any extra cost) and also on the time required for construction not being excessive as compared with the dates fixed for completion of similar ships in England. No fixed scale or proportion of orders could be guaranteed to Canadian firms. We would begin by giving some orders at once, and further progress would depend upon the development of the industry and the extent of our programme.

"The Admiralty would, of course, remain wholly responsible for the design of all vessels, and for the supervision of the construction of those built in Canada. Arrangements for this could be worked out in detail and should not present any difficulties."

MR. BORDEN'S PRACTICAL PROPOSALS.

Thus we see that Mr. Borden proposes to begin at once to develop Canadian shipyards. Those yards which are already in existence, which have employed Canadian workmen for years past, will have a chance. The first ships built will be the vessels needed by the Government for surveying, hydrographic work, customs service, ice-breaking, dredging, tugs, tenders, lighthouse supply, etc.; the Laurier Government, as we have seen, usually ordered these abroad, in one case to save \$3,500 on a ship costing \$160,000. The Borden Government will buy these at home, thus giving Canadian yards business and enabling them to grow, to develop, and to compete with other yards for the merchant vessels needed by Canadian business. Next, the British navy needs a considerable number of vessels which are not warships and so lack the complexity of those craft—oil tank ships, tugs, tenders, mine-sweepers, repair vessels, etc.; some of these contracts will go to swell the business in Canadian yards. Then, when they feel able to tender for cruisers, destroyers, etc., the Canadian yards can get orders for such craft. It is exactly the course which the Canadian shipbuilders approve.

Since Parliament prorogued, the Borden Government has definitely embarked on its policy of encouraging Canadian yards. In June last, one example, advertisements were published calling for tenders for a light-house, and they contain the following stipulation:

All tenders must be made with the distinct understanding that the steamer must be built in Canada.

THE ADMIRALTY MEMORANDUM

Text of the Important Document Which the British Admiralty Furnished to the Prime Minister of Canada.

The Memorandum which was prepared by the Board of Admiralty on the general naval situation and communicated to the Government of Canada by the British Government, and subsequently read to the Canadian House of Commons by the Rt. Hon. R. L. Borden is so important that it is herewith printed in full.

1. The Prime Minister of the Dominion of Canada has invited His Majesty's Government, through the Board of Admiralty, to prepare a statement of the present and immediately prospective requirements of the naval defence of the Empire for presentation to the Canadian Parliament if the Dominion Cabinet deem it necessary.

The Lords Commissioners of the Admiralty are prepared to comply and to supplement, in a form which can be made public, the confidential communications and conversations which have passed between the Admiralty and ministers of the Dominion Parliament during the recent visit to the United Kingdom.

The Admiralty set the greatest store by the important material, and still more important moral, assistance which it is within the power of Canada to give to maintaining British naval supremacy on the high seas, but they think it necessary to disclaim any intention, however, indirect, of putting pressure upon Canadian public opinion, or of seeking to influence the Dominion Parliament in a decision which clearly belongs solely to Canada.

The Admiralty therefore confine themselves in this statement exclusively to facts, and it is for the Dominion Government and Parliament to draw their own conclusions therefrom.

2. The power of the British Empire to maintain the superiority on the sea, which is essential to its security, must obviously be measured from time to time by reference to the other naval forces of the world, and such a comparison does not imply anything unfriendly in intention or in spirit to any other power or group of powers. From this point of view the development of the German fleet during the last fifteen years is the most striking feature of the naval situation to-day. That development has been authorized by five successive legislative enactments, viz., the Fleet Laws of 1898, 1900, 1906, 1908, and 1912. These laws cover the period up to 1920.

Whereas, in 1898, the German fleet consisted of:—

9 battleships (excluding coast defence vessels),
3 large cruisers,
28 small cruisers,
118 torpedo boats, and
25,000 men.

maintained at an annual cost of £6,000,000, the full fleet of 1920 will consist of:—

41 battleships,
30 large cruisers,
40 small cruisers,
144 torpedo boats,
72 submarines, and
101,500 men,

estimated to be maintained at an annual cost of £23,000,000. These figures, however, give no real idea of the advance, for the size and cost of ships has risen continually during the period, and, apart from increasing their total numbers, Germany has systematically replaced old and small ships, which counted as units in her earlier fleet, by the most powerful and costly modern vessels. Neither does the money provided by the estimates for the completed law represent the increase in cost properly attributable to the German navy, for many charges borne on British naval funds are otherwise defrayed in Germany; and the German navy comprises such a large proportion of new ships that the cost of maintenance and repair is considerably less than in navies which have been longer established.

3. The naval expansion of Germany has not been provoked by British naval increases. The German Government have repeatedly declared that their naval policy has not been influenced by British action, and the following figures speak for themselves:—

In 1905 Great Britain was building 4 capital ships, and Germany 2.

In 1906 Great Britain reduced to 3 capital ships, and Germany increased to 3.

In 1907 Great Britain built 3 capital ships, and Germany built 3.

In 1908 Great Britain further reduced to 2 capital ships, and Germany further increased to 4.

It was not until the efforts of Great Britain to procure the abatement or retardation of naval rivalry had failed for three successive years that the Admiralty were forced in 1909, upon a general review of the naval situation, to ask Parliament to take exceptional measures to secure against all possible hazards the safety of the Empire. In that year, 8 capital ships were laid down in Great Britain, and 2 others were provided by the Commonwealth of Australia and the Dominion of New Zealand respectively—a total of 10.

4. In the spring of the present year the fifth German navy law was assented to by the Reichstag. The main feature of that law is not the increase in the new construction of capital ships, though that is important, but rather the increase in the striking force of ships of all classes which will be immediately available at all seasons of the year.

A third squadron of 8 battleships will be created and maintained in full commission as part of the active battle fleet. Whereas, according to the unamended law, the active battle fleet consisted of 17 battleships, 4 battle or large armoured cruisers, and 12 small cruisers, it will in the near future consist of 25 battleships, 8 battle or large armoured cruisers, and 18 small cruisers; and whereas at present, owing to the system of recruitment which prevails in Germany, the German fleet is less fully mobile during the winter than during the summer months, it will, through the operation of this law, not only be increased in strength, but rendered much more readily available. Ninety-nine torpedo boat destroyers, instead of 66, will be maintained in full commission out of a total of 144; 72 new submarines will be built within the currency of the new law, and of these it is apparently proposed to maintain 54 with full permanent crews. Taking a general view the effect of the law will be that nearly four-fifths of the entire German navy will be maintained in full permanent commission; that is to say, instantly and constantly ready for war.

So great a change and development in the German fleet involves, of course, important additions to their personnel. In 1898 the officers and men of the German navy amounted to 25,000. To-day that figure has reached

66,000. The new law adds 15,000 officers and men, and makes a total in 1920 of 101,500.

The new construction under the law prescribes the building of 3 additional battleships—1 to be begun next year, 1 in 1916—and 2 small cruisers, of which the date has not yet been fixed. The date of the third battleship has not been fixed. It has been presumed to be later than the six years which are in view. The cost of these increases in men and in material during the next six years is estimated at £10,500,000 spread over that period above the previous estimates.

The facts set forth above were laid before the House of Commons on the 22nd July, 1912, by the First Lord of the Admiralty.

5. The effect of the new German navy law is to produce a remarkable expansion of strength and readiness. The number of battleships and large armoured cruisers which will be kept constantly ready and in full commission, will be raised by the law from 21, the present figure, to 33—an addition of 12, or an increase of about 57 per cent.

The new fleet will, in the beginning, include about 20 battleships and large cruisers of the older type, but gradually, as new vessels are built, the fighting power of the fleet will rise, until in the end it will consist completely of modern vessels.

The complete organization of the German fleet, as described by the latest law, will be 5 battle squadrons and a fleet flagship, comprising 41 battleships in all, each attended by a battle or armoured cruiser squadron, complete with small cruisers and auxiliaries of all kinds and accompanied by numerous flotillas of destroyers and submarines.

This full development will only be realized step by step; but already in 1914 two squadrons will, according to Admiralty information, be entirely composed of what are called Dreadnoughts, and the third will be made up of good ships like the "Deutschlands" and the "Braunschweigs," together with 5 dreadnought battle cruisers.

This great fleet is not dispersed all over the world for duties of commerce protection or in discharge of colonial responsibilities; nor are its composition and character adapted to those purposes. It is concentrated and kept concentrated in close proximity to the German and British coasts.

Attention must be drawn to the explicit declaration of the tactical objects for which the German fleet exists, as set forth in the preamble to the naval law of 1900, as follows:—

"In order to protect German trade and commerce under existing conditions, only one thing will suffice, namely, Germany must possess a battle fleet of such strength that even for the most powerful naval adversary a war would involve such risks as to make that power's own supremacy doubtful. For this purpose it is not absolutely necessary that the German fleet should be as strong as that of the greatest naval power, for, as a rule, a great naval power will not be in a position to concentrate all its forces against us."

6. It is now necessary to look forward to the situation in 1915.

IN HOME WATERS.

In the Spring of the year 1915:

Great Britain will have 25 Dreadnought battleships and 2 "Lord Nelsons."

Germany will have 17 Dreadnought battleships.

Great Britain will have 6 battle cruisers.

Germany will have 6 battle cruisers.

These margins in new ships are sober and moderate. They do not err on the side of excess. The reason they suffice for the present is that Great Britain possesses a good superiority in battleships, and especially armoured cruisers, of the pre-Dreadnought era.

The reserve of strength will steadily diminish every year, actually, because the ships of which it is composed grow old, and relatively, because

the new ships are more powerful. It will diminish more rapidly if new construction in Germany is increased or accelerated. As this process continues, greater exertions will be required by the British Empire.

MEDITERRANEAN STATION.

Four battle cruisers and four armoured cruisers will be required to support British interests in the Mediterranean during the years 1913 and 1914. During those years the navies of Austria and Italy will gradually increase in strength, until in 1915 they will each possess a formidable fleet of 4 and 6 Dreadnought battleships, respectively, together with strong battleships of the pre-Dreadnought types and other units, such as cruisers, torpedo-craft, etc. It is evident, therefore, that in the year 1915 our squadron of 4 battle cruisers and 4 armoured cruisers will not suffice to fulfil our requirements, and its whole composition must be reconsidered.

OVERSEAS.

It has been necessary within the past decade to concentrate the fleet mainly in home waters.

In 1902 there were 160 British vessels on the overseas stations against 76 to-day.

7. Naval supremacy is of two kinds: general and local. General naval supremacy consists in the power to defeat in battle and drive from the seas the stronger hostile navy or combination of hostile navies wherever they may be found. Local superiority consists in the power to send in good time to, or maintain permanently in some distant theatre forces adequate to drive at the enemy or hold him in check until the main decision has been obtained in the decisive theatre. It is the general naval supremacy of Great Britain which is the primary safeguard of the security and interests of the great dominions of the Crown, and which for all these years has been the deterrent upon any possible designs prejudicial to or inconsiderate of their policy and safety.

The rapid expansion of Canadian sea-borne trade, and the immense value of Canadian cargoes always afloat in British and Canadian bottoms, here require consideration. On the basis of the figures supplied by the Board of Trade to the Imperial Conference of 1911, the annual value of the overseas trade of the Dominion of Canada in 1909-10 was not less than £72,000,000, and the tonnage of Canadian vessels was 718,000 tons, and these proportions have already increased and are still increasing. For the whole of this trade wherever it may be about the distant waters of the world, as well as for the maintenance of her communications, both with Europe and Asia, Canada is dependent, and has always depended, upon the Imperial navy, without corresponding contribution or cost.

Further, at the present time and in the immediate future Great Britain still has the power, by making special arrangements and mobilizing a portion of the reserves, to send, without courting disaster at home, an effective fleet of battleships and cruisers to unite with the Royal Australian navy and the British squadrons in China and the Pacific for the defence of British Columbia, Australia and New Zealand. And these communities are also protected and their interests safeguarded by the power and authority of Great Britain so long as her naval strength is unbroken.

8. This power, both specific and general, will be diminished with the growth not only of the German navy, but by the simultaneous building by many powers of great modern ships of war.

Whereas, in the present year, Great Britain possesses 18 battleships and battle cruisers of the Dreadnought class, against 19 of that class possessed

by the other powers of Europe, and will possess in 1913, 24 to 21; the figures in 1914 will be 31 to 23, and in the year 1915, 35 to 51.

The existence of a number of navies all comprising ships of high quality must be considered in so far as it affects the possibilities of adverse combinations being suddenly formed. Larger margins of superiority at home would, among other things, restore a greater freedom to the movements of the British squadrons in every sea, and directly promote the security of the Dominions.

Anything which increases our margin in the newest ships diminishes the strain and augments our security and our chances of being left unmolested.

9. Whatever may be the decision of Canada at the present juncture, Great Britain will not in any circumstances fail in her duty to the Overseas Dominions of the Crown.

She has before now successfully made head alone and unaided against the most formidable combinations, and she has not lost her capacity by a wise policy and strenuous exertions to watch over and preserve the vital interests of the Empire.

The Admiralty are assured that His Majesty's Government will not hesitate to ask the House of Commons for whatever provision the circumstances of each year may require. But the aid which Canada could give at the present time is not to be measured only in ships or money. Any action on the part of Canada to increase the power and mobility of the Imperial navy and thus widen the margin of our common safety, would be recognized everywhere as a most significant witness to the united strength of the Empire, and to the renewed resolve of the Overseas Dominions to take their part in maintaining its integrity.

10. The Prime Minister of the Dominion having inquired in what form any immediate aid that Canada might give would be most effective, we have no hesitation in answering after a prolonged consideration of all the circumstances that it is desirable that such aid should include the provision of a certain number of the largest and strongest ships of war which science can build or money supply.

PROVIDING THE MONEY

ANOTHER LIBERAL CRITICISM SHOWN TO HAVE NO FOUNDATION.

Assertion That it is Unconstitutional to Vote Whole Amount Needed in a Lump Sum Proved by British Precedents to be Incorrect.

Brief reference may be made to one line of attack followed by the Liberals, the allegation that it is unconstitutional to authorize the spending of the \$35,000,000 by Act of Parliament. The argument is that it will take two or three years to spend the whole sum and that it should be voted year by year, and not in a lump sum.

This is quite wrong. Whenever it suits Parliament to authorize a complete and well-rounded out scheme the execution of which must be spread over a term of years, it is quite in order to make the entire appropriation of money in the enabling Act. English precedents are conclusive on the point.

BRITISH NAVAL DEFENCE ACT.

In 1889 the British Parliament passed the Naval Defence Act. This was a very important piece of legislation, due to the alarm which was felt in 1888 and 1889 over the comparative weakness of the British Navy. The Act directed the building of no less than 70 war-ships—ten battleships, nine first-class cruisers, twenty-nine second class cruisers, and a swarm of smaller craft. These vessels were to be completed in a period of five years. More than half of them were to be built by the Government itself in the Royal dockyards, and nearly half were to be built by contract in private ship-yards. The Act stated that the cost was to be £21,500,000.

MONEY WAS VOTED IN LUMP SUM.

Notice now how this money was provided. The dockyard-built ships were to cost £11,500,000, and this money was to be provided year by year by vote of Parliament, exactly as the Canadian Liberals this year have been urging that the money for the Canadian Dreadnoughts should be voted annually. But with regard to the contract-built ships the British Parliament of 1889 absolutely disregarded this principle. It formed a fund of £10,000,000, and it directed that this fund was to be expended in a certain number of annual instalments. The First Lord of the Admiralty, Lord George Hamilton, and the Chancellor of the Exchequer, Mr. Goschen, explained this fully and said that the reason for taking this step was that it was desirable to carry the entire programme through without alteration. The Liberals objected in a somewhat half-hearted manner to this method of financing and were beaten on division.

Thus when the British Parliament desired to make a special effort to strengthen the navy it pursued the exact financial course followed by Mr. Borden.

LIBERAL GOVERNMENT'S DEVELOPMENT ACT.

In 1909 the Liberal Government at present in power in Great Britain put through Parliament a measure generally known as the Development Act. It is designed to give government aid by means of grants and loans to the building of good roads, the development of forestry, the encouragement of agriculture, the building of canals, etc., and the method of aid selected is the formation of a fund from which various enterprises can receive monetary assistance. The fund was to be formed by a series of five annual votes, each of £500,000; that is to say, Parliament in 1909 not only put through a vote of £500,000 for this purpose, but ordained that each year for four successive years a similar vote was to be passed. This was binding future Parliaments to vote money without discussion. Half a dozen members of Parliament objected, but the bulk of the Conservatives and the whole of the Liberal party voted against the proposal to condemn this method of financing a large undertaking.

Thus we see that a Conservative Parliament in 1889 and a Liberal Parliament in 1909 took exactly the course which Mr. Borden has pursued and which the Liberal wiseacres of Canada are declaring to be unconstitutional.

**BORDEN'S NAVAL PROPOSALS WERE RECEIVED
WITH ENTHUSIASM THROUGHOUT THE EM-
PIRE AND WERE WELCOMED BY ITS FRIENDS.**

**LAURIER'S ACTION IN DEFEATING THOSE PRO-
POSALS BY HIS SENATE MAJORITY WERE
ENTHUSIASTICALLY RECEIVED BY OUR RIVALS
AND COMPETITORS.**

Reference should not be omitted to the remarkable enthusiasm and acceptance with which the Government's proposals were received, not only in the United Kingdom, but throughout the Empire. Equally striking has been the open rejoicing of rival nations at Laurier's success in preventing united action for the purpose of safeguarding the Empire's defence.

These results have been cogently set forth by Mr. Borden in his speech at Halifax on the 16th September, in the following words:—

The Admiralty memorandum has exposed a grave necessity for concentrating in the immediate vicinity of the British Islands nearly the entire naval forces of the Empire. Not only the Atlantic and the Pacific, but even the vital highway of the Mediterranean were left practically unguarded. Our three ships were to form part of a great imperial flying squadron, of unequalled power and mobility, and so stationed that it could dominate the Mediterranean and the Atlantic, and be within reasonable call of our coasts on the Pacific. The Government proposals passed the Commons by a large majority. The leader of the Opposition, through his appointed partisans in the Senate, defeated them and in so doing took a responsibility from which any loyal and patriotic citizen of Canada and of the Empire might well have shrunk.

Let me invite your attention to the following significant passage in the Admiralty memorandum:—

"The aid which Canada could give at the present time is not to be measured only in ships or money. Any action on the part of Canada to increase the power and mobility of the imperial navy and thus widen the margin of our common safety would be recognized everywhere as a most significant witness to the united strength of the Empire, and to the renewed resolve of the overseas dominions to take their part in maintaining its integrity."

The proposals which we laid before Parliament were so recognized and they produced a profound impression throughout the world as indicating that for purposes of defence and the maintenance of the Empire's integrity the Mother

Country and the dominions were one. The significance of Canada's proposed action lay not in the mere fighting power of three Dreadnoughts. When our proposals were announced there dawned for the first time upon the world the light of a new aspect of the British Empire. Then first the chancelleries of the world saw that the strength of the Empire's defence lay not in the British Islands alone, but in the daughter nations which had already begun to realize their strength and to "feel the thews of Anakim, the pulses of a giant's heart."

WHAT THE WORLD THOUGHT OF LAURIER'S NAVAL VAGARIES.

What impression did Sir Wilfrid Laurier succeed in producing by means of his appointed partizans of the Senate? The nations were quick to seize the apparent significance of his act. Let one quotation from a great foreign newspaper suffice, although many such could be quoted:—

"Whatever may be decided upon later, the actual decision of the Canadian Senate means at any rate a heavy moral and material loss for the defence of the Empire, for Mr. Borden's promise had been foolishly enough counted on. His offer made an enormous impression on the whole world. Mr. Churchill pointed out this fact especially in the well-known memorandum of the Admiralty. This impression will now not only be destroyed, but people will everywhere obtain the conviction that England cannot depend upon such help from her colonies. 'By rivals and enemies,' says the Morning Post today, 'the decision will be eagerly welcomed. By friends it will be regarded as ominous.' The impression must inevitably be created that the solidarity of the Empire is a myth and that those powers which would like to see the overthrow of British naval supremacy need not be discouraged in their efforts by the thought that their challenge would be met by the united resources of the Mother Country and of every one of the daughter states."

Not even in his celebrated Boston speech of 1891 did Sir Wilfrid Laurier make a stronger attack upon British connection and upon the integrity of the Empire than by dictating to his appointees in the Senate the course which many of them weekly followed against their conviction and against their better judgment.

THE SITUATION SUMMARIZED

COMPARISON OF THE TWO POLICIES IN A NUTSHELL.

Clear and Consistent Course Followed by the Rt. Hon. R. L. Borden and the Liberal-Conservative Party— Timid and Wavering Behaviour of the Liberals.

Let us now review the situation.

The Canadian people have made up their minds that it is time for them to help with the naval defence of the whole British Empire.

This became evident in 1909 and the House of Commons in March of that year drew up a **General Policy**. This was briefly:

1. Canada acknowledged her responsibility in regard to Imperial naval defence.
2. Canada promised action.
3. It was acknowledged that in time of emergency, special contributions are advisable and proper.
4. It was declared that for a permanent policy, Canada should organize a naval service *along the lines suggested by the Admiralty in 1907*, to co-operate with the Imperial navy and to be under one command with the Imperial navy in time of war.

Both parties agreed with this and then the Laurier Government proceeded to develop a **Special Policy** to carry out this **General Policy**. The outstanding features of this were:—

1. The Laurier Government refused to accept the Admiralty proposal that Canada establish one Fleet Unit on the Pacific.
2. Instead, it resolved on two sets of light cruisers, too weak to be effective, one on the Pacific and the other on the Atlantic.
3. It insisted that these ships must not be available for the defence of the Empire as a whole unless an order-in-council was passed after war had broken out. If such an order-in-council was passed Parliament must be summoned—to give separatists a chance to be heard. If no

order-in-council was passed, Parliament need not be summoned; so that those who wanted to help the Empire could not be heard.

4. It held separatist language about Canadian neutrality in Empire wars.

5. It did not even go ahead with the weak and insufficient force it talked about building. It dawdled and mismanaged everything.

Meanwhile, Mr. Borden and the Liberal Conservative Party had developed a clear-cut and consistent **Special Policy** of their own. The heads of this were:—

1. The People should be consulted on the **Permanent Policy**.

2. As a **Temporary Policy**, there should be an immediate provision of Dreadnoughts for the Big Navy of the Empire.

3. Canada's naval forces should be organized in co-operation with those of the Empire, and should be available for the defence of the Empire as a whole.

4. If Canada helps with the Big Navy of the Whole Empire she must have a voice in the foreign policy of the whole Empire which determines the employment of that Navy.

This **Special Policy** Mr. Borden steadily and consistently advocated, in 1910 and 1911. He drew attention to his attitude in his election manifesto, the subject was discussed during the general election, and the people voted him into power.

On assuming the leadership of the Government, Mr. Borden repaired to England and consulted the Admiralty, as he had promised. He was informed that by 1915 or 1916 additional battle ships would be needed for the world-service of the Imperial Navy, and he accordingly came to Parliament with a Temporary Policy of the provision of three Dreadnoughts for the Empire Navy, coupled with a measure of representation in the Committee of Imperial Defence. The Permanent Policy he reserved for later enunciation.

The Liberals opposed this Temporary Policy savagely, tried to make the country believe that it was a Permanent Policy of contribution, and put forward an extravagant, costly, unworkable and separatist plan of Two Fleet Units which would cost about \$140,000,000. In advocating this they fell into countless absurdities, contradictions and errors. Finally, the partisan majority in the Senate killed the Bill.

Thereupon the British Government took steps to have three battle-ships commenced at the time the three Canadian ships would have been laid down had the Senate not behaved in the manner it adopted.

THE INTRODUCTION OF CLOSURE

LIBERALS WERE ANXIOUS FOR IT WHEN THEY
WERE IN POWER.

MADE IT NECESSARY.

Reason Why Opposition Were so Angry is Because They
Were Thoroughly Outwitted and Out-
manoeuvred.

An important event of the session of 1912-13 was the introduction of closure, or the regulating of the time consumed in talk in the House of Commons. The action of the Borden Government in effecting this was hailed with relief by most Canadians outside of strong Liberals who were angry at seeing a party plan defeated. As, however, these men have denounced a necessary reform in procedure, it is necessary to give an account of the matter.

The Canadian House of Commons still has Free Speech. Any member can say what he desires to say. He is allowed and he will be allowed abundant time in which to set forth all the arguments and considerations which he desires to advance. He will not necessarily, however, be allowed Free Loquacity. He will not necessarily be allowed Unlimited Speech. He will not necessarily be allowed to say the same thing over and over again indefinitely. In other words, he is denied the power of indefinite wilful obstruction.

CANADIAN PROCEDURE OLD FASHIONED.

The procedure of the Canadian House of Commons is derived from the older rules of the British House of Commons. When Confederation took place it was enacted by the British North America Act that the Canadian House should use the rules in vogue into British House at that date, 1867. Soon after 1867, however, the British House began to remodel its rules; the first cause of this was the invention and practice of obstruction by the Irish Nationalists, but other reasons were to be found in the need for getting through business. The process began in

1881, and has been steadily continued, an important change being made in 1913 by the Asquith Government. Closure was first employed by the Speaker, Mr. Brand, in 1881; then in 1882 Mr. Gladstone brought in closure rules; later, in 1887 and 1888, Lord Salisbury's Government led in further restriction of debate; other changes, such as the "Kangaroo Closure", under which the chairman can refuse to put an amendment which he judges to be not germane to the subject, were introduced by the present Liberal Government in Great Britain. At present in the British House debate is severely restricted.

In these developments the Canadian House had no share. It made a few changes, but continued for the most part to be guided by the former rules of the British House, now obsolete.

CIRCUMSTANCES UNDER WHICH OLD RULES WERE FRAMED.

These old rules were drawn up at a period when the British House of Commons was a very different body from the House of to-day. It was elected by a small number of voters, and to a great extent deliberated in secret. Reporters were not officially admitted until some time in the Nineteenth Century, and the public were informed of the utterances of only the leading men. There thus was little inducement for ordinary members to speak, and the rules of the British House were actually framed with the purpose of inducing members to discuss measures. This tendency was increased by the fact that in the period when the rules were formulated Parliament had little business to transact, judged by modern standards; few laws were passed.

CANADIAN RULES WERE OBSOLETE.

Thus the Canadian House of Commons, conducted under circumstances of intense publicity, and burdened with an increasing amount of legislation, was governed by a set of rules drawn up by a House which debated in partial secrecy, which discharged a comparatively small amount of business, and in which the members were little inclined to speak. On the face of it, this condition was not natural and was not businesslike. The main consequences followed:—

PARLIAMENT BECAME VERBOSE.

Parliament became far more talkative and its sessions became so prolonged as to be tedious to the public and embarrassing to legislators. Since 1907 the sessions have been of the following length:—

1907-8	237 days	1910-11	259 days
1909	119 "	1911-12	139 "
1909-10	175 "	1912-13	198 "

Thus the shortest, which followed a general election, was of some four months' duration, and one ran to nearly nine months. The general opinion of the country was that there was much needless and useless talking and that the country's business was discharged in a dilatory manner. That this is correct, is shown by the bulk of Hansard. In the Hansard of 1912-13, there are 12,182 columns, or some 6,000,000 words, or considerably more than the amount of the whole of Carlyle's works.

OBSTRUCTION BECAME INCREASINGLY FREQUENT.

Parliament at any time could be held up by a minority; even an insignificant one. This was proved in the British House, which was paralysed by the action of a comparatively few members. In the Canadian House this was done on a number of occasions, of increasing frequency. In 1885 the Liberals resorted to it for the purpose of fighting the Dominion Franchise Act, and obtained some modifications of it. In 1896 the minority used obstruction to fight the Remedial Bill and refuse supplies. In 1908 the Conservatives employed the same weapon to obtain a modification of the act which the Government was putting through to obtain control of the election lists in certain parts of the country. In 1911 the Liberals asserted that the Conservatives had employed obstruction against the Reciprocity Bill. This is hardly accurate, as on that occasion there was no speaking against time by the Conservatives, few of whom addressed the House more than once, while the subject was discussed on 35 days, as compared with 42 (of which 12 were of 22 hours), spent on the Naval Aid Bill; the fact was that the subject was so vast, and so many new phases developed as time went on, that the discussion, prolonged as it was, was perfectly legitimate and held the attention of the country throughout—this last being a good test of the propriety or impropriety of a parliamentary debate. Again, the Laurier Government in 1911 did not really try to push reciprocity through the House, and was rather willing than otherwise to go to the country upon what its members conceived until too late to be a winning policy. Finally, in 1913 the Liberals sought by obstruction to oblige a Government fresh from the people, with an adequate majority at its back, to dissolve and hold a general election on a temporary policy as to which full notice had been given to the electors before and during the general election of 1911.

ALL OTHER LEGISLATURES HAD CLOSURE.

Such was the practice in the Canadian House. In the meantime the British House had reformed its procedure; the House of Representatives

in the Congress of the United States had a severe type of closure; almost all European legislatures had imposed restrictions upon excessive debate; the Parliaments of other British Dominions had done the same; and the only two important deliberative assemblies of importance in the world which imposed no checks on loquacity were the United States Senate and the Canadian House of Commons. The legislatures of the following countries impose restrictions, either by closure or by restriction of the length of speeches, or both:

Great Britain
The United States
Germany
France
Austria
Hungary
Denmark

Belgium
Holland
Italy
Switzerland
New Zealand
Australia.

In most cases the closure resolution is offered without notice, when it appears to the majority that debate has proceeded far enough. In Australia, New Zealand and the Lower House of the United States Congress speeches often are restricted in length.

HISTORY OF CLOSURE IN CANADA.

The history of closure in Canada may now be given. The need for greater control of debate had been severely felt for years, and on one or two occasions the Laurier Government had led in revising the rules so as to limit verbosity; one important and beneficial change was the restricting of the old-fashioned right of any member at any moment to move the adjournment and then speak and cause a debate to arise. This had been greatly abused.

THE FAMOUS RULE SEVENTEEN.

Another interesting change which was made under Sir Wilfrid Laurier's guidance in 1906 was a reform of Rule Seventeen. This Rule previously read:—

When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place; but a motion may be made that any member who has risen "be now heard", or "do now speak".

It will be seen that under the old rule if such a motion were made it could be debated, so that the object, that of enabling the member

specified to be heard forthwith, would be defeated. The rule was changed in 1906 so that the latter part read:—

A motion may be made that any member who has risen "be now heard", or "do not speak", which motion shall be forthwith put without debate.

LIBERALS DEMANDED CLOSURE IN 1911.

In 1911 the Reciprocity debate was prolonged and many of the Liberal newspapers and public men declared that the time had come for the imposition of closure. Of Sir Wilfrid Laurier's Cabinet Ministers eight made speeches in favour or justification of restriction; a ninth was committed to it by the utterances of the newspaper he owned; at least four important Liberal newspapers demanded closure in strong terms; and there were other utterances. As soon as they went out of power the Liberals took exactly the opposite attitude, and the same men, except those who by reason of the will of the people were out of the House, and the same newspapers, violently denounced closure. It accordingly is interesting to set down these assertions; in some cases they will be found in parallel columns which show how different a Liberal in office is from what he is out of office.

MR. FIELDING: THE MINORITY HAS NO RIGHTS.

First, Mr. Fielding laid down a very stringent doctrine. This was not in 1911 but earlier, in 1908:—

"I said the other day, in answer to a question concerning a certain motion, that any hon. member could only have such rights in this House as the majority afford him. . . . No public deliberative assembly could be conducted upon any other principle than that the wish of the majority shall prevail. If that majority acts foolishly, harshly, then the remedy is in public opinion. I repeat the statement that in this or any other deliberative assembly no member can have a right in the deliberations of the House except what the majority gives him." (Hansard, 1908, p. 3110.)

Later he said:—

"Every member of this House and every group of members has just as much right as the majority accord to them, and no more. That is true to-day as it was true then. But the trouble is my hon. friends opposite have abused their rights. The trouble is that we have got into the habit of permitting an easy-going method of procedure whereby hon. gentlemen opposite are permitted to delay the business of the House to an extent that would not be allowed in any civilized country outside of Canada. It was just such difficulty that compelled the mother of parliaments to adopt a procedure which allows the majority to rule." (Hansard, 1908, p. 9897.)

This last statement was cheered by the Liberals.

MR. FISHER'S PLEDGE OF CLOSURE.

Mr. Fisher during the 1911 election repeatedly declared that the Laurier Government *intended to introduce closure if it won the election*. Here are three such utterances:—

1. At Waterloo, Que., on August 1, 1911:—

"Now if we are returned to power, we will pass Reciprocity and we will also pass a measure changing the rules so that the business of the country may go briskly forward, without obstruction. It is only right that it should be so. Full investigation we believe in, but empty obstruction is a drag on the country."

"I GIVE MY PLEDGE."

2. At Magog, Que., on August 19, 1911:—

"So long as a small minority or any group can take up the time of Parliament in order to hear themselves talk, it is impossible to avoid waste of time, and I give my pledge that, if the Laurier Government is returned again, the rules of the House will be changed. I consider present conditions inimical to the proper conduct of public business."

3. At Knowlton, Que., August 21, 1911:—

"It was the intention of the Government, should it be returned, to so change the rules of the House that such obstruction would in future be impossible."

MR. LEMIEUX'S DIRECT STATEMENT.

The third Liberal Minister whose utterances we may quote is Mr. Rodolphe Lemieux. Here there is a marked difference in tone between Mr. Lemieux in office and Mr. Lemieux out of office:—

Speaking at St. Hyacinthe, August 13, 1911, he said:

"In the regular order of things, the present Parliament should not have been dissolved until 1913. The liberty of speech is one of our most prized conquests, but the abuse of this liberty, that is obstruction, is a vice and should be extirpated from our political life, and when returned to power Sir Wilfrid Laurier will introduce a law providing for the exercise of closure in parliamentary debates."

On April 14, 1913, he said:—

"The new rulers, the new Czars, have played fast and loose with our Imperial relations; but, not satisfied with that, they must now stab the Canadian Parliament—nay, the Canadian people—by depriving us of one of our dearest privileges, that of freedom of speech." (Hansard, 1912-13, p. 7650.)

SIR ALLEN AYLESWORTH PREPARED TO VOTE CLOSURE.

Fourthly, we may quote Sir Allen Aylesworth, Minister of Justice in the Laurier Cabinet. Speaking at Newmarket, June 2, 1911, he said:—

"Now some attention has recently been paid to that (the prevention of obstruction) by reason of some remarks uttered by Hon. Sydney Fisher, in the Eastern Townships. He was expressing no more than I would express, no more than every Liberal in the House would express. Things have come to a pass which threatens the destruction of representative institutions. I make the statement with a full sense of the responsibility upon me for what I utter, with the full sense that I speak as a member of Parliament and a Minister of the Crown. Under our existing rules of procedure there is no limit upon talk."

And further on:—

"I must say that from what I have witnessed of what goes on session after session, I am prepared to vote closure, and to stay there to put closure through no matter how long that may take."

READY TO GAG THE OPPOSITION.

And again:—

"When a member of Parliament so far forgets his responsibilities, his duty to his country and the people who sent him there; when he deliberately descends to the level of obstructing public business, he deserves to be gagged, and I am ready to do it."

A JOB FOR CANADIAN LIBERALS.

Speaking on August 12, 1911, he is thus reported:—

"The Minister (Sir Allen Aylesworth) advocated a change in the rules of the House of Commons, under which such senseless waste of time could not take place. The Liberal party in England had to adopt such a course, and it would be necessary for Canadian Liberals to deal with obstruction which sought to impede the onward march of progress in Canada."

HON. WILLIAM PATERSON, TOO.

Fifthly, I. William Paterson, Minister of Customs in the Laurier Administration, said in 1908:—

"If there is anything in the minds of the people at present on which, when the Government ask for a verdict, they will get a favourable verdict by an overwhelming majority, it is this question of obstruction. I can tell you that the rules of this House must be revised in such a manner, that while the amplest time will be given for the discussion of every question and the investigation of every subject, there must be a means devised whereby the hon. member for North Toronto and the little clique around him will not be able to keep this House sitting indefinitely * * * the party which will be entrusted with the carrying out of that reform will be the party that has ever carried out all reforms." (Hansard, 1908, p. 10137.)

MR. PUGSLEY ON THE MINORITY.

Sixthly, Mr. Pugsley, Minister of Public Works in 1911 and aspirant for the Liberal leadership in 1913, wanted closure in 1911. As he opposed it in 1913, it is amusing to compare his views in power and out of power:—

On July 24, 1911, Mr. Pugsley made the following statement:—

"The threats which honourable gentlemen have made this afternoon, tend towards almost, if not quite, revolutionizing the theory which has hitherto prevailed. That theory has been that gentlemen would recognize not only their right but their duty and that is that **THE WILL OF THE MAJORITY SHALL PREVAIL**. That is recognized throughout this country as governing all assemblies, all meetings in which people are concerned, and at any meeting attended by the people of this country, whenever there has been fair and reasonable opportunity for the discussion of any question, **THE MINORITY HAVE ALWAYS RECOGNIZED THAT THE VIEW OF THE MAJORITY SHALL PREVAIL**, so far at all events as that body is concerned; and so in this Parliament. I ask is it not tending to destroy free parliamentary institutions for honourable gentlemen to rise, as they have risen to-day, and threaten that this question shall not be allowed to come to a vote.

"I do not care what took place in 1896; I was not here in 1896. I SAY IT IS NOT IN HARMONY WITH THE PRINCIPLES WHICH OUGHT TO GOVERN PARLIAMENTARY INSTITUTIONS THAT GENTLEMEN SHOULD RISE IN THEIR PLACES AND THREATEN, SIMPLY BECAUSE THEIR VIEWS ARE NOT THE VIEWS OF THE MAJORITY THAT THERE SHALL BE NO OPPORTUNITY TO VOTE UPON THIS QUESTION, and no opportunity, in a constitutional way, of giving expression to the views of the majority of this House. THAT IS REVOLUTIONARY; IT IS NOT IN HARMONY WITH THE PRINCIPLES OF CONSTITUTIONAL GOVERNMENT." (Hansard, 1910-11, p. 10070.)

Mr. Pugsley said:—

"Let me say, Sir, that in the interests of the people of this country and the interests of the minority, it would be better to apply the dagger than to strangle free speech. If this resolution should pass, and we have an attempt made to apply the guillotine, I do not know that the guillotine is any more agreeable than the dagger." (Hansard, 1912-13, p. 7422.)

And he also says:—

"I object to the resolution because the rules which have prevailed for centuries have been established for the purpose of protecting the rights of the minorities and ensuring the priceless liberty of free speech in Parliament; I am opposed to it, Sir, because I believe this is an attempt to place the minority of this House absolutely under the control of the majority." (Hansard, 1912-13, p. 7429.)

MR. CHARLES MURPHY: CLOSURE MUST COME.

Seventhly, Mr. Charles Murphy, Sir Wilfrid Laurier's Secretary of State, had two songs to sing, one for office and the other for Opposition.

Mr. Murphy on August 15, 1911.

Under the rules of the House, as they exist, the majority was at the mercy of the minority. If the Opposition chose to abuse their power the Government is powerless to prevent it. Under these circumstances there was nothing left for the Government but to ask that the issue should be submitted to the people and left to the people to decide. Hon. Mr. Lemieux said at St. Hyacinthe that some measure of closure would be necessary in order to make it impossible for the Opposition to obstruct the business of the country, and, he (Mr. Murphy) was perfectly in accord with that proposition. The closure existed in Great Britain, in France and in the United States, and it must come to Canada. (Ottawa Free Press, August 16, 1911.)

Mr. Murphy on April 16, 1913.

I claim that any rules passed in this way are unconstitutional, are unjustifiable, and can have no binding force on the members of this House. I, for one, decline to be bound by them. (Hansard, 1912-13, p. 7863.)

HON. GEORGE P. GRAHAM ALSO.

Eighth, Mr. George P. Graham, Sir Wilfrid Laurier's Minister of Railways and Canals, and his present titular lieutenant, took two attitudes, one for office, one for opposition.

At Port Hope, September 12, 1911: On April 22, 1913:—

"Under the present rules of the House of Commons, business that could be done in three months was extended to nine monthly. I strongly favour amending the rules."

"What does this closure mean? It means the contravention of every principle underlying representative government. Go where you will, the lowliest citizen in this Dominion has the right, through his representative, to a voice in the legislation under which he is to live, and we on this side of the House are the only citizens of the Dominion of Canada today, who are told legislation shall be passed to govern us, and as to which we are not allowed to have any voice whatever. Representative government exists no longer in Canada." Hansard, 1912-13, p. 8297.)

MR. CARVELL'S INCONSISTENT POSITIONS.

The utterances of Mr. F. B. Carvell, a private member on the Liberal side, may also be quoted:—

On June 5, 1908:—

"The action of these hon. gentlemen (the Opposition of that day) raises the question fair and square: Can the Government of this country, whether Liberal or Conservative, afford to be placed in such a position as that? CAN ANY GOVERNMENT AFFORD TO PLACE ITSELF AT THE MERCY OF AN OPPOSITION, AND VIRTUALLY DECLARE THAT, IF THE OPPOSITION DO NOT LIKE ANYTHING CONTAINED IN THE LEGISLATION THAT IS INTRODUCED, ALL IT HAS TO DO IS TO WITHHOLD SUPPLY AND THE GOVERNMENT WILL BACK DOWN? Carried out in practice and you have a country ruled not by the majority but by the minority."

And again:—

"I ask again: Can any self-respecting Government afford to be placed in this position? I say there is only one solution to this question; IF THIS OPPOSITION, OR ANY OTHER OPPOSITION, CHOOSE TO PURSUE SUCH A COURSE, THE INEVITABLE CONSEQUENCE WILL BE CLOSURE. I am not the first one to advocate closure."

He stated further:—

"Therefore, I say that this is a matter which ought to be discussed thoroughly; and I believe that if the Opposition determine to persist in this unpatriotic, unworthy course, the next move the Government will have to take is to adopt the closure. And I say to the Government that in my opinion, while I think it is the only course they can pursue, IT IS ONE THAT WILL BE SANCTIONED AND APPROVED BY THE PEOPLE OF THIS COUNTRY. LET THE GOVERNMENT START IN AT ONCE AND CHANGE THE RULES OF THIS HOUSE, IF IT TAKES MONTHS TO DO IT IN ORDER TO ADOPT THE CLOSURE." (Hansard, 1907-8, pp. 9930, 9932, 9934.)

Thus we find that more than half of Sir Wilfrid Laurier's Cabinet had declared in favour of closure and that two especially important

On April 10, 1913:—

"A free people, animated by all those principles of liberty which they possess and enjoy, will never allow a Russian gag to disgrace the rules of Parliament or the statute-books of this country."—(Hansard, 1912-13, p. 7498-9.)

And again:—

"It is a matter of supreme importance to the people of this country that we should discuss it—that we should do more, that we should fight it. We ought to do everything that free men can do to show the iniquity of this rule being forced upon a free people." (Hansard, 1912-13, p. 7508.)

He said also:—

"I consider this resolution to be the most absolute attack upon the liberty of free speech and the rights of the minority that I have ever heard of in any civilized country." (Hansard, 1912-13, p. 7510.)

Ministers in that Cabinet in the course of the general election of 1911, explicitly stated that closure would follow a Liberal victory.

We now turn to the Liberal press.

MR. FRANK OLIVER'S PAPER ON OBSTRUCTIONISTS.

Hon. Frank Oliver's newspaper, the *Edmonton Bulletin*, said on May 11, 1911:—

"A group of strong-headed tongue-waggers have it in their power to hold up the course of business as long as they please, and to block indefinitely the passage of any measure, however large the number of their fellows favourable to it, and however warmly the public approve of it. The performance is purely a physical one, and leather lungs are the only qualification necessary, save a callous indifference to the rights of the too tolerant majority in the House and out of it."

MANITOP! FREE PRESS. IN POWER AND OUT OF IT.

The *Manitoba Free Press* found it necessary in 1913 to swallow its words of 1911:—

On April 22, 1911:—

"If a challenge for a trial of strength is made, the Government should meet it and fight it out to a finish, if it takes all summer and next winter, too. The inevitable victory, when it comes should carry with it the closure which will take our Parliament out of the freak class and make it an assembly that can act as well as talk. The Canadian is the only British Parliament of the first rank which has not the closure. It is high time that it lost this undesirable distinction."

In 1913:—

"The ground which the Liberals are holding in regard to the question of naval policy is strong ground. Equally strong will be their ground in fighting against the imposition of the closure. There is no justification for a resort to the closure at this time."

THE GLOBE: CLOSURE MUCH NEEDED—IN 1911.

The *Toronto Globe* could not miss such an opportunity to take both sides of the same question:—

On April 28, 1911:—

"The application of the closure to debate at Ottawa seems inevitable. The one Parliament that retains the Great Britain tradition of free and unlimited debate has during the past few sessions proved that the system is no longer applicable to modern conditions. Parliament in Canada, with all the vast and complex problems arising out of the settlement of a half continent to dispose of, cannot become a mere academic mutual improvement society. Debate must be a means, not an end. Liberty of speech in the Commons has degenerated into licence, and a dozen inveterate talkers bore a weary House with talks that were old two thousand years ago, until the wonder is that enough members can be induced to remain in the chamber to make a quorum."

In 1913:—

"All the great authorities on British constitutional law and parliamentary practice are agreed that the adoption of closure has greatly and probably permanently changed for the worse the old time House of Commons, has lessened the dignity and usefulness of the private member, has proportionately and not usefully enhanced the power of the Cabinet, and has aggravated the tendency of the House to become a bear garden. Every member of the Canadian House of Commons must face the responsibility attached to making a similar change for the worse in one of the few remaining parliaments that have kept themselves free from factitious closure."

Again in 1911:—

"The heat of the summer will do much to lessen the fighting spirit of the irrecconcilables, and if they hold out through June and July, then August would be an excellent month for introducing that much-needed measure, a bill for applying the principles of closure to parliamentary debates in Canada."

OTTAWA FREE PRESS WANTED THE KANGAROO CLOSURE—IN 1911.

The Ottawa Free Press was one of the group of facing-both-ways journals:—

On April 22, 1911:—

"The kangaroo closure which was enforced in the British House on Tuesday, is the latest device known to Parliament of cutting the talk short and getting the business on, remarks the 'Manchester Guardian.' The need for some sort of closure has been evident of late in the Canadian Parliament, and the 'Guardian's' description is, therefore, of interest."

In 1913:—

"To the 'Free Press' the threatened attack on free speech in Parliament has been of as much concern as has the dangerous policy of direct cash contributions to the Imperial exchequer. We have held to the idea strongly that any attempt to adopt closure in the Canadian House, should be fought, constitutionally or unconstitutionally, to the last ditch. We believe the Liberals would be justified in turning the Commons into a veritable 'bear garden' should such an attempt be made."

WHO INSPIRED THESE NEWSPAPERS?

It will be noticed that the Liberal newspaper utterances in 1911 in favour of closure all came at practically the same date. This sudden chorus for closure is remarkable, and attracted notice at the time. The current explanation was that Sir Wilfrid Laurier had directed the Liberal newspapers to utter this threat.

EVEN IN 1913 LIBERALS ADMIT CLOSURE IS NEEDED.

It further is to be noticed that in 1913 many Liberals found it impossible to deny that the need for closure actually existed. They took the ground that there should be closure, but by a different method. Examples are:—

MR. LEMIEUX'S ADMISSION.

By Mr. Lemieux:—

"I am quoted as having stated at the famous meeting of St. Hyacinthe that a vice existed in our parliamentary procedure and that it ought to be

eradicated, that I then advocated a revision of the rules of the House. Sir, I do not go back on the opinions I expressed two years ago. They are not binding, it is true, on the Liberal party; they are not binding, surely, on the Liberal leader; but they are binding on myself, and I have no hesitation in saying that I am ready to study and frame new rules if only the right hon. gentleman will accept the amendment of the right hon. leader of the Opposition; but such a revision must be made by a joint committee, by mutual consent, as has been done in the past in the Canadian Parliament and in the British House of Commons." (Hansard, 1912-13, pp. 7650-1.)

AND MR. MURPHY'S.

By Mr. Murphy:—

"The remarks I made in 1911 were elicited by the conduct of the right hon. gentleman (Mr. Borden) himself and of his followers in their obstruction to the reciprocity agreement in this House. My idea then, as it is my idea now, of what should be done to meet such a situation as they raised, was to follow the precedent that I had seen followed in 1910; namely, to appoint a committee to act with you, Mr. Speaker, to revise the rules and to report their deliberations to the House. (Hansard, 1912-13, p. 7353.)

ALSO MR. MACNUTT'S.

By Mr. Thomas MacNutt, formerly Speaker of the Legislature of Saskatchewan:—

"I think it is generally admitted that some form of closure was necessary, but not at the present time. My protest is against the time and the manner of this particular form of closure. I think many members are in favour of closure of some kind; many members of the late Administration were in favour of some form and the possibility is that if the Liberal party had been again returned to power, some form of closure might have been introduced, but in a different way. It would have been submitted to a special committee." (Hansard, 1912-13, p. 7717.)

LIBERAL OBJECTIONS THUS VERY NARROW.

These admissions show that the Liberal party admits that closure is necessary. This reduces its objections to the following points:—

1. The way in which it was brought forward; i.e. by direct resolution instead of by report of a committee.
2. Bringing it forward while the Naval Service Bill was pending.
3. The form of the closure; i.e. whether it is or is not to sever a restriction upon debate.

LIBERALS TRIED BY OBSTRUCTION TO FORCE DISSOLUTION.

So much for the past history of the subject. It will be seen that there was a general agreement by Liberals before 1911 that it was needed. Then came the change of Government, and it is well known that the Liberals were exceedingly angry. It has been pointed out

elsewhere in this pamphlet that the Liberals had resolved before Parliament assembled in the autumn of 1912, to force the Borden Government by obstruction to hold a new election. *The determination to obstruct was formed before the Borden naval policy was announced.* When Mr. Borden announced his policy it was opposed with the utmost violence. The following is the tale of its progress:—

OBSTRUCTION OF NAVAL AID BILL.

Resolution and Bill introduced, December 5, 1912.

Resolution passed, February 13, 1913.

Time elapsed, 71 days. Days of debate, 15.

Second reading of Bill moved, February 18.

Bill read a second time, February 27.

Time elapsed, 10 days. Days of debate, 7.

Bill went into Committee of whole, February 28.

Bill reported from Committee, May 9.

Time elapsed 71 days. Days of debate, 19.

Third reading of Bill moved, May 12.

Bill read a third time, May 15.

Time elapsed, 3 days. Days of debate, 2.

From December 5 to May 15 the time elapsed was 162 days. The bill was under discussion on 43 days, twelve of them being of the full length of 22 hours each. When closure was introduced it had been under discussion on 37 days and had been held up for 125 days.

OCEANS OF LIBERAL TALK.

What this meant may be shown by a reference to the records. A column of Hansard contains about 425 words, or half a column of ordinary newspaper space. During the discussion in committee of the whole the Hansard reporters chronicled the utterances of the Liberals very briefly, omitting by far the greater portion of what they said. Yet even so up to the introduction of closure, the record of a few of them is:—

Sir Wilfrid Laurier	65 columns	Mr. Emerson	80 columns
Mr. Pugsley	108 "	Mr. Murphy	73 "
Dr. M. Clark	150 "	Mr. Lemieux	75 "
Mr. E. M. Macdonald	131 "	Mr. Marcil	64 "
Mr. Carvell	138 "	Mr. Lafortune	43 "

Dr. Michael Clark thus has recorded 75,000 words, or the equivalent in space of a large novel, on the one bill. This huge quantity of talking was achieved by constant and wearisome repetition of the same arguments and quotations.

OBSTRUCTION IN BRITAIN WAS LESS PROLONGED.

It will be interesting to notice what the British House regards as obstruction. In 1881 the debate on the address began on January 6 and lasted till January 20; 15 days elapsed, and the debate occupied 11 whole sittings. This was regarded as obstruction. In the same year the Irish Coercion Bill was introduced on January 24 and was debated on that day and on January 25, 26, 27; then a sitting of 41½ hours occurred, from January 31 to Wednesday February 2. The debate then was closed by Speaker Brand's celebrated refusal to allow any further speaking. It had lasted seven days. Again, in 1887 the British House adopted further closure measures when the discussion on the Criminal Law Amendment (Ireland) Act had been prolonged over 35 sittings.

LIBERALS ADMIT THEY OBSTRUCTED.

The Liberals themselves explicitly avowed that they were obstructing.

Sir Wilfrid Laurier said on April 9:—

"It is true, Sir, that we opposed a certain measure. It is true that we opposed the Bill for naval aid. We did that with all the might at our command; we did it with all the means at our command under the rules of the House. Am I to be told that in the exercise of the power of strenuous opposition we did anything which is not in accordance with the best traditions of parliamentary government? Sir, at all times in this House, at all times in the mother of parliaments, there have been questions upon which the minority thought it owed it to themselves to offer the most vigorous opposition possible." (Hansard, 1912-13, p. 7433.)

What he meant by this was shown by a long citation of instances of obstruction in the British House of Commons, including the famous obstruction by the Irish members in 1881. He went on to say that when an Opposition behaved in this manner the Government must dissolve. "The remedy," he said, "is not closure; it is not the application of brute force. The remedy is an appeal to the people." (Hansard, 1912-13, p. 7438.)

Hon. Charles Murphy on April 6, denied that the Liberals had obstructed "public business" and went on to declare that the Naval Aid Bill was not public business. It was, he said, "a deal"—"a deal that we, the members of the Liberal party have decided to resist to the uttermost of our powers and to the very end of the chapter". (Hansard, 1912-13, p. 7853.)

On April 22 Mr. Guthrie said:—"Apart from the Naval Bill, nothing has been obstructed." (Hansard, 1912-13, p. 8259.)

BOASTED THEY WERE PREVENTING THE TRANSACTION OF BUSINESS.

There is no dispute that the Liberals intended to prevent Parliament from passing the Naval Aid Bill, and that they exulted in the power which their obstruction gave them—as they thought. One example will suffice. During the continuous sitting which began on March 10, Mr. Molloy said:—

“The spectacle presented by the Government of Canada to-day is a regrettable one—a Government fresh from the people with a normal majority in this House of forty-six or forty-eight, as helpless as children! The present Bill has now been under consideration for some time, and the Government are unable to pass it. What will the people say? They will say what they have already said—that it is time that they again went before the people, and if they do this the result will be known to no one better than to themselves. This is the first time in the history of Canada that a Government has been tied up in such a manner as this Government is to-day; they cannot move hand or foot, and will not be allowed to move until this Bill is either withdrawn or amended, and then go before the people and obtain their verdict as to what they should do.” (Hansard, 1912-13, p. 5719.)

RT. HON. R. L. BORDEN'S POLICY.

The determination of the Liberals to make Parliamentary Government impossible had been manifest for more than a month before the Government moved, Mr. Borden in this displaying great patience—a patience at which Liberals like Mr. Molloy jeered but he was determined to give the Liberals every opportunity to come to their senses.

MR. BORDEN'S REQUEST REJECTED.

Finally, on April 7 the Prime Minister publicly asked Sir Wilfrid Laurier to set a date on which a vote could be taken in Committee. After drawing attention to the unprecedented length of the discussion he said:—

“It is usual under similar conditions that some date should be suggested and agreed to, at which the Bill should pass out of committee and the vote on its third reading be taken. I desire to suggest to my right hon. friend that some date should be named when the Bill may be reported from committee, after all the discussion that is deemed advisable or necessary, and that a date should be fixed for the vote on the third reading. This, under the circumstances, is only a reasonable request, and it is one which in the past practice of the House has been complied with.” (Hansard, 1912-13, p. 7224.)

Sir Wilfrid Laurier refused. “Let us be frank about it,” he said:—

“It has been charged that our attitude has been that of obstruction, and though obstruction has been held to be unparliamentary, the

thing itself, whether you call it obstruction or by any other name, is not at all unknown to parliamentary government." (Hansard, 1912-13, p. 7225.)

He made a quotation on the subject of obstruction, repeated that the remedy for obstruction was a dissolution, and after a long attack on the Naval Aid Bill said:—"He (Mr. Borden) has always found me in the past to be a man of peace; he has always found me to be fair to all parties; but at the present time his suggestion is premature. Let us go on with this discussion until we know more of the subject than we do at the present time." (p. 7237.)

LIBERAL AIM WAS TO PREVENT A VOTE.

The issue thus was clearly defined. Sir Wilfrid Laurier made it clear that the Opposition was not *debating*, that it was *preventing a vote*. The people send members to Parliament to *do business*, and the Parliamentary way of doing business is by voting.

WHAT IS OBSTRUCTION?

In the light of this full significance attaches to Mr. Gladstone's definition of obstruction:—

"To me it appears to be the disposition either of the minority of the House or of individuals to resist the prevailing will of the House otherwise than by argument." (Imperial Hansard, vol. 266, p. 1140.)

THE RESOLUTION INTRODUCED, APRIL 9.

All overtures thus being refused, Mr. Borden on April 9, introduced the closure resolution. The Liberals have complained greatly of the manner in which this was done, and so the point requires examination.

A COMMITTEE IS NECESSARY.

They declared that the new rules should have been introduced by referring the subject to a Committee, drawing up new rules in the Committee, and adopting in the House the changes recommended by the Committee. To introduce changes by resolution they said was unprecedented.

BRITISH PRECEDENTS THE OTHER WAY.

As for the introduction of changes in the rules by direct resolution from the Ministerial side, Hon. Arthur Meighen showed that the precedents were abundant. The British House of Commons revised its rules

without reference to a Committee in 1833, in 1856, 1877, 1878, 1880, 1881, 1882 and 1888, and other years. Nor was there criticism that this was improper. The Canadian House of Commons revised its rules by direct resolution in 1868, and in 1877 Sir John A. Macdonald affirmed the principle that the House could at any time by motion change its rules upon due notice.

LIBERALS WOULD NOT HAVE HELPED ON A COMMITTEE.

As for the idea that in this case the Government should have convened a Committee, the temper and avowed purpose of the Opposition showed that this would be impossible. The Liberals would have fought in Committee and obstructed when the changes were reported.

BRITISH PRECEDENTS FOR CLOSING THE NAVAL AID BILL.

2. The Liberals declared that the rules should not be changed for the purpose of passing a measure already before the House.

The reply is that the Government acted in good company. There was no closure at all in 1881 when the Parnellites performed their famous facts of obstruction and the whole struggle was over a bill, the Irish Coercion Act, which had been introduced on January 24, 1881. Mr. Gladstone brought in a resolution establishing a species of coercion, and this was passed on February 3. On February 9 fresh rules, embodying the closure, were laid before the House. On February 25 the Coercion Act was passed. It had been put through with the aid of rules which did not exist when the debate upon it began. This took place under Mr. Gladstone's Premiership.

Again, in 1887, another Irish Coercion measure was before the House, and the form of closure devised in 1882 proved insufficient to pass it. After 35 sittings the Government proposed and passed a rule establishing the more drastic kind of closure known as the "guillotine". This having been adopted, the bill was passed.

APPLICATION OF THE PREVIOUS QUESTION.

3. The greatest anger was shown by the Liberals over the application of the "previous question" to the debate on the closure resolution. They were angry because they were disappointed.

WHAT THE PREVIOUS QUESTION MEANS.

The "previous question" is a parliamentary practice long in existence. It is used quite often in other deliberative assemblies, and

occasionally in the Canadian House of Commons. In form it is a resolution, "That the question be now put"; the effect is that if it is carried, no amendment can then be moved. The "previous question" itself can be debated. When it is employed the procedure is:—

1. The main resolution is moved.
2. The previous question then is moved.
3. Debate then takes place, technically on the motion, "that the question be now put," really on the main motion.
4. When debate is exhausted, the previous question is put and carried.
5. Then, without further debate and without the putting of any amendment, the main motion is voted upon.

The previous question has been employed on several occasions in the Canadian House; one instance occurred in March, 1886. It has been used by the Conservatives, and the Liberal veterans of debate did not seem to apprehend its meaning.

WHY THE LIBERALS WERE ANGRY: THEY HAD BEEN CONFIDENT.

The Liberals had been obstructing the Naval Aid Bill for months and, as shown by Dr. Molloy's remarks, were thoroughly confident that they would succeed in forcing the Government to abandon it and dissolve Parliament. The closure resolution was long and technical, having many clauses. When notice was given of it, the Liberals decided to obstruct it even as they had obstructed the Naval Aid Bill; they prepared amendments, which rumour said numbered 96, and were assured that they could prolong debate as indefinitely on the resolution as they had on the Bill. Each amendment would put all their members in order and allow them to make fresh speeches. They listened rather exultantly to Mr. Borden's speech explaining the resolution, and as soon as he had finished Sir Wilfrid Laurier rose with the intention of moving the first of the long series of amendments prepared. Simultaneously Hon. J. D. Hazen rose to move the previous question.

USE OF RULE SEVENTEEN: AMENDMENTS SHUT OFF.

Mention already has been made of Rule 17. It provides that at any time the House can accord the floor to any member. It was at once moved, to forestall Sir Wilfrid Laurier's amendment, that Mr. Hazen "be now heard." By the change in Rule 17 effected by Sir Wilfrid Laurier, such a motion must be voted upon without debate. The House accordingly divided, and voted Mr. Hazen the floor. He at once moved the previous question, and sat down.

SIR WILFRID LAURIER WAS NOT GAGGED.

That was all. Sir Wilfrid Laurier could have gone on at once to speak. He could discuss the resolution as long as he chose; what he could not do was to move an amendment. That very same day he delivered a speech—a very angry one. Later in the debate, by the expedient of having a follower move the adjournment, he spoke a second time on the same subject. It is plain that he was not “gagged” as Liberals declared. *It was denied him was the privilege of moving endless amendments.*

LIBERALS WERE OUTWITTED.

The Liberals were very bitter over this move by the Government. One reason has been explained; they thought they were about to enter on a fresh course of obstruction and hold the Government up, and they were furious at finding that they had to be content with making one or two speeches apiece, and then allow the resolution to be voted upon when it had been fully discussed. They were savage at being outwitted. Another reason is to be found in the completeness with which they were outmanœuvred. Sir Wilfrid Laurier and Mr. Pugsley were thrown completely off their balance, and for a while they thought that the motion “that the question be now put” meant that the vote was to be taken forthwith. They screamed with rage; Sir Wilfrid Laurier was conspicuous for his anger. There was no reason why the Leader of the Opposition should not go on with his speech as soon as Mr. Hazen sat down; but he did not know enough. Thinking that an immediate division was impending, Mr. Pugsley raised points of order, moved an adjournment, talked wildly of irrelevant subjects like women’s suffrage, and delayed the proceedings until the 6 o’clock recess came; Mr. Hazen’s motion had been made about 5.30 o’clock. In the recess between 6 and 8 o’clock it dawned upon the Liberals that the right to speak was not taken away from them, and so Sir Wilfrid Laurier made his speech—an intensely bitter one. Notwithstanding the fact that he had spoken, the Liberal newspapers declared next day that he had been “gagged”!

The entire scene was memorable in the history of Parliament as the complete out-generalling of a self-confident and defiant party, which had just been exulting in its superior cleverness. Their rage when they discovered that their opponents could play the game of parliamentary tactics was decidedly comical.

AMPLE DISCUSSION ALLOWED.

This move secured for the new rules fair discussion and no obstruction. The resolution was moved on April 9 and adopted on April 23;

the discussion occupied eight days and nearly every Liberal member spoke; several, including the "gagged" Sir Wilfrid Laurier, spoke twice.

After closure had been adopted consideration of the Naval Aid Bill was resumed. Four more days were spent in Committee of the whole and two over the third reading. On May 7, after two days of debate in Committee, Mr. Porden asked Mr. Lemieux, who was leading the Opposition, if the Opposition would consent to a vote. Mr. Lemieux declined, the Opposition being determined to have the closure. (Hansard, 1912-13, p. 9275). Accordingly the bill was passed out of Committee under the new rules on May 9. The third reading took place without the closure being applied.

OPPOSITION PREDICTIONS FALSIFIED.

All sorts of predictions of oppressive treatment had been made by the Opposition and were not fulfilled. One was that discussion in Committee would not be permitted; four additional days was granted, and then the rules were applied because the Liberals refused to say when they would consent to a vote. Without any reason the Liberals had declared that the rules would forbid amendments being offered on the third reading. Five such amendments were moved.

MEANING OF THE NEW RULES.

So much for the history of the measure. It remains to give a short account of its scope and the way in which it compares with the expedients for shortening debate that obtain in the Mother of Parliaments.

The new rules are three in number and constitute sub-clauses of Rule 17. They are as follows:—

(2) Every motion heretofore debatable made upon routine proceedings, except adjournment motions and every motion standing on the order of the proceedings for the day, or for the concurrence in a report of a standing or a special committee, or for the previous question, or the third reading of a Bill, or for the adjournment of the House when made for the purpose of discussing a definite matter of urgent public importance, or for the adoption, in Committee of the Whole, or of Supply, or of Ways and Means of the resolution clause, section, preamble or title under consideration shall be debatable; but all other motions shall be decided without debate or amendment.

(3) Immediately before the Order of the Day for resuming an adjourned debate is called, or if the House be in Committee of the Whole, or of Supply, or of Ways and Means, any minister of the Crown who, standing in his place, shall have given notice at a previous sitting of his intention so to do, may move that the debate shall not be further adjourned, or that the further consideration of any resolution or resolutions, clause or clauses, section or sections, preamble or preambles, title or titles, shall be the first business of the committee, and shall not further be postponed; and in either case such question shall be decided without debate or amendment; and if the same shall be

resolved in the affirmative, no member shall thereafter speak more than once, or longer than twenty minutes, in any such adjourned debate; or, if in committee, on any such resolution, clause, section, preamble or title; and if such adjourned debate or postponed consideration shall not have been resumed or concluded before two of the clock in the morning, no member shall rise to speak after that hour, but all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

(4) On Thursdays and Fridays, when the Order of the Day is called for the House to go into Committee of Supply, or of Ways and Means, Mr. Speaker shall leave the Chair without putting any question, provided that, except by the consent of the House, the Estimates of each department shall be first taken upon a day other than Thursday or Friday.

DILATORY MOTIONS PREVENTED.

The first of these three rules, divested of technical language, cuts off the opportunity of moving what are termed dilatory motions. Formerly when a member wished to prevent business from going forward he would move the adjournment of the House, and so start what technically was a new debate. There were a great many opportunities for the exercise of obstructive tactics. Mr. Borden mentioned a few in introducing the resolution:—

"Motions to adjourn a debate, motions to adjourn the House, or that the Chairman do leave the Chair, or that the committee rise, report progress and ask leave to sit again. Such motions, which ought to be regarded as purely formal, are not under these rules to be debatable, and they are not debatable, so far as I know, under the rules of any legislative assembly. But everything that raises a direct question with regard to any matter under the consideration of the House will be as fully debatable in the future as it has been in the past." (Hansard, 1912-13, pp. 7403-4.)

On the other hand, substantial and legitimate motions are expressly made debateable.

CLOSURE BY NOTICE.

The second of the rules is the Closure rule proper. It will be seen that it makes the following provisions:—

1. The debate must have lasted some time; for it is described as an "adjourned debate."
2. At least 24 hours notice must be given.
3. After notice is given a whole day is allowed, until 2 a.m. on the day following.
4. By the 20-minute rule, (a) Government members are precluded from occupying so much time as to crowd out members of the Opposition who wish to speak; (b) Opportunity is given to a great many members to place themselves on record.
5. Notice must be given by a Minister, thus forcing the Government to take full responsibility.

DISCUSSION OF SUPPLY GUARANTEED.

The third rule simply provides for two days a week of undisturbed discussion of supply. The custom of an Opposition is to bring attacks on the Administration forward on a motion to go into supply. While this is proper, it easily can be abused, for it is the interest of the country to have supply passed. At present the estimates range between \$150,000,000 and \$200,000,000 a year and it is obvious that such huge sums need much discussion. Yet the Opposition in the past has brought forward so many motions on going into supply that the House had inadequate time in which to consider the spending of money; so that towards the end of the session votes would be hastily passed in huge amounts without a pretence of examination or discussion. To prevent this the new rule names two days a week—Thursday and Friday—on which no amendment can be offered to a motion to go into supply. The safeguard is that the estimates of each Department must be brought forward for the first time on some day other than a Thursday or a Friday, so that the Opposition can bring forward any criticisms it may desire to urge.

CLOSURE IN GREAT BRITAIN.

These being the Canadian rules, it need hardly be said that they are not in themselves very drastic. The British House of Commons has a closure system which presents the following peculiarities:—

1. It is without notice, is instantaneous, and can be moved by any private member. A debate is proceeding; a member is speaking; some private member on the other side interjects a motion for closure; if the Speaker or Chairman consents to put it, the House divides instantly and the debate, if closure carries, ends abruptly. Compare with this the 24 hours notice of the Canadian system.

2. It has what is known as the "guillotine" or "closure by compartments". Redlich says (Vol. 111, p. 55):—

"The close of the debate upon some particular subject is fixed in advance for a certain sitting, and a certain hour of that sitting; at the end of the time allowed, all votes necessary for disposing of the matter have at once to be taken."

3. It allows a certain number of days—usually twenty—for the discussion of supply. The House goes into supply automatically, and each compartment of the estimates is voted at the appointed day and hour, whether discussion has covered the whole of the votes, or has not.

4. It has what is termed the "Kangaroo Closure". Under this the chairman in Committee of the whole may select from the amend-

ments offered those which he chooses to propose, and refuse to allow the others to be discussed or voted upon. "If the motion is carried", (i.e. for the adoption of this type of closure) says the rule, "the chair shall then and thereafter exercise the power of selecting the amendments to be proposed on the words so defined."

IS THE CANADIAN CLOSURE MORE DRASTIC?

Bearing these facts in mind, we can appreciate the humour of the assertions of the Liberals that the Canadian Closure by notice is more drastic than the British system. This bluff was called by Mr. Borden very sharply. When the Prime Minister was introducing the resolution Mr. Pugsley interjected a remark that the new rules were more drastic than the British rules. Mr. Borden promptly said that if the Opposition preferred the British rules the Government would withdraw its resolution and introduce the British system. There upon Mr. Pugsley and the whole of the Opposition sat dumb. (Hansard, 1912-13, p. 7402.)

A LIBERAL INSTITUTION.

In conclusion one point may be noticed. Closure was introduced into the British House by a Liberal Speaker, and made permanent by Mr. Gladstone. It has been used more frequently by Liberals than by Conservatives. The following is a comparison of the application of Closure between 1900 and 1910 under the two parties in Great Britain:—

UNDER CONSERVATIVE GOVERNMENT.		UNDER LIBERAL GOVERNMENT.	
1900	17	1905	61
1901	57	1906	112
1902	70	1907	66
1903	20	1908	63
1904	69	1909	156
		1910	28

THE LIBERAL PARTY AND RECIPROCITY

STILL IN FAVOUR OF THE UNFORTUNATE
POLICY.

**Reactionary Element in the Party Insisted on Its Being
Adhered to—Succession of Blows Sustained—The
Adjunct Letter—American Manufacturers Mov-
ing to Canada—The New Democratic Tariff
—The Price of Wheat—Toronto Globe's
Admissions.**

A good deal of light has been thrown on the subject of Reciprocity during the two years which have elapsed since its ignominious rejection by the electorate. The principal points of interest in the subject are:—

1. The Liberal Party still is tied to that policy.
2. The designs entertained by the Americans in making the Agreement have been made perfectly clear, as nothing less than the making of Canada an adjunct of the United States.
3. Events have disproved many of the Liberal contentions as to the benefits to be derived from Reciprocity.
4. Events have proved the truth of the Liberal-Conservative contentions as to the wisdom of minding our own business and avoiding fiscal entanglements with the United States.

“RECIPROCITY IS DEAD”, SAID HUGH GUTHRIE.

When the Liberal Party met in Parliament in the autumn of 1911 the indications are that some disposition existed to recede from the policy which had wrecked it. The most noteworthy evidence of this is

to be found in the speech made by Mr. Hugh Guthrie in the debate on the address, on November 20, 1911. He said:—

"The discussion (in Ontario) was purely and simply on the trade proposals. The verdict on polling day was certainly a decisive one and was against the then Government's proposal." (Hansard, 1911-12, p. 65.)

"The people having disposed at the election of the question of trade relations with the United States.

"The Reciprocity proposal is dead." (Page 70.)

ONTARIO LIBERALS OVERRULED.

This, then, represents the first impulse of the Ontario Liberals at all events. The curious composition of the Parliamentary Liberal party now asserted itself. Of the 86 members who comprise it, 37 are from Quebec, 19 are from the Maritime Provinces, 13 are from Ontario, and 17 are from the Prairie Provinces. Quebec Liberals all along have shown themselves little interested in the question of reciprocity, which Sir Wilfrid Laurier has described as a policy introduced to please the West. Thus the Quebec Liberals were at once the predominant element in the party, and were not greatly interested. The Maritime Province Liberal Members, as befits a party headed by Mr. Fielding, still adhered to the policy he had promulgated, and the Liberal members from Saskatchewan and Alberta were ardently in favour of reciprocity. Accordingly, the Ontario Liberals soon were overruled.

LAURIER AT FIRST READY TO ACCEPT VERDICT.

Sir Wilfrid Laurier and Mr. Lemieux at first were rather guarded in their observations in November, 1911. The Leader of the Opposition said on November 20, 1911:—

"Of course, in my judgment, the country made a mistake, but we on this side of the House are prepared to accept its decision loyally and to act accordingly." (Hansard, 1911-12, p. 36.)

Mr. Lemieux said on November 23, 1911:—

"I accept the rule of the majority, I bow to the decision of the majority, but I have no apology to offer for the stand taken by the Liberal party on that question of reciprocity. I respect the verdict of the people, I accept it; but I say most distinctly that it was the verdict of fear over self-reliance, it was the verdict of passion over reason." (Hansard, 1911-12, p. 247.)

This plainly is the language of men preparing to stand from under. But now came in the Liberals of the Maritime Provinces and the prairies.

NOT A DEAD ISSUE, SAID PUGSLEY.

Mr. Pugsley, speaking on November 21, 1911, argued at length in favour of reciprocity, and gave the following explanation of Mr. Guthrie's remark, and avowal of his own views:—

"My own friend from South Wellington (Mr. Guthrie) did not say that reciprocity was a dead issue. What he is reported as saying in Hansard is that the electors have for a time disposed of that question, having given their verdict upon it. I would be sorry if a member on this side of the House should say that reciprocity was a dead issue. So far as we from the Province of New Brunswick are concerned, it is by no means a dead issue. We intend, as the opportunity arises from time to time—and I think I can speak for all my colleagues from New Brunswick—to plead for justice from our fellow-subjects in the Province of Ontario." (Hansard, 1911-12, p. 150.)

OLIVER SAYS RECIPROCITY IS STILL ALIVE.

The Western Liberals also championed reciprocity, and Mr. Oliver on November 28, 1911, in the course of a long argument on the subject, said:—

"Let me relieve my hon. friend's (Hon. W. T. White's) mind from the impression under which he appears to labour that reciprocity is dead as an issue in Canadian politics. In so far as the reciprocity proposals were proposals for the reduction of taxation and the increase of trade in this Dominion, I would like him and his friends to understand that they were never more alive than they are at this moment." (Hansard, 1911-12, p. 448.)

These may be described as the leading utterances, but the whole course of the debate on the address, in November, 1911, which was a species of post-mortem on the election, shows the same tendency. Some 23 Liberals spoke, or about a quarter of the membership of the party. Their utterances may be classed as follows:—

MARITIME PROVINCE LIBERALS EXPRESS THEMSELVES STRONGLY.

Maritime Province Liberals:—

Mr. Carvell, on November 21:—

"I am here to state that reciprocity and subjects closely allied to it are not dead, so far as the Maritime Provinces are concerned." (Hansard, p. 84.)

Mr. D. D. McKenzie, on November 22:—

"So far as the Province of Nova Scotia is concerned, I must say, the question of reciprocity is still a live one." (Page 183.)

Mr. O. Turgeon, on November 27:—

"This policy will, however, continue to be the aspiration of the people, and ambition of the people of the Maritime Provinces as long as there are fish in the Gulf and the Atlantic coast waters, and as long as there are trees to fell and lumber to export from the Maritime Provinces." (Page 294.)

Hon. H. R. Emmerson, on November 28:—

"I believe that we are but on the threshold of an agitation, not only for freer trade relations with the people of the United States, and with the people of all other countries, but we are on the threshold of an agitation that has for its goal the reduction of the tariff duties of this country in the interest of the great consuming masses of the people." (Page 440.)

Mr. J. J. Hughes, on November 28:—

"I am pleased to know, from the utterances of the chief spokesman of the Liberal party, that there is no idea of dropping that question." (Page 482.)

Mr. Sinclair on November 24, and Mr. Loggie on November 29, argued at length for reciprocity.

Mr. E. M. Macdonald spoke but did not touch on fiscal questions.

Thus, including Mr. Pugsley, nine Maritime Province Liberals spoke out of 19. Eight out of the nine took special pains to declare that the party still adhered to reciprocity.

WESTERN LIBERALS ALSO FOR THE PACT.

Western Liberals:—

Mr. W. A. Buchanan, on November 27:—

"We believe that reciprocity with the United States is in the best interests of Western Canada, and in the best interests of Eastern Canada as well." (Page 405.)

Mr. W. M. Martin (Regina), on November 28:—

"If hon. gentlemen opposite think that reciprocity is dead, as the Finance Minister seems to think, they are making a big mistake, for it is a very live corpse indeed." (Page 466.)

Dr. Michael Clark argued at length in favour of reciprocity on November 22.

Thus, counting Mr. Oliver, four Western Liberals out of 17 spoke, all in favour of reciprocity.

QUEBEC LIBERALS WERE GUARDED.

Quebec Liberals:—

Mr. Boivin on November 24:—

"We are all agreed that Canada has refused a great opportunity, which she may never again have the chance to accept, and in this sense we agree that reciprocity is dead. But the Liberal party in Canada still stands for wider markets for the Canadian farmer." (Page 501.)

Mr. Verville argued for reciprocity in connection with the high cost of living.

Mr. Ethier contented himself with arguing that reciprocity would not have meant annexation.

Mr. E. B. Devlin referred to reciprocity, but avoided any direct statement as to its future.

Mr. Gauthier made no reference to reciprocity in his speech.

Thus, counting Sir Wilfrid Laurier and Mr. Lemieux, seven Quebec Liberals spoke out of 37. Mr. Boivin's reference is as colourless as that of his two leaders.

WHAT THE ONTARIO LIBERALS SAID.

Ontario Liberals:—

Hon. Charles Murphy on November 29 argued that reciprocity would not have resulted in any loosening of the Imperial tie and, after referring to the composition of various disputes with United States, said:—

"Having regard to these results, it was felt by the late Government that it would have been a crime, not only against Canada but against Great Britain as well, to have rejected the friendly overtures of the United States." (Page 511.)

Mr. Murphy in short, confined himself to a defence of the past.

Mr. W. M. German spoke on November 27, and opposed reciprocity.

Thus only three Ontario Liberals spoke, one purely to defend the course of the Laurier Government one to say that reciprocity was dead, and one to oppose it.

Thus the Maritime Province Liberals, the political descendants of the men who prevented the Mackenzie Government in 1878 from increasing the tariff, and the Western Liberals, forced the Liberals of Ontario, who were sick of it, and the Liberals of Quebec, who showed no enthusiasm, to hoist afresh the tattered flag of reciprocity.

AVOWALS EXTRACTED FROM LAURIER AND PUGSLEY.

The matter was clinched in the debate on the address in November, 1912. Mr. G. W. Fowler of Kings and Albert challenged the Liberal party to declare itself. It took some close questioning, but he succeeded. The passage is as follows:—

MR. FOWLER: I want to ask the hon. gentleman (Mr. Pugsley) a question. He was asked the other day. Perhaps by this time he has screwed up his courage and he will be able to answer. Is the hon. member for St. John in favour of reciprocity?

MR. PUGSLEY: I may say emphatically yes.

MR. FOWLER: I am glad we have been able to extract an answer from the hon. gentleman.

MR. PUGSLEY: It is the first time my friend has asked me the question.

MR. FOWLER: My hon. friend from Sault Ste. Marie (Mr. Boyce) asked that question and he would not answer.

MR. PUGSLEY: The hon. member from Sault Ste. Marie was simply making a remark that he noticed on the face of the member for the county of St. John a shade of anxiety and sorrow when that was mentioned. I made the remark that the hon. member for St. John is the Minister of Marine and Fisheries, and not myself.

MR. FOWLER: The usual lawyer's evasion on the part of my hon. friend. Perhaps the right hon. the leader of the Opposition will be willing to answer now.

SIR WILFRID LAURIER: With great pleasure. We are a united party on this side. We never vary.

MR. FOWLER: That is a still more clever lawyer's evasion. I ask the right hon. the leader of the Opposition: "Were you in favour of this reciprocity as it was presented to the people of Canada during the elections of 1911?"

SIR WILFRID LAURIER: I know of some Liberals who have varied their views upon that. I am not one of them. I stick to my ideas.

MR. FOWLER: I am glad to know that. I congratulate myself upon having produced from the two leaders of the party for the first time during this session a statement on this very important point. I see the smiling face of the hon. member for South Wellington (Mr. Guthrie). Perhaps he would be willing to answer the question. Is he in favour of reciprocity between Canada and the United States, as it was set forth in the platform of the Liberal party during the elections of 1911?

MR. GUTHRIE: I was, and I am still.

MR. FOWLER: Then the hon. gentleman has changed his views since last session?

MR. GUTHRIE: No, not a particle.

MR. FOWLER: The hon. gentleman said the question so far as he was concerned was dead and buried.

MR. GUTHRIE: I never said that at all. I said the reciprocity issue is dead, and at the time I spoke I think it was dead. (Hansard, 1912-13, pp. 341-2.)

STILL IN FAVOUR OF THE ILL-FATED POLICY.

There has been much other reciprocity talk by the Liberals, but the foregoing quotations establish the fact that they are committed to the policy. The very last utterance in the House of Commons in June, 1913, before prorogation was by Mr. Pugsley and it contained the following passage:—

MR. PUGSLEY: Get larger markets, call back the hon. Minister of Trade and Commerce (Mr. Foster) from the mission upon which he is engaged in seeking to negotiate a treaty with the distant, overseas dominion of Australia, which will be of comparatively little importance, and send him down to Washington to negotiate a permanent treaty under which the people of Canada will know that they can produce as much as they please, and, as far as natural products are concerned, there will be in the United States a market for their products. If reciprocity had been passed we would not have seen the depression in this country which we see to-day. (Hansard, 1912-13, p. 12174.)

PRESIDENT TAFT'S AVOWAL OF HIS PURPOSE.

The most noteworthy event as regards the question of Reciprocity in itself has been the open avowal of the purpose of the American Government in entering upon the Reciprocity negotiations. On April 26, 1912, at a campaign meeting in Boston, President Taft made public a letter which he wrote on January 10, 1911, to Mr. Theodore Roosevelt, and Mr. Roosevelt's reply. President Taft's letter was written while Mr. Fielding and Mr. Paterson were actually engaged in Washington on the negotiations which resulted in the framing of the Agreement. Mr. Taft wrote:—

THE ADJUNCT LETTER.

It (reciprocity) might at first have a tendency to reduce the cost of food products somewhat; it would certainly make the reservoir much greater and prevent fluctuations. Meantime the amount of Canadian products we would take would produce a current of business between Western Canada and the United States that would make Canada only an adjunct to the United States. It would transfer all their important business to Chicago and New York, with their bank credits and everything else, and it would increase greatly the demand of Canada for our manufactures. I see this is an argument against reciprocity made in Canada, and I think it is a good one.

FOR BOTH ECONOMIC AND POLITICAL REASONS.

Mr. Roosevelt's reply was written on January 12, 1911:—

"It seems to me that what you propose to do with Canada is admirable from every standpoint. I firmly believe in free trade with Canada for both economic and political reasons. As you say, labour cost is substantially the same in the two countries, so that you are amply justified by the platform. Whether Canada will accept such reciprocity I do not know, but it is greatly to your credit to make the effort."

[The most convenient place in which to find these letters in full is Mr. Castell Hopkins' Canadian Annual Review, 1912, p. 667.]

ADJUNCT LETTER WAS A CONSIDERED DOCUMENT.

The New York Evening Post of May 3, 1912, remarked:—

When we recall that the "adjunct" letter was passed upon by the full Cabinet and by other advisors of the President, the mistake of giving it out appears the more inexplicable.

As the Rt. Hon. R. L. Borden observed in this connection:—

That is to say, that letter was not merely the personal opinion of Mr. Taft, but was a letter which had been passed upon by the whole Cabinet of the United States, and by other prominent men in that country. This circumstance, it seems to me, gives it a somewhat added significance.

WHAT PRESIDENT TAFT'S LETTER MEANS.

The significance of these letters is immense. They portray what was in the minds of the American statesmen who were negotiating the Reciprocity Agreement. The President and his Cabinet made the following forecast:—

1. They expected reciprocity to reduce the high prices which were held out as a bait to Canadian producers.
2. They hoped it would make Canada "only an adjunct of the United States".
3. They hoped that it would rob Canadian cities of their important business, bank credits "and everything else", in favour of New York and Chicago.
4. They expected it to lead to further changes in the Canadian tariff in favour of American manufactures.
5. They themselves believed in the force of the economic objections made by the Canadian opponents of reciprocity.

Mr. Roosevelt's reply says clearly that he wanted reciprocity for "*both economic and political reasons*". What was the exact significance of that expression?

AMERICAN MANUFACTURERS MOVING TO CANADA.

President Taft's remark about manufacturers fits in with a very recent development. The Boston newspapers of July 14, 1913, contained an interesting announcement by Mr. Eugene Foss, Governor of the State of Massachusetts, and head of the B. F. Sturtevant Company, a large manufacturing concern with works at Hyde Park, Mass. Governor Foss' statement, omitting certain paragraphs dealing with purely American political matters, was as follows:—

STATEMENT OF GOVERNOR FOSS.

"For more than 12 years one of the principal Massachusetts corporations which I represent has had under consideration a plan of transferring to Canada a large portion of its work. I have personally opposed this plan and endeavoured to maintain this industrial enterprise, in full, here in Massachusetts, but am now convinced that it is no longer possible to defer action on this matter.

HE'S SORRY, BUT HE HAS TO COME.

"Accordingly, I make the announcement, although I do so with sincere regret, that the B. F. Sturtevant Company has just completed the purchase of a manufacturing plant in Galt, Ont., and that a large part of the work which has hitherto been done at Hyde Park will now be transferred to Canada.

"All over the United States the tendency among the principal manufacturing interests is toward the establishment of plants in Canada. This movement has been going on for many years, and it is estimated that from three to five hundred million dollars of American capital is now invested in these Canadian plants. The Sturtevant Company must join the procession in order to meet the conditions of the industry, for the movement has now proceeded to a point where corporations which fail to follow are faced with serious embarrassment. American manufacturers have completely filled the American market, and their production is now greatly in excess of the domestic demand. Under these conditions the expansion of their domestic plants is impossible, and it is becoming necessary for them to curtail production.

WITH RECIPROCITY HE COULD STAY IN MASSACHUSETTS.

"If they had a reasonable outlet for their surplus products, under reciprocal trade agreements with other countries, these industries would remain at home and grow; but, under the conditions that exist, they must remove in part to those countries whose markets they desire to reach.

"The Sturtevant Company can no longer ignore this movement. The industrial situation demands that it take part. Therefore, after more than a decade of effort to render this step unnecessary, it is reluctantly obliged to accept the situation and remove to Canada a part of its work, thus curtailing production in Massachusetts.

HOW TO STOP THE MOVEMENT TO CANADA.

"This movement of American manufactures to Canada could be stopped and they could remain intact in this country if it were not for the absurd conditions created by our tariff legislation.

"We should have with Canada and other countries such trade agreements as would enable us to manufacture our goods in the United States, giving employment to American workingmen and utilizing only American capital.

"But such agreements would imply a recognition of the principle of reciprocity. If we were to ship the products of American factories to Canada and to Europe without the present handicaps, we should require certain trade concessions from the governments of our customer nations, and in return for these concessions we should be expected to grant similar ones to the products of those countries. * * * *

"If we are to continue to meet our foreign obligations, pay for foodstuffs and raw materials imported, and avoid actual national bankruptcy, an expanded market for American manufactures is absolutely imperative. * * * *

"Our need of foreign markets for our manufactures is so great that to give any share of our market without a quid pro quo in return to the people of the United States would be little short of treasonable. The true policy of tariff reduction should have for its primary purposes to open to American manufacturers the markets of the world. In other words, and in the last analysis, the beginning and ending of all tariff legislation in the United States should be the policy of commercial reciprocity. * * * *

A SIGNIFICANT UTTERANCE.

"It is suicidal for American manufacturing interests to ignore these handicaps to foreign trade. Canada, in particular, is one of our most valuable customer nations in theory and should be so in fact.

"During the past 10 years the rate of increase in population in Canada has proceeded far faster than in this country and her relative industrial power is growing faster than our own. If we cannot get this market through proper adjustment of our tariff policy, then we must go to Canada and establish ourselves there."

CONSERVATIVE CONTENTION WAS CORRECT.

This document, coupled with President Taft's remarks about "increasing greatly the demand of Canada for our manufactures" affords a complete proof of the accuracy of the contention put forward in 1911 by the opponents of Reciprocity that the Americans did not intend the Reciprocity Agreement to be a final arrangement, but would soon, if it were ratified, press for its extension. The Liberal Conservative Handbook of 1911 contained the following passage, relating to the Reciprocity Treaty of 1854:—

WHY THE AMERICANS TERMINATED THE TREATY.

It is a mistake to assume that the United States abrogated the treaty because they were angry with Great Britain and Canada for their conduct during the war. This was only one among many causes.

WHAT THE AMERICANS INTENDED RECIPROCIITY TO EFFECT.

The United States concluded the Reciprocity Treaty because:—

1. They expected it to lead to free trade in manufactures as well as in natural products.
2. They expected to do all of Canada's carrying trade.
3. They expected the treaty to lead to annexation.

These three things were not mentioned in the treaty. The Americans, however, intended these to be the price Canada was to pay for reciprocity in natural products. Canada paid the price mentioned in the treaty, and nothing more. She:—

1. Imposed additional duties on American manufactures, partly for revenue, partly to encourage her own manufacturers.
2. Worked hard to establish an east-and-west trade route, which carried a portion of the products of the American West to the sea.
3. Remained loyal to British connection.

The American duties on manufactures were much higher than the Canadian duties, even when the latter were increased. After 1860 the Americans greatly increased these duties.

AMERICANS FURIOUS BECAUSE CANADA DEVELOPED ON HER OWN LINES.

When the Americans found that Canada was sticking to the terms of the treaty, had no intention of proceeding to free trade in manufactures, meant to do her own carrying trade, and remained loyal to the Empire, they were very angry and accused her of "breaking the treaty". This was in 1860, before the war had broken out. In that year there was a strong agitation to have the treaty abrogated, and an official of the United States Treasury, Israel T. Hatch, produced a report declaring that the treaty had been broken and should be abrogated at once, without waiting for the ten years to expire.

Had reciprocity been obtained by means of concurrent legislation, as in the Fielding-Knox agreement, it would have been abrogated by the United States before the outbreak of the civil war.

AMERICANS MEAN THE SAME THING THIS TIME.

The United States to-day mean the reciprocity of the Fielding-Knox agreement to be a stepping stone to complete free trade between the two countries. They expect it to divert traffic from our east to west routes to their railway lines. Many Americans expect it to lead to annexation. Suppose that Canada refuses to reduce her tariff duties on manufactured goods; suppose she still remains loyal to British connection; what then?

WHAT WE MAY EXPECT.

The precedent of 1854-80 teaches us that in such an event the Americans will be angry, will declare that Canada is not living up to the agreement—and will abrogate the agreement.

AMERICANS MEANT RECIPROCITY TO LEAD TO FREE TRADE.

If Governor Foss had read the foregoing passage and desired to confirm its accuracy he could not have written in stronger terms. Some very short-sighted Liberals has chuckled and said that the goods made by the Sturtevant Company were not included in the Reciprocity Agreement. What does that prove?

It proves this—that Governor Foss expected to get his goods on the Canadian free list later.

At all events the town of Galt gets an industry that would have stayed in Massachusetts if the Liberal party had had its way and if Reciprocity had been carried. There will be several hundred additional workmen in Galt, Canadian citizens, receiving wages in Canada, spending their wages in Canada on products raised by Canadian farmers, and on goods made by other Canadian workmen. The defeat of Reciprocity brought them to Galt.

Which do Canadians prefer: to have Governor Foss' workmen migrate from Hyde Park, Massachusetts, to Galt, Ontario; or to have "the important business" of Montreal, Toronto and Winnipeg drawn to New York and Chicago?

AMERICAN CAPITAL AND INDUSTRIES NOW FLOWING INTO CANADA.

It will be noticed that Mr. Foss asserts that many American manufactures are doing as he has done. In 1911 the "Monetary Times" of Toronto made an estimate of American investments in Canada, and placed them at \$226,800,000. The details were:—

168 companies, average capital, \$800,000.....	\$100,800,000
United States investments in British Columbia mills and timber	50,000,000
United States investments in British Columbia mines.....	50,000,000
Land deals, Alberta, etc.	10,000,000
United States investments, lumber and mines in Alberta.....	5,000,000
Packing plants	5,000,000
Implement distributing houses	4,000,000
Land deals, etc.	2,000,000
	<hr/>
	\$226,800,000

Two years later, in May, 1913, the "Monetary Times" published a new estimate, placing the American investment in Canada at over \$400,000,000. The details are:—

Two hundred and nine companies, average capital \$600,000.....	\$125,400,000
Investments in British Columbia mills and timber.....	65,000,000
Investments in British Columbia mines.....	60,000,000
Land deals in Prairie Provinces.....	25,000,000
Investments in lumber and mines, Prairie Provinces.....	10,000,000
Packing plants	6,000,000
Agricultural-implement distributing houses	8,575,000
Land deals, British Columbia.....	3,500,000
Municipal bonds, sold privately	27,000,000
Investments in Canada of United States insurance companies...	43,293,221
Miscellaneous industrial investments	10,000,000
Purchase of city and town property.....	15,525,000
Investments in the Maritime Provinces.....	12,850,000
Total.....	\$417,143,221

There is an interesting sum in arithmetic:—

	\$417,000,000
	226,800,000
	<hr/>
Increase in 2 years.....	\$190,200,000

The increase is not quite as large as the two statements do not altogether cover the same items; the 1911 statement takes no account of the investments of American insurance companies. This item was some \$9,000,000 larger in 1913 than in 1911. Allowing for \$34,000,000 under this head in 1911, we still have an increase in two years of over \$150,000,000. Most of the companies were brought to Canada by the tariff. A number of those in the country in 1911, according to their own statement, would have left Canada if Reciprocity had prevailed.

CANADA STOOD PAT AND THE AMERICAN MARKET OPENED.

Next may be noticed another remarkable fulfilment of the arguments and predictions of the Liberal-Conservative party. It was held by the opponents of Reciprocity that the trend of events in the United States made a lowering of the American tariff inevitable, and that President Taft in offering Reciprocity was merely trying to get a price for reductions of duty which were bound to come in any event. They argued that if Canada "stood pat" the Americans for their own purposes would admit her into their markets.

Events have proved this view to have been accurate. Uncle Sam's position has been as follows:—

Uncle Sam: "I'll give you some tariff reductions if you will pay for them."

Jack Canuck: "No, thank you."

Uncle Sam: "Well, take them anyway."

The Democrats have won every election that has happened since 1911. They now control the Executive and Congress. They have enacted a Tariff Act which gives Canada for nothing many of the concessions for which Mr. Fielding and Mr. Paterson were so anxious to barter away Canada's fiscal independence.

Following are a few facts drawn from a comparison of the Reciprocity Agreement and the new American tariff signed by President Wilson on October 3, 1913:—

1. Articles free by Reciprocity Agreement which are free by new United States Tariff:—

Cattle	Sawed boards, planks, deals and
Swine	other lumber
Sheep and lambs	Wooden Staves
Rye	Buckwheat
Fresh cream	Pickets and palings
Eggs	Corn
Fresh milk	Extract of hemlock bark
Fish, except boneless	Grass seed
Salt	Barbed wire
Crude Asbestos	Cream Separators
Coke	Typesetting machines
Timber, hewn, squared or sided	

Wheat is to be free if Canada takes off her duty on wheat, wheat flour and semolina. If she does not, the duty is to be reduced from 25 cents per bushel to 10 cents per bushel.

Potatoes will be free if Canada removes her duty; otherwise, 10 per cent. instead of 25 cents per bushel.

2. Articles not mentioned in the Reciprocity Agreement which are made free by the new United States tariff:—

Article	Average 27%	Free
Acid, acetic		Free
Acid, sulphuric	¼ c per lb.	Free
Alcohol, wood	20%	Free
Sewing machines	30%	Free
Typewriters	30%	Free
Cement, Portland	8c per 100 lbs.	Free
Coal, bituminous	45c per ton	Free
Flax, straw	\$5.00 per ton	Free
Flax, not hackled or dressed.....	1c per lb.	Free
Flax, hackled	3c per lb.	Free
Fulminates	20%	Free
Explosives for mining, etc.....	2c to 4c per lb.	Free
Hoop or band iron or steel for baling purposes	\$6.00 per ton	Free
Pig iron	\$2.50 per ton	Free
Iron in slabs, blooms, etc.....	\$8.00 per ton	Free
Leather for boots and shoes.....	5% to 20%	Free
Leather boots and shoes.....	10% to 15%	Free
Harness, saddles and saddlery.....	20% to 35%	Free
Condensed milk and cream.....	2c per lb.	Free
Cut nails and spikes.....	4-10c per lb.	Free
Horseshoe nails	1½c per lb.	Free
Wire nails	4-10c to ¾c per lb.	Free
Horse, mule or ox shoes.....	¾c per lb.	Free
Railway bars or rails.....	7-40c per lb.	Free
Sheep dip	20%	Free
Sheep skins	Wool thereon dutiable at 10c per lb.	Free
Steel ingots, blooms, slabs, bil- lets (ordinary)	\$6.00 to \$10.00 per ton	Free
Wire, galvanized, such as is commonly used for fencing.....	1c per lb. but not less than 35%	Free
Wire fencing, certain gauges	45%	Free
Wool, raw	11c per lb.	Free
Wool, washed	22c per lb.	Free
Wool, scoured.....	36c per lb.	Free

3. Articles taxed by the Reciprocity Agreement and made free by the new United States tariff:—

Article.	Reciprocity Rate.	Now.
Meat, fresh or salted	1½c per lb.	Free.
Bacon and Hams.....	1½c per lb.	Free.
Meats, Preserved.....	20 per cent.	Free.
Farm Wagons.....	22½ per cent.	Free.
Ploughs, etc.....	15 per cent.	Free.
Iron Ore.....	10c per ton.	Free.
Coal Slack.....	15c per ton.	Free.
Laths.....	10c per M.	Free.
Shingles.....	30c per M.	Free.
Sawed Boards, tongued and grooved... Sawed Boards, planed on one side.....	75c to \$1.50 per M. 50c per M.	Free. Free.
Lard.....	1½c per lb.	Free.
Tallow.....	40c per cwt.	Free.
Canned Meats.....	20 per cent.	Free.
Cornmeal.....	12½c per cwt.	Free.
Buckwheat Flour.....	50c per 100 lbs.	Free.
Rye Flour.....	50c per bbl.	Free.
Biscuits and Cakes, without sweetening	20 per cent.	Free.
Biscuits and Cakes, with sweetening ..	25 per cent.	Free.

Wheat flour, bran and other wheat products will be free if Canada removes duty on wheat, wheat flour and semolina; otherwise, the duty will be 45c per bbl. on wheat flour and 10 per cent. on bran and other products of wheat. But under reciprocity, wheat flour was 50c per bbl., while bran and other offals of grain used for animal food were 12½c per 100 lbs.

4. Articles taxed by Reciprocity on which Canada is to get a reduction of duty by the new United States tariff:—

Article.	Old Duty.	Reciprocity Duty.	New Duty.
Barley, Pot, etc.....	2c per lb.	½c per lb.	1c per lb.
Barley, Malt.....	45c per bush.	45c per cwt.	25c per bush.
Split Peas, dried.....	45c per bush.	7½c per bush.	20c per bush.
Aluminium, crude.....	7c per lb.	5c per lb.	2c per lb.
Aluminium Plates, etc..	11c per lb.	8c per lb.	3½c per lb.
Wood Flour.....	35 per cent.	22½ per cent.	20 per cent.
Oatmeal.....	\$1 per cwt.	50c per cwt.	30c per cwt.
Asbestos, mfd.....	25 to 40 per cent.	22½ per cent.	10 to 20 per cent.
Building Stone, etc.....	10c per cubic foot.	12½ per cent.	3c per cubic foot.
Extract of Meat.....	15 to 35c per lb.	20 per cent.	5 to 10c per lb.
Egg Yolk.....	25 per cent.	7½ per cent.	10 per cent.
Tomatoes, canned.....	40 per cent.	1½c per lb.	25 per cent.
Macaroni, etc.....	1½c per lb.	1c per lb.	1c per lb.
Biscuits, etc.....	3c per lb. and 15 to 50 per cent.	20 to 32½ per cent.	Free to 25 per ct.
Pickles.....	40 per cent.	32½ per cent.	25 per cent.
Grape Vines, etc.....	25 per cent.	17½ per cent.	15 per cent.
Grindstones.....	\$1.75 per ton.	\$1 per ton.	\$1.50 per ton.
Roofing Slates.....	20 per cent.	55c per 100 sq. ft.	10 per cent.
Vitrified Paving Brick.	35 per cent.	17½ per cent.	20 per cent.
Oxide of Iron.....	30 per cent.	22½ per cent.	10 per cent.
Printing Ink.....	25 per cent.	17½ per cent.	15 per cent.
Cutlery, etc.....	40 to 90 per cent.	27½ per cent.	30 to 55 per cent.
Basins, etc.....	35 to 45 per cent.	32½ per cent.	20 to 25 per cent.
Brass Band Instruments	45 per cent.	22½ per cent.	35 per cent.
Clocks, etc.....	40 per cent.	27½ per cent.	30 per cent.

In addition, the duty on oats is cut down from 15 cents to 6 cents a bushel; on barley, from 30 cents to 15 cents a bushel; on horses under \$150 each, from \$30 to 10 per cent., and on horses over \$150 each, from 25 to 10 per cent.; on butter, from 6 cents to 2½ cents a pound; on hay, from \$4 to \$2 per ton; on straw, from \$1.50 to 50 cents per ton. Other sharp reductions are made on many agricultural products.

Very many of the articles made free by Reciprocity are made free by the new tariff. Among them are many of our most important staples, including live stock, dairy products, fish and lumber.

A considerable number of articles not mentioned in the Reciprocity Agreement are made free. This includes such important staples as coal, wool and leather.

A considerable number of articles on which the Reciprocity Agreement merely reduced the duty are now made free. This includes meats, agricultural implements, iron ore, and important lumber products like shingles and dressed lumber.

Many articles on which the Reciprocity Agreement reduced the duty obtain a reduction. The list is long, but includes few articles of importance.

Many articles of importance obtain large reductions of duty. This includes the coarser grains, horse butter, cheese, fruit, and hay.

We are offered free wheat and flour if we choose to remove our duties on them. Even if we do not, the duties will be greatly reduced.

There are a very few unimportant articles, the duties on which would have been reduced by Reciprocity, but remain unchanged under the new tariff.

In short, we have got practically all the benefits offered by Reciprocity and have paid not a penny of the price demanded. We retain our fiscal independence to the full.

A GREATER BENEFIT.

A comparison shows that the new United States tariff gives the Dominion the benefit of a greater total reduction on articles enumerated in the Reciprocity Agreement than was offered in the Knox-Fielding agreement itself.

The comparison does not take into account the long list of reductions in the Underwood tariff on articles not specified in the Reciprocity Agreement. It is made only in regard to articles specified in the defeated Reciprocity Agreement and is based on importations into the United States from Canada during the fiscal year 1910, according to the returns submitted to Parliament by the Hon. W. S. Fielding in January, 1911.

On that basis the reduction by the United States in favor of Canada amounted to \$4,849,933. Taking the same quantities and values, the reduction under the new Underwood tariff will be \$4,955,610. In other words, there is a greater reduction under the Underwood tariff amounting to \$105,677, without any concession from Canada.

THE PRICE OF WHEAT IN WESTERN CANADA.

Another blow which the Liberals experienced was the behaviour of the price of wheat in Western Canada. During almost the whole of

1911 the wheat prices of Duluth had been higher than those of Winnipeg. During the earlier portion of 1912 this condition of affairs continued, and this fact may have had something to do with the Liberals' adherence to the defeated cause. But in July of 1912 a change took place, and the Winnipeg market gave the better prices. This was very annoying—to the Liberals. Sir Wilfrid Laurier had arranged to tour the West; on August 27 he abruptly abandoned his intention, saying it was "on account of the harvest"; on that day wheat was 12 cents higher in Winnipeg than at American points. In November and December the American prices just overtopped the Canadian, and this condition continued till March, the American advantage seldom if ever rising above 3 cents. Then in March, 1913, the Canadian prices became the better.

Figures may be given for part of 1912 and 1913. The price is that of No. 1 Northern. The authority is the Northwestern Miller. Weeks in which the Canadian price is the higher are set in heavier type:

1913.	Winnipeg.	Minneapolis.	Duluth.
Mar. 4	.98	1.09	1.07
" 11	.99	1.09	1.08
" 18	.98½	1.07	1.06½
" 25	.99¾	1.08	1.07¾
Apr. 1	1.00¼	1.07	1.07
" 8	1.01¼	1.07½	1.07-¾
" 15	1.03¼	1.08-¾	1.10¼
" 22	1.03½	1.13-¼	1.13-¾
" 29	1.03¾	1.14½	1.14-¾
May 6	1.04½	1.18¾	1.18
" 13	1.04½	1.17½	1.17-½
" 20	1.03¾	1.13-¾	1.13-¾
" 27	1.04	1.14-¾	1.15-½
June 3	1.04½	1.14-¾	1.15-½
" 10	1.06½	1.14-¾	1.14-¾
" 17	1.07	1.12½	1.12½
" 24	1.08¾	1.13-¾	1.13-¾
July 1	1.08	1.10-¾	1.11-¾
" 8	1.06	1.07½	1.08¾
" 15	1.06½	1.09-½	1.08
" 22	1.06¼	1.04-¾	1.04-¾
" 29	.....	1.07-⅓	1.05-⅓
Aug. 5	1.07	1.08½	1.03-¾
" 12	1.05½	1.06½	1.03-¾
" 19	1.06½	1.00¾	1.03-¾
" 26	.....	.95½	.97½
Sept. 3	1.05¾	.89-⅞	.91⅞
" 9	.97	.86-⅞	.87
" 16	.97	.89-⅞	.88¼
" 23	.96	.91-⅓	.90½
" 30	.88½	.88-¾	.87¾

1913.	Winnipeg.	Minneapolis.	Duluth.
Oct. 7	.89½	.89¾	.87-¾
" 14	.94	.92¾	.91½
" 21	.89½	.88¼	.88
" 28	.88¾	.88	.87-¾
Nov. 4	.85½	.86-¾	.85-¾
" 11	.85¾	.86-¾	.86¼
" 18	.83¾	.83	.83¼
" 25	.80	.83¼	.82¾
Dec. 2	.78¼	.81-½	.....
" 9	.78½	.80-¾	.81
" 16	.97½	.81¼	.81¾
" 23	.81½	.82¾	.83-¾
" 30	.81½	.82-¾	.82¼
Jan. 6	.81½	.83-¾	.82¾
" 13	.83	.87½	.86½
" 20	.82	.86-¾	.85¾
" 27	.82	.86-¾	.86¼
Feb. 3	.83	.86-¾	.86¼
" 10	.84	.87½	.86-¾
" 17	.83-¾	.86-¾	.86-¾
" 24	.85¼	.87½	.86-¾
Mar. 3	.84¾	.85-¾	.85-¾
" 10	.85¾	.82-½	.85¼
" 17	.85	.82-¾	.83
" 24	.86-½	.85¾	.85-¾
" 31	.86-¾	.86-½	.85¼
Apr. 7	.89-¾	.88	.87-¾
" 14	.89-¾	.86-¾	.86-¾
" 21	.91¾	.90	.90-¾
" 28	.93¾	.91¼	.91-¾
May 5	.93	.89½	.90
" 12	.93¼	.90-¾	.90-¾
" 19	.93¼	.91-¾	.90½
" 26	.95	.92¾	.92½
June 2	.93¾	.92	.91-¾
" 9	.97¼	.91-½	.90¾
" 16	.99½	.94½	.95-¾
" 23	.97¾	.92	.92-¾
" 30	.96½	.91¾	.91-¾
July 7	.97½	.91¾	.91-¾
" 14	.97¾	.90-¾	.....

THE TORONTO GLOBE'S REMARKABLE ADMISSE

The Toronto Globe of April 25, 1913, contained several interesting admissions on this subject. It said:—

In what measure the Canadian grain and flour trade is affected by the proposed tariff changes of those commodities on export to the United States is a question of interest to all Canadians and must be carefully met. Owing to incomplete press reports concerning the Underwood bill now in committee stage at Washington, some erroneous conclusions have been drawn as to the effect it would have on Canadian producers, millers and consumers

if it becomes law. The Underwood tariff bill proposes to put flour on the free list from those countries which import American flour free, imposing a duty of 10 per cent. on all countries which do not. The latter includes Canada. The duty on wheat is to be reduced from 25c per bushel to 10c; barley from 30c to 15c; barley malt from 45c to 25c per bushel; buckwheat from 15c to 8c, and oats from 15c to 10c. Millfeed, bran, wheat screenings and corn are to be put on the free list.

PROBABLE EFFECT ON FLOUR.

Canada's present tariff on flour prohibits much change being made in the present trade relations between the two countries in that commodity. Today and for some time past flour, first patents, in Minneapolis have been selling at from \$4.30 to \$4.65 per barrel, whereas our millers have been quoting first patents at \$5.30. Under the new tariff proposal, were the Canadian tariff on flour removed, the American duty would vanish automatically with it and our consumers could obviously get flour at much reduced rates. But millers would not do much on this basis. The moment, however, when flour in the States is higher than our own, millers will profit, at the expense, perhaps of the Canadian consumer. Now we are being undersold by United States millers, even in the British markets.

WHERE MILLERS WOULD PROFIT.

Millers have for some years found a profit in their surplus milling offal in the Eastern States, despite a duty of 10c per ton on bran and about the same on shorts. At some times, though Minneapolis was able to undersell them there, because of the tariff. In bran, millfeed and wheat screenings the tariff is to be entirely removed. This will mean something like \$3 more per ton for our millers. It will probably enable them to sell a little cheaper. The proposed change would doubtless benefit our millfeed industry, and thereby the mil-

EFFECT ON WHEAT.

The reduction proposed in the duty on wheat will affect the Canadian producer very little now. The United States is producing too much surplus wheat in these days to afford us a large market there. With reserves on March 31 amounting to about 100,000,000 bushels and a new winter crop coming in about the 1st of July, our reserves are expected to greatly exceed that of a year ago, the United States is a heavy exporter yet. With her new irrigation methods there are large wheat areas untouched. There is promise that she will be a large exporter for many years to come. Prevailing prices in American markets reflect the relative position of the two countries. The present period is a good time to compare prices, as the export season on this side of the water is progressing towards its close. In Winnipeg yesterday futures were selling as follows: May, 93½c; July, 94½c; October, 89½c. In Minneapolis they were selling May at 83½c; July, 90½c; September, 91½c. In Kansas City, May at 86½c; July, 85½c; September, 85½c. Except for some weeks in December last, cash and future prices in the United States markets have been below Winnipeg.

Britain is the great consuming market of both Canada and the United States. In 1912, 60,343 bushels of wheat went from Canada to Britain. The past year Liverpool has largely controlled the future market in both countries.

These are interesting admissions for the great champion of the "Market of Ninety Millions" to make. In effect, it declares that:—

1. The American tariff reductions will not help Canadians much.
2. Free wheat would help Canada very little.
3. The United States will not cease to be an exporter of wheat for a long time yet and will greatly increase their wheat production.
4. At a moment which the Globe admits was "a good time to compare prices", the Canadian prices were better.
5. Britain is the great consuming market of both Canada and the United States.

And this appeared in the Toronto Globe—between elections.

THE STORY OF THE CEMENT DUTY

Amusing Contrast Between Liberal Pretensions and Liberal Practice—Enraged at the Reduction of a Duty Which the Laurier Government Had Increased.

An important pair of events was the temporary reduction of the duty on cement during the building season of 1912, and the permanent reduction of the duty on cement in May, 1913, to 10 cents per hundred pounds, or less than the duty which was to have prevailed under Reciprocity.

Incidentally, the Liberal party marked the event by one of the most amusing performances in its history.

HISTORY OF THE CEMENT DUTY.

When the National Policy was devised, in 1879, the duty on cement was fixed at 40 cents a barrel. In Canada the barrel is 350 pounds, so that this was equivalent to 11.4 cents on 100 pounds. There was no impost on the package in which the cement came. At this figure the duty remained until 1897, or during the continuance of the Conservative administration. The production of cement in Canada was under 200,000 barrels a year until 1896. The question of price is complicated and difficult, but on the whole the duty seems to have been about 30 or 35 per cent., or substantially that accorded to numerous other industries.

LIBERALS INCREASED DUTY.

When the Liberals came into power, in 1896, they did two things with this protected industry:—

1. They increased the duty in the general tariff to $12\frac{1}{2}$ cents per 100 pounds, or $43\frac{3}{4}$ cents a barrel.
2. In addition, they imposed a rate of 20 per cent. on the coverings in which imported cement comes.

A "barrel" of cement comes in four sacks, each weighing $87\frac{1}{2}$ pounds; each sack is valued at 10 cents, so that the effective duty was $51\frac{3}{4}$ cents on each "barrel". Even if the sacks were returned, the 8 cents duty was not refunded.

LESS THAN 10 P. C. IMPORTED.

Thus the Liberals increased the duty on American cement by nearly 30 per cent.

Coincident with this great increase of protection there was a great increase in production. In 1897 the production was about 200,000 barrels; by 1902 it was over 700,000; by 1906 it exceeded two million barrels; in 1909 it was four millions; by 1911 it was 5,600,000. The consumption of cement, locally produced and imported, in 1912, probably was about 8,000,000 barrels, and some six millions of this were made in Canada. In 1909, 1910 and 1911 less than 10 per cent. of the amount consumed was imported.

While consumption increased so enormously, processes improved and the cost of making cement in up-to-date plants rapidly decreased. If we take \$1.10 as a basic price for the Canadian product, we get a protection of not far short of 50 per cent.

That is what Sir Wilfrid Laurier's Government of convinced free traders did for cement. In 1906, when Mr. Fielding revised the tariff, the drop in cost had begun. But Mr. Fielding kept the duty on. The reciprocity arrangement would have cut the duty on American cement from $12\frac{1}{2}$ to 11 cents a hundredweight, leaving the total impost at $46\frac{1}{2}$ cents a barrel; or over 40 per cent.; or $61\frac{1}{2}$ cents more than the figure at which the Conservatives left it.

Why was cement so treated?

THE OCTOPUS.

Since they have been in opposition, the Liberal leaders have expended much time and energy in discussing the cement merger. Look at the names of some of its heads:—

President—Hon. W. C. Edwards; Senator by the favour of Sir Wilfrid Laurier; a Liberal; a free trader.

Director—Hon. Robert Mackay; a Laurier Senator; a Liberal.

Director—Hon. George Cox; a Laurier Senator; a Liberal.

Director—C. C. Ballantyne, of Montreal; a Liberal.

Again, at Owen Sound there were two cement plants. One had for its president, Mr. A. G. MacKay, sometime member of the Ross Government, sometime leader of the Liberal party in Ontario, now a Liberal leader in Alberta. The other had as its president Mr. W. P. Telford, formerly Liberal M.P. for North Grey. Yet, again, Mr. James Pearson, a great Liberal, a free trader, former Liberal candidate in East Toronto, is interested in a cement plant at Attwood, Ontario.

COULD NOT CARE FOR ITS MARKET.

The Conservatives came into power again. Early in 1916 the West suddenly found itself in difficulties. Building was extraordinary active, and the supply of cement failed. The prairies draw their cement largely from the Merger—in part, from its Western, in part from its Ontario plants. The Western plants were turning out increased quantities, but the Merger could not get its product to the West.

CEMENT COULD NOT BE GOT OUT WEST.

For example, on June 3, Mr. F. P. Jones, general manager of the merger, made the distinct admission in writing that at that date the combine had unfilled orders for points west of the Great Lakes amounting to slightly over 149,000 barrels; that it had on the way 74,000 barrels; and that this left a shortage of 75,000 barrels waiting to be shipped.

"We have not been able to fill all our orders promptly," Mr. Jones wrote at this date, "and therefore there may be some slight foundation for the statement contained in the National Paving and Construction Company's letter."

Again, on June 6, Mr. Jones write: "The condition regarding C. P. R. cars is still desperate. We have a standing order for 50 cars per day at Hull, and for the past month have not received over an average of 23. * * * * Of course, that is not the worst—the great trouble is we are not getting the cement to our customers. * * * * At Marbank we are not receiving 10 per cent. of the C. P. R. cars we require there."

THE DUTY CUT IN TWO.

As the contractors figured in their bidding on the lower Canadian prices they could not pay American prices without loss. There was a serious situation. The Borden Government was not in power for the sole purpose of making the Edwards-MacKay-Cox-Pearson-Telford

cement people happy; it was there to see fair dealing. First, it satisfied itself that the cement industry for the moment could not take care of its market; and then *it cut the duty in half for the building season*. The West did not get the full benefit of the cut, for the Americans promptly jumped their prices; but the West got the cement, the trouble being that the Merger could not get its goods transported to the prairies rapidly enough to fill orders. The building situation in the West was saved. No harm was done in Eastern Canada to the industry.

LIBERALS ANGRY AT THE TARIFF REDUCTION.

That looks like good business. What did the Liberal party do?

When Parliament re-assembled it attacked the Borden Government viciously for reducing the duty.

The point of attack was that after the duty had been reduced the Saskatchewan elections took place. It was alleged that the move had been made to influence the elections. The Western Liberals dodged around the question, employing such subterfuges as Mr. Frank Oliver's ingenious theory that the cut should have been made in the session of 1911-12, when, (1) no revision of the tariff was attempted, (2) it was sought to create a Tariff Commission which would examine such questions scientifically, (3) no necessity or shortage had occurred. Eastern Liberals were more open in their hostility to any interference with the Trust. Mr. D. D. McKenzie, of Cape Breton, affords an example.

SIR WILFRID LAURIER'S PROTEST.

Sir Wilfrid Laurier said on November 25, 1912:—

"Another matter of some importance * * * is the extraordinary step which was taken last year by the Government in undertaking by Order-in-Council to amend the tariff and to reduce by one-half the duty on cement. This was a most important step to take under existing circumstances. I address myself in particular to my hon. friend the Minister of Finance, and I think, upon this occasion he took a course for which no precedent can be found. We derive our revenue from a customs tariff. There are many people who believe that a customs tariff is not the best method of raising a revenue. For my part, I say frankly, I do not believe that it is possible now, or will be for many years, to raise our revenue in any other way. But whether we approve of that system or not, whether we are free traders or protectionists, we are agreed that once a duty has been imposed that duty should not be lightly interfered with." (Hansard, 1912-13, p. 30.)

NO CASE MADE OUT, SAID MR. MCKENZIE.

Mr. D. D. McKenzie said on November 27, 1912:—

"I do not think, Sir, that a case has been made out at all, so far as the consumers of cement in the West are concerned, because the hon. the Minister of Finance undertook to speak for contractors and builders, and not for the

ordinary consumer, who, in a small way, requires cement. I take it that those large consumers are business men, that they watch the market, that they provide in advance for their large operations, and that they have contracts for the supplying of cement.

"It is quite possible that those combines and trusts, went to the contractors and got them to raise a howl to frighten the Minister, saying: 'We know we have to pay you the difference for any loss you may suffer, but we do not want to pay duty to bring in this cement, and if you cry loudly enough it will come in free'. It is quite possible that that was played upon the Minister, and that he was persuaded to let this in free without the necessary evidence being before him.

"If there is anything to which I would pay little attention it is the resolution of a board of trade. These boards are the most irresponsible and unrepresentative people that were ever permitted to live in this country." (Hansard, 1912-13, pp. 190-191.)

MR. PUGSLEY'S CRITICISM.

Mr. Pugsley said that the saving to the people of the West by the reduction was only \$100,000, and said:—

"And for that comparatively small saving, this Government has violated the principles which have ordinarily actuated governments in the past, and has taken to itself the right to reduce for a temporary period the duty upon an important article of consumption without asking the authority of Parliament." (Hansard, 1912-13, p. 303.)

BOARDS OF TRADE IRRESPONSIBLE, SAYS A LIBERAL.

Mr. D. D. McKenzie's angry language about Boards of Trade was prompted by the fact that Mr. White proved that early in June a tremendous outcry arose in the West. He cited the following communications:—

- National Paving and Cement Co., Winnipeg, May 31.
- Saskatoon Building Exchange, June 5.
- Saskatoon Builders' Exchange, June 6.
- Mayor and President, Board of Trade, Saskatoon, June 5.
- Calgary Builders' Exchange, June 5.
- Edmonton Board of Trade, June 7.
- North Battleford Board of Trade, June 8.

A PARTY OF PRETENCE.

So there you have our Liberal party of to-day. *Stern free-traders in talk; vicious assailants of a practical and reasonable act of tariff reduction. Denouncers on paper of the Big Interests; the anxious slaves in fact of the Cement Trust. In actual practice the Liberal party fought the battle of the Cement Merger.*

There the matter rested until the Hon. W. T. White made his budget speech on May 12, 1913. In it he announced a cut in the duty on cement to 10 cents a hundred pounds, the British preference to be 7 cents a hundredweight. His language was as follows:—

"We came to the conclusion that it would be possible to make a reduction in the duties upon cement without injuring existing industries. Speaking for myself, I would like to see the cement plants of Canada in a position to supply the need of the Canadian people. I think it goes without saying that, if an industry is native to this country, we would rather see manufacturing established through the country able to supply the requirements of the people, thus giving employment to industrial citizens and building up our Dominion, than see that product imported from abroad.

The duty on cement is specific, $12\frac{1}{2}$ cents per hundred lbs. A barrel of cement contains 350 lbs. Therefore, the duty on a barrel would be 43 $\frac{3}{4}$ cents. The cost of production of cement, by reason of improved methods, has been somewhat lessened during the past few years. In view of that fact and in view of the fact that the rate is specific, we think that, without injuring a Canadian industry or preventing Canadian enterprise from establishing cement plants throughout Canada, we can make a slight reduction in the duty. The British preferential tariff is 8 cents; intermediate, 11 cents, and general, $12\frac{1}{2}$ cents. We came to the conclusion that we would be justified in reducing the tariff to British preferential 7 cents; intermediate 10 cents, and general, 10 cents; that is to say, in reducing the duty on cement from $12\frac{1}{2}$ cents per hundred lbs. to 10 cents or from 43 $\frac{3}{4}$ cents a barrel to 35 cents. The average selling price of cement in the United States is, say, \$1.10 to \$1.15 per barrel. In some seasons, especially when there is over production, the price of cement in the United States has gone as low as 70 cents per barrel. I have been informed that a large cement plant is to be established in the West during the coming year. I hope that it will be one of many, because Canada has abundant raw materials for the production of cement. There is no reason why we should not produce practically the whole of the cement required in Canada."

OCEAN FREIGHT RATES

BORDEN GOVERNMENT MOVING TO PUT THEM UNDER CONTROL.

Curious History of the Project—How the Laurier Govern- ment Suppressed Judge Mabee's Effort to Have Subject Investigated—Liberal Party Now Unfriendly to the Proposal.

In the summer of 1913 the Government of the Rt. Hon. R. L. Borden took action with regard to ocean freight rates.

These rates have been rising steadily for several years, and the situation has become alarming. For years the people of Canada have been endeavouring to control the tolls levied by the railways, and their efforts have been rewarded with a measure of success. Of late, however, they have awakened to the fact that as land rates went down ocean rates went up, so that it still costs the Western wheat-grower as much as, or more than ever, to get his grain from the farm to Liverpool. The point is that the whole operation of transportation should be conducted at the least possible cost, so as to put as large a proportion as possible of the price paid by the consumer into the pocket of the producer. The rise in ocean freight rates killed the effect of the reduction in the railway freight-rates.

JUDGE MABEE DEMANDED INVESTIGATION.

This state of affairs was noticeable in the winter of 1909-10. In February, 1910, the Chairman of the Railway Commission, the late Judge Mabee, addressed to the Minister of Railways and Canals, Mr. George P. Graham, a vigorous memorandum drawing his attention to this state of affairs. After stating that the increase then evident in ocean rates was rendering nugatory the decreases in land rates obtained by the Railway Commission, Judge Mabee made suggestions looking

towards negotiations with the British Government with a view to joint control of ocean rates by Great Britain and Canada. The Chairman of the Railway Commission was of opinion that the two Governments could unite in establishing some form of Board of Control.

Acting on Judge Mabee's suggestion, the Laurier Government on February 26, 1910, passed an order-in-council which brought the matter to the attention of the British Government.

BRITISH GOVERNMENT AGREED.

In August, 1910, the British Government returned a favourable reply. The Canadian suggestion had been transmitted to the Marine Department of the Board of Trade, and that department stated that while it was doubtful about the practicability of a Board of Control, there seemed no reason why the Imperial Government should not discuss with the Canadian Government the question of holding a joint inquiry into the rates charged and facilities afforded by shipping companies engaged in the trade between the United Kingdom and Canadian ports.

LAURIER GOVERNMENT STIFLED PROPOSAL TO INVESTIGATE.

Then the Laurier Government dropped the whole project, and not another thing was done. Late in the autumn of that year the British Government asked what the Canadian Government proposed to do about the inquiry which it had proposed and to which the British Government had agreed. No answer was returned. Early in 1911 the Colonial Secretary cabled for a reply. No reply was given.

BORDEN GOVERNMENT TAKES MATTER UP.

The Borden Government came in and the subject was given attention by the Department of Trade and Commerce. Mr. Arthur Meighen, M.P. for Portage la Prairie, on May 5, 1913, presented to the House of Commons convincing reasons for investigation. He gave full statistics, which are to be found in Hansard, pages 9043 to 9052, but it will be sufficient here to quote the rates on flour and grain to Liverpool in successive years. In each case the average price for the year is given:—

	Flour.	Grain.
1907.....	8.37 cents per 100 lbs.	6.08 cents per 100 lbs.
1908.....	7.8 " " " "	5.46 " " " "
1909.....	7.2 " " " "	5.62 " " " "
1910.....	8.0 " " " "	5.06 " " " "
1911.....	9.08 " " " "	6.99 " " " "
1912.....	16.00 " " " "	12.75 " " " "

Mr. Meighen stated that "the transportation companies, by the simple means of increasing rates, have contrived to absorb to themselves practically the whole of the British Preference".

MR. H. L. DRAYTON SENT TO ENGLAND.

In the summer of 1913, Mr. Borden's Government commissioned Mr. H. L. Drayton, the Chairman of the Railway Commission, to proceed to England to confer with the authorities on the subject. It was an acceptance of the offer of an inquiry made in August, 1910, by the British Board of Trade, and allowed by the Laurier Government to pass unanswered. Mr. Drayton was in a good position to carry on the investigation, for he had just been hearing the prolonged Western Freight Rates investigation, the details of which had thrown much light on the cost of railway management in both Eastern and Western Canada; the investigation had just been adjourned to allow the various parties concerned time in which to digest the enormous amount of information which had been elicited, and so time was afforded for a visit to England for the purpose of examining the general situation. Mr. Drayton sailed on August 2, 1913.

ANGER SHOWN BY LIBERALS.

The action of the Liberal party was peculiar. We have seen that in 1910 Sir Wilfrid Laurier's Government hastily dropped the subject. On May 5, 1913, when the Hon. Arthur Meighen brought it up, the Liberals in Parliament sneered at him for doing so. When it was announced that Mr. Drayton would take the matter up the Liberals showed great vexation. The *Montreal Daily Telegraph and Witness*, then recently started as a Liberal organ, attacked the project, reciting the arguments advanced by the shipowners, who naturally wish to be left uninvestigated, and accepting them as conclusive. The Liberal leaders generally have shown themselves unfriendly to the proposal.

THE BORDEN GOVERNMENT KEEPS ITS PROMISES

**STRIKING COMPARISON WITH THE LAURIER
ADMINISTRATION.**

PLATFORM OF 1893.

**Liberals Broke Nearly All Their Pledges, While Conser-
vative Government has Redeemed Nearly All Its
Promises in Two Years.**

A great many years ago, in 1893, the Liberal party held a great convention in Ottawa, and that convention adopted the famous Ottawa Platform. It is interesting now, twenty years after that document was drawn up, after the Liberal party has been fifteen years in power, to read that before-election pledge of the said Liberal party. The Liberals have been very reticent on the subject of this platform; they never print it now. So here it is:—

AGAINST PROTECTION—WHEN OUT OF OFFICE.

**Plank Number 1.—Denunciation of Protection and a demand for
Tariff Revenue only.**

This read in part as follows:—

**That the customs tariff of the Dominion should be based, not as it is now,
upon the protective principle, but upon the requirements of the public service;**

that the existing tariff, founded upon an unsound principle, and used, as it has been by the Government, as a corrupting agent, wherewith to keep themselves in office, has developed monopolies, trusts and combinations. * * * * That to that end the tariff should be reduced to the needs of honest, economical and efficient Government. * * * * We denounce the principle of protection as radically unsound and unjust to the masses of the people. * * * *

RECIPROCITY WITH THE UNITED STATES.

Plank Number 2.—A demand for Reciprocity with the United States.

This need not be quoted, the subject, owing to recent events, being familiar.

PURITY AND ECONOMY IN ADMINISTRATION.

Plank Number 3.—A demand for Purity in Administration.

This read in part as follows:—

That the Convention deplores the gross corruption in the management and expenditure of public moneys which for years past has existed under the rule of the Conservative party. * * * * The Government, which profited politically by those expenditures of public moneys of which the people have been defrauded, and which, nevertheless, have never punished the guilty parties, must be held responsible for the wrong-doing.

4. A demand for Economy in Administration.

The text of this plank was, in part:—

We cannot but view with alarm the large increase of the public debt and of the controllable annual expenditure of the Dominion. * * * * We demand the strictest economy in the administration of the Government of the country.

5. A denunciation of the Government of the day on the ground that it had refused to investigate certain charges made against its members.

This ran, in part, as follows:—

That the Convention regrets that by the action of ministers and their supporters in Parliament, in one case in which serious charges were made against a Minister of the Crown, investigation was altogether refused, while in another case the charges preferred were altered and then referred to a commission appointed upon the advice of the Ministry, contrary to the well and settled practice of Parliament; and this Convention affirms: That it is the ancient and undoubted right of the House of Commons to inquire into all charges of public expenditure, and into all charges of misconduct, and the reference of such matters to Royal Commissions created upon the advice of the accused is at variance with the due responsibility of Ministers to the House of Commons, etc.

THE LAND FOR THE SETTLER.

6. Public lands for the Actual Settler.

In part this read:—

“ the sales of public lands of the Dominion should be to actual settlers only and not to speculators, upon reasonable terms of settlement, and in such areas as can be reasonably occupied and cultivated by the settler.”

THE DOMINION FRANCHISE ACT.

7. A demand for the repeal of the Dominion Franchise Act.

After a long denunciation of this Act, the resolution declared that “ we should revert to the Provincial Franchise ”.

NO GERRYMANDER.

8. A demand that county boundaries constitute the basis of electoral representation.

This plank read:—

That by the Gerrymander Acts, the electoral divisions for the return of the members to the House of Commons have been so made as to prevent a fair expression of the opinion of the country at the general elections, and to secure to the party now in power a strength out of all proportion greater than the number of electors supporting them would warrant. . . . It is desirable that in the formation of electoral divisions, county boundaries should be preserved, and that in no case parts of different counties should be put in one electoral division.

SENATE REFORM AND PROHIBITION.

9. Senate Reform.

The text of this resolution was:—

The present constitution of the Senate is inconsistent with the Federal principle in our system of government, and it is in other respects defective, as it makes the Senate independent of the people and uncontrolled by the public opinion of the country, and should be so amended as to bring it into harmony with the principles of popular government.

10. Plebiscite on Prohibition.

This read as follows:—

That whereas public attention is at present much directed to the consideration of the admittedly great evils of intemperance, it is desirable that the mind of the people should be clearly ascertained on the question of Prohibition by means of a Dominion plebiscite.

There is the Liberal Platform of 1893. The country knows in a general way how that was kept. The country knows that if the Conservatives introduced the Canadian National Policy, the Liberal leaders are responsible for the Canadian National Joke—the Platform of '93. It may be as well to review the history of each plank:—

WHEN IN POWER PRACTISED PROTECTION.

Plank No. 1.—The Liberal party in power practised protection.

The average duty on dutiable goods from 1879 to 1896 was 28.62 per cent.

The average duty at various times under the Liberal-Conservative party was as follows:—

	Dutiable goods.	Dutiable and free.
1855.....	26.097 per cent.	19.168 per cent.
1890.....	31.015 " "	21.413 " "
1895.....	30.522 " "	17.753 " "
1896.....	29.942 " "	19.109 " "

Under the Liberal party:—

1898.....	29.222 per cent.	17.265 per cent.
1900.....	27.634 " "	16.715 " "
1910.....	26.713 " "	16.416 " "

Thus the Liberal party reduced the protective element in the tariff by about 2 per cent. between 1895 and 1910.

Moreover, the Liberal Government from 1896 to 1911 gave in bounties \$21,000,000.

AS TO RECIPROACITY.

Plank No. 2. The Liberals first repudiated Reciprocity and then embraced it again.

Sir Wilfrid Laurier on March 21, 1899:—

I think I am not making too wide a statement when I say that the general feeling in Canada to-day is not in favour of reciprocity.

Sir Wilfrid Laurier on November 6, 1901:—

We are not sending any more delegations (to Washington) * * * I rather expect that there will be delegations coming from Washington to Ottawa for reciprocity. * * * We shall receive them in the proper manner—with every possible politeness.

Sir Wilfrid Laurier on July 30, 1903:—

The best and most effective way to maintain friendship with our American neighbours is to be absolutely independent of them.

Afterwards, as everybody knows, the Laurier Government accepted reciprocity proposals put forward by the United States Government.

THE GOVERNMENT OF THE HUNDRED SCANDALS.

Plank No. 3. There were just about one hundred scandals unearthed during the tenure of office by Sir Wilfrid Laurier. Perhaps the best remembered is the sawdust wharf.

ECONOMICAL OUT OF POWER—SPENDTHRIFTS IN OFFICE.

Plank No. 4. When the Liberal party took office the public debt was \$258,500,000. On March 31, 1911, it was \$340,000,000; an increase of \$81,500,000.

The controllable expenditures in 1896 (*i.e.*, the sums after deducting interest on debt, subsidies to provinces, and expenditures on the Intercolonial and the Post Office) were \$20,500,000; the controllable expenditures in the estimates of 1911-12 were \$76,000,000. The increase was 258 per cent.

A leading civil servant, if anything inclined to be in sympathy with the Liberal party, expressed the opinion that ten millions of the annual expenditures went in absolute waste.

STIFLING INVESTIGATION.

Plank No. 5. On November 2, 1910, Mr. R. L. Borden gave a list of eleven cases in which the Laurier Government had stifled investigation. It is:—

1. The Yukon Scandals, 1899. (Two motions for a judicial commission rejected.)
2. The Marine Department, 1906. (Motion for a Committee of the Commons rejected.)
3. The public lands of the West, 1906. (Motion for a Committee of the Commons rejected.)
4. The G.T.P. Construction Account. (Motion to empower the Public Accounts Committee to investigate rejected.)
5. The Public Accounts Committee, 1908. (Motion to strengthen the investigation powers of the Committee rejected.)
6. The Cassels Inquiry, 1908. (Motion for an investigation by Commission rejected.)
7. Over-classification scandals, 1908. (Motion for complete investigation rejected.)
8. The spending Departments, 1909. (Motion to investigate the spending Departments by commission investigated.)
9. Mr. Pugsley and the Dredging Scandals, 1909. (Motion for a Committee of the Commons rejected.)
10. The Lumsden charges, 1910. (Motion for a Royal Commission rejected.)
11. The Transcontinental Expenditure, 1910. (Motion for a Royal Commission rejected.)

Finally, the investigation of the charge against the Hon. Frank Oliver in July, 1911, was arrested by the hasty dissolution.

"THE LANDS FOR THE SETTLER."

Plank No. 6. Upon this plank we need only recall the numerous scandals, such as the sale of the St. Peter's Indian Reserve, the Blairmore Townsite, the leasing of coal lands to speculators, the numerous cases of fake homesteading, etc.

THE FRANCHISE ACT AND THE GERRYMANDER.

Plank No. 7. This was a purely partisan measure, and the Laurier Government kept this promise. It reverted to the Provincial franchises, all the Provinces then being under Liberal administration. As time went on Ontario, Manitoba and British Columbia elected Conservative Governments. Thereupon, in 1908, the Laurier Government endeavoured to establish a Dominion franchise in Manitoba, British Columbia and part of Ontario.

Plank No. 8. The sincerity of this can be judged from one example, the treatment of two of the ridings in the county of York. Neither the old East York nor the old West York could be trusted to return Liberals, as, though each had strong Liberal townships, in the former on the extreme east and in the latter on the extreme West, they were outnumbered by Conservative townships closer to Toronto. So South York, a Conservative hive, was created out of municipalities west, north and east of Toronto, which it embraced as a horse-shoe; and Centre York was created as a larger horse-shoe around South York, townships on the extreme east and extreme west of the country being brought together. It was hoped in this way to construct a safe Liberal seat.

In the election of 1908, a Liberal vote of 587,000 resulted in 135 Liberal members and a Conservative vote of 563,547 got only 87 members. It took 6,552 votes to elect a Conservative and only 4,352 votes to elect a Liberal.

Plank No. 9. Nothing need be said about the Senate.

THE PROHIBITION PLEBISCITE.

Plank No. 10. The Laurier Government gave a plebiscite on September 29, 1898. It resulted in a majority of 13,000 in favour of prohibition. The Laurier Government thereupon declined to enact prohibition.

It was Hon. Sydney Fisher who moved the adoption of this plank. In doing so he uttered these memorable words:—"There is no doubt that this is what the Liberal party would do (i.e., carry out the expressed will of the people) for we know their pledges can be trusted."

A BEAUTIFUL RECORD!

Analyzing the platform of 1893, we see that six planks related to constructive legislation (Low Tariff, Reciprocity, Franchise Act, Gerrymander, Senate Reform and Prohibition), while four related to administration (corrupt use of public funds, economy, the right of inquiry, public lands). Summarizing these we find:—

1. Low Tariff.....Broken.
2. Reciprocity.....First repudiated, then kept.
3. Corrupt use of Public Funds...Broken.
4. Economy.....Broken.
5. Right of Inquiry.....Broken.
6. Lands for settlers.....Broken.
7. Franchise Act.....Kept.
8. Gerrymander.....Only partly kept.
9. Senate Reform.....Broken.
10. Prohibition Plebiscite.....Broken.

Or, if we set it forth statistically:—

Kept	2
Partly kept	1
Broken	7

One of those kept, that of Reciprocity, was dangerous for the country. The other, the reversion to the Provincial Franchise, at the time was a partisan measure.

THE DIFFERENT RECORD OF THE LIBERAL-CONSERVATIVE PARTY.

Let us now turn to the record of the Liberal-Conservative party with regard to promises, platforms and pledges.

In 1878, Sir John Macdonald promised protection, and on coming into power his Government enacted it.

The Liberal party during its later years of power adopted an ingenious line of defence. It used its betrayal of its promises as an argument for its retention in office. The reasoning it presented to the people was:—

We made these promises prior to 1896.

We broke them.

Because you cannot trust us you cannot trust any party.

Therefore, it is of no use for you to turn us out and trust to any promises of good government which the Conservatives may make.

Accordingly, it becomes advisable to study the Liberal-Conservative record as well.

On August 20, 1907, Mr. R. L. Borden, then leader of the Opposition laid down his policy, which has become known as the Halifax Platform. The Liberal-Conservative party has been two years in power, but it is not ashamed to make public this document:—

THE HALIFAX PLATFORM.

1. Honest appropriation and expenditure of public moneys in the public interest.
2. Appointment of public officials upon considerations of capacity and personal character and not of party service alone.
3. More effective provisions to punish bribery and fraud at elections, to ensure thorough publicity as to expenditures by political organizations, to prevent the accumulation of campaign funds for corrupt purposes and to prohibit contributions thereto by corporations, contractors and promoters, to expedite the hearing of election petitions and to prevent collusive arrangements for the withdrawal or compromise thereof, to provide for a thorough investigation of corrupt practices, and if necessary to appoint an independent prosecuting officer charged with that duty, to simplify the procedure therefor and to enforce the laws so amended.
4. A thorough and complete reformation of the laws relating to the Civil Service so that future appointments shall be made by an independent commission acting upon the report of examiners after competitive examination.
5. Such reform in the mode of selecting members of the Senate as will make that Chamber a more useful and representative legislative body.
6. A more careful selection of the sources from which immigration shall be sought, a more rigid inspection of immigrants and the abolition of the bonus system except under very special circumstances and for the purpose of obtaining particularly desirable classes of settlers.
7. The management and development of the public domain (in which are to be included great national franchises) for the public benefit and under such conditions that a reasonable proportion of the increment of value arising therefrom shall inure to the people.
8. The operation and management of our government railways by an independent commission free from partisan control or influence.
9. The development and improvement of our national waterways, the equipment of national ports, the improvement of transportation facilities and consequent reduction of freight rates between the place of production and the market, whether at home or abroad, and the establishment of a thorough system of cold storage.
10. The reorganization of the present Railway Commission as a Public Utilities Commission with wider powers and more extended jurisdiction, so as to establish thorough and effective control over all corporations owning or operating public utilities or invested with franchises of a national character.
11. The establishment, after due investigation, of a system of national telegraphs and telephones under conditions which shall be just to capital already invested in those enterprises.
12. The improvement of existing postal facilities, especially in newly-developed portions of the country, and the inauguration, after proper inquiry as to cost, of a system of free rural mail delivery.
13. A fiscal policy which will promote the production within Canada of all useful articles and commodities that can be advantageously produced or manufactured 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.

14. The promotion by negotiation, legislation and other constitutional means of a system of mutual preferential trade within the Empire.
15. The restoration of the public lands to the Provinces of Alberta and Saskatchewan upon fair terms.
16. The unimpaired maintenance of all powers of self-government which have been conferred upon the Provinces of Canada under the constitution.

THE PLATFORM OF 1911.

On August 14, 1911, during the election campaign, Mr. R. L. Borden issued a manifesto to the people which concluded in the following words:—

"The Liberal-Conservative party gives its pledge to carry out the following policy if returned to power:—

"1. A thorough reorganization of the method by which the public expenditure is supervised. The increase in what is known as ordinary controllable expenditure from \$21,500,000 in 1896 to nearly \$74,000,000 in 1911 is proof of extravagance beyond any possible defence.

"2. The granting of their natural resources to the Prairie Provinces.

"3. The construction of the Hudson Bay Railway and its operation by independent commission.

"4. The control and operation by the state of the terminal elevators.

"5. The necessary encouragement for establishing and carrying on the chilled meat industry.

"6. The establishment of a permanent tariff commission.

"7. The granting of substantial assistance towards the improvement of our public highways.

"8. The extension of free and rural mail delivery.

"9. The extension of Civil Service reform.

"10. The granting of liberal assistance to the provinces for the purpose of supplementing and extending the work of agricultural education and the improvement of agriculture."

This can be taken as superseding the Halifax Platform, which had been put forth four years earlier. The Administration of the Rt. Hon. R. L. Borden has been formed for only some two years, and has been hampered in its work of internal development by the furious resistance offered by the Liberals in Parliament to the policy of giving immediate and adequate aid to the Imperial Navy, and by the opposition of the Liberal majority in the Senate to many useful measures passed by the House of Commons; still, despite the shortness of time and the difficulties encountered, the list stands thus:—

A LIST OF PROMISES KEPT.

Plank No. 1. The Government obtained the services of Sir George H. Murray, an eminent British civil servant, to investigate the conditions under which the administration of the Dominion is carried on. Sir George Murray reported the methods employed to be unbusinesslike and submitted a scheme of reform which is under consideration.

Plank No. 2. The claims of Manitoba have been met and a conference of Provincial Premiers is to be held further to consider the subject of provincial claims.

Plank No. 3. The construction of the Hudson Bay Railway has been pushed forward with great energy.

Plank No. 4. A huge terminal elevator is under construction at Fort William, and contracts have been let for the construction of two interior storage terminals, at Saskatoon and Moose Jaw; and a third interior elevator is to be erected in Alberta.

Plank No. 6. A bill was passed in the first session of the new Parliament to authorize the establishment of a Permanent Tariff Commission. The Liberal majority in the Senate killed it.

Plank No. 7. At each session held since the election the House of Commons has passed a bill authorizing the Government to grant large sums to assist in highway construction—\$1,000,000 in 1912; \$1,500,000 in 1913. In each case the Liberals in the Senate killed the bill.

Plank No. 8. Free rural mail delivery has been energetically pushed forward.

Plank No. 10. A fund of \$10,000,000 has been set aside for the assistance of agricultural education.

With regard to Plank No. 9, Civil Service reform, this is bound up with Sir George Murray's report, which is under consideration.

Thus in two years the Borden Government has taken in hand every item except one of the Platform of 1911. In addition, its work with regard to Government railways, the development of natural ports and the oversight of immigration, has been very marked.

The contrast with the performance of the Liberals will be observed by all.

Mr. Borden heads a promise-keeping Government. Sir Wilfrid Laurier headed a promise-breaking Government.

GRANT TO FENIAN RAID VETERANS

**Laurier Government Played With the Subject for Years
and Finally Refused Aid to the Veterans—Prompt
Fulfilment of Liberal-Conservative Promises.**

In 1866 and 1870 the Fenian Raids obliged the Canadian Volunteers to turn out in defence of their country. The service was willingly rendered, and great benefit was experienced by the State as the result of the hardships endured by the Volunteers.

LAURIER GOVERNMENT REFUSED RECOGNITION.

As time went by other military services were rendered by Canadians and the practice sprang up of rewarding these men with grants of land, in addition to the pay received by them in pursuance of the terms of their contract. The Fenian Raid Veterans feel that they were equally deserving of grants, and pressed this view upon the Laurier Government. Application was made on several occasions and the reply was invariably the negative.

MANY DEPUTATIONS: NOTHING BUT PROMISES.

Soon after the Laurier Government came into power in 1896 a delegation of Fenian Raid Veterans waited on Sir Wilfrid Laurier. He promised to lay the matter before his colleagues. Nothing was done.

Between 1896 and 1905 two similar deputations waited on Sir Wilfrid Laurier and Sir Frederick Borden. Nothing resulted but promises.

LIBERAL-CONSERVATIVE PARTY VOTED FOR RECOGNITION IN 1906.

In the session of 1906 the Hon. F. D. Monk moved the following resolution:—

"That it is desirable that the Government of Canada should recognize in some substantial manner the services rendered during the Fenian Raids of 1866 and 1870 by our Canadian Volunteers." (Hansard, 1906, p. 613.)

The Liberal Party voted this down. The Liberal-Conservative Party voted for it.

INCLUDED THE MARITIME PROVINCE MEN.

It is worthy of notice that certain Liberal members from Nova Scotia have since been defending their conduct in voting against this resolution by saying that it excluded the militia of Nova Scotia and New Brunswick. The participation of these men was discussed in the debate and Mr. Monk said:—

I would point out to the Minister of Militia that my motion is broad enough to cover volunteers from the Maritime Provinces as well as the volunteers from Ontario and Quebec." (Hansard, 1906, p. 638.)

MORE DEPUTATIONS: MORE PROMISES.

Later in 1906 another deputation of veterans waited on Sir Wilfrid Laurier. They received one more promise, but no action.

In 1908 there was another delegation, another promise, and more neglect.

In February 1909 another delegation met Sir Wilfrid Laurier. This time he said that the Government would act on the petition in a proper manner.

LAURIER WOULD DRAW A DISTINCTION.

In December, 1909, the Veterans once again waited on Sir Wilfrid Laurier. He stated that if anything were done, a distinction should be made between men who went to the front, and men who were merely under arms. This would shut out many thousand men in Ontario and Quebec and all of those in Nova Scotia and New Brunswick, who left their business and went into camp.

LIBERAL-CONSERVATIVES PRESSING FOR AN ANSWER.

On January 20, 1910, Major Sam Sharpe, M.P., asked:—

"Has the Government arrived at a decision in regard to a grant of land to the Veterans of 1866-70? If not, when may the veterans expect a decision to be reached?"

Sir Wilfrid Laurier replied:—

The Government has not come to any conclusion, but will at an early day. (Hansard, 1909-10, p. 2186.)

LAURIER GOVERNMENT'S REPLY WAS ADVERSE.

Next session, on December 12, 1910, Mr. Middlebro, M.P., asked:—

"Does the Government intend during the present session bringing down any legislation with reference to the grant of lands or money to the Veterans of 1866 and 1870?"

Sir Frederick Borden replied:—

"The Government has come to the conclusion that it is not in the public interest to grant public lands, except as provided by law, upon conditions of residence and settlement.

"It is not intended to recommend a grant of money in view of the fact that pensions were granted at the time to the wounded and to the families of those who were killed in the Fenian Raid engagements." (Hansard, 1910-11, p. 1069.)

ANOTHER LIBERAL-CONSERVATIVE MOTION.

On July 18, 1911, Mr. Middlebro, M.P., on a motion to go into Committee of Ways and Means, moved a resolution couched in exactly the same words as those employed by Mr. Monk in 1906 (Hansard, 1910-11, p. 9604).

Sir Wilfrid Laurier rejected the motion. In the course of his speech he said:—

"I WOULD MAKE A DISTINCTION."

There are degrees of merit in the veterans. Some of them did very little service, if any at all. . . . There are men who went to the front and who were engaged in a battle, who bore the burden and the heat of the day and exposed themselves to danger, and that is the class which is entitled to consideration. There were other veterans who were simply called upon to do garrison duty, or picket duty but were never called to the front. Therefore, I would make a distinction between one class and another." (Hansard, 1910-11, p. 9605.)

The Liberal Party voted the resolution down, the Liberal-Conservative Party voting for it.

"A MISERABLE PETTY POLITICAL TRICK."

The Toronto Globe on July 20, 1911, said:—

For thirty years after the Fenian Raid, save for the brief period from 1878 to 1879, the Conservatives were in power continually. Why did they not grant lands or money to the Fenian Raid veterans then while most of them were still alive? What a miserable petty political trick on the part of the Opposition to demand recognition forty-five years after the raid, which they themselves failed to give for thirty years after it."

BORDEN GOVERNMENT KEEPS ITS PLEDGE.

The General Election of 1911 took place and the Rt. Hon. R. L. Borden formed his Administration. The Liberal-Conservative Party was pledged to a policy to "recognize in some substantial manner" the services of the Veterans.

That promise was kept. It was fulfilled within five months of Mr. Borden's accession to power.

COL. HUGHES PUTS GRANT THROUGH.

On March 20, 1912, Colonel the Hon. Sam Hughes, Minister of Militia and Defence, introduced a resolution "to provide for the payment of \$100 to every person residing in Canada, who was regularly enlisted in and served with the Militia called out for active service in the year 1866 by the Governments of Canada, Nova Scotia or New Brunswick, or in the year 1870 by the Government of Canada." Subsequently this was enlarged so that the grant was given to Veterans irrespective of their residence.

This last enlargement was opposed by Mr. F. B. Carvell, M.P., He said:—

"If there are men who did not think enough of Canada to remain in Canada, they ought not to be recognized at all." (Hansard, 1911-12, p. 6259.)

The Bill passed the Commons on March 28, 1912.

THE GOVERNMENT AND GOOD ROADS

**Two Bills to Enable the Government to Aid the Provinces
to Improve the Highways Introduced by the Borden
Government and Killed by the Senate—
\$2,500,000 Lost to the Farmers.**

The subject of Good Roads is one of immense and increasing importance. It affects in an increasing degree the personal comfort of the farming classes which are the bedrock of our society. The task of building roads of a sufficient standard has proved too great for the resources of most of the Provinces.

THE RT. HON. R. L. BORDEN'S PLEDGE.

Conscious of this, and alive to the needs of the people of Canada, the Rt. Hon. R. L. Borden in his Manifesto of August 14, 1911, stated the following to be one of the planks of his platform:—

"The granting of substantial assistance towards the improvement of our Public Highways."

LIBERALS FIGHT AGAINST GOOD ROADS.

Mr. Borden was returned to power, and his government without loss of time set about the keeping of this promise. *The Liberal Party steadily opposed these efforts, fought them hard in the House of Commons, and caused the Liberal majority in the Senate to reject them.*

SENATE KILLED THE TWO BILLS.

In 1912 the Government put the Highways Improvement Bill through the Commons and presented an appropriation of \$1,000,000 for this purpose. The Senate Killed the Bill.

In 1913 the Government put the Highways Improvement Bill a second time through the Commons, and presented an appropriation of \$1,500,000 for the purpose.

Again the Senate killed the Bill.

WHAT THE FARMERS HAVE LOST.

The appropriations in each case were to be distributed among the several Provinces according to population. Thus the Senate has caused a loss to the highways of the several Provinces as follows:—

Province.	1912.	1913.	Total.
Alberta	\$52,189	\$78,282	\$130,471
British Columbia	54,669	82,005	136,674
Manitoba	63,460	95,196	158,656
New Brunswick	49,019	73,524	122,544
Nova Scotia	68,576	102,870	171,447
Ontario	351,466	527,201	878,668
Prince Edward Island	13,059	19,584	32,644
Quebec	278,964	418,449	697,413
Saskatchewan	68,592	102,889	171,482
	<hr/>	<hr/>	<hr/>
	\$1,000,000	\$1,500,000	\$2,500,000

These great sums of money would have been spent in the country districts of Canada in 1912 and 1913 if Sir Wilfrid Laurier and the Liberal Party had not chosen to oppose, and to instruct Sir Wilfrid Laurier's obedient nominees in the Senate to kill the Bills.

HOW MR. BORDEN KEEPS HIS PROMISES.

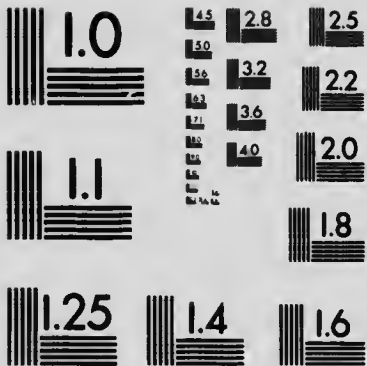
Mr. Borden took office on October 10, 1911. Parliament assembled on November 15, 1911. The speech from the Throne announced that a measure would be introduced "for the purpose of enabling the Dominion to co-operate with the Provinces in the improvement of highways."

THE 1912 BILL INTRODUCED.

The Hon. Frank Cochrane introduced the Bill "to encourage and assist the Improvement of Highways" on January 22, 1912. "The money will be divided," he said in introducing it, "the same as our subsidies for the different Provinces, and the object will be to work in with the different local Governments." (Hansard, 1911-12, p. 1571-2).

The Liberals showed hostility to the project from the outset speaking on November 21, 1911, in the debate on the address, Mr. Pugsley attacked the proposal. He said:—





MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

"I do not hesitate to say that this proposition to hand over certain moneys to the Provincial Governments or to the Municipalities to assist in the building of highways throughout the country is going to lead in the very near future to the very greatest possible dissatisfaction."

Sir Wilfrid Laurier echoed this announcement of hostility with a "hear hear". (Hansard, 1911-12, p. 153).

NATURE OF HIGHWAYS IMPROVEMENT BILL.

The Bill was a brief measure, the effect being to empower the Government to "grant to any province in aid of the improvement of existing highways or the construction of new highways in such province, or for both such purposes" sums of money which were to be voted year by year by Parliament. The Government was to arrange terms and conditions with the Government of the Province. An agreement was to be drawn up between the two Governments, and in this agreement each highway to be constructed or improved was to be described; provision for future maintenance of the road also was to be made. The final clause, the sixth, empowered the Minister to undertake construction or improvement work, on the express condition that he must first obtain authority for so doing from the legislature of the Province and the consent of the Provincial Government.

LAURIER OPPOSED SECOND READING.

Mr. Cochrane moved the second reading on February 23, 1912. The Liberals at once attacked the Bill. Sir Wilfrid Laurier led in the fight, declaring that the Bill should contain a stipulation that the money to be given should be apportioned according to population. He moved the following amendment:—

"That the Bill be not now read, but that it be resolved that while the House is favourable to the granting of federal assistance towards the construction of permanent roads, it is of opinion that such aid should be given to the Governments of the Provinces for such purposes, and should be granted on a fixed basis similar to that now prescribed by the British North America Act and amendments thereto for subsidies to the Provinces." (Hansard, 1911-12, p. 3643.)

AN ATTACK ON THE PRINCIPLE OF THE MEASURE.

It should be borne in mind that an amendment to a motion for second reading is the Parliamentary way of declaring war against the whole principle of the measure. When members of Parliament approve the general principle of a measure, but desire to improve it in detail they wait till the Bill is considered in Committee of the whole, and then bring forward the changes they advocate. Sir Wilfrid Laurier's

amendment meant, not that the Bill should be changed, or improved, but that it should be rejected altogether.

MR. BORDEN'S ASSURANCE AS TO APPORTIONMENT.

In reply the Rt. Hon. R. L. Borden assured the Liberals that the Government intended to follow the principle of apportioning the aid according to population. He said:—

"When these subsidies are brought down we propose to vote a specific amount for each province which cannot be appropriated to any other province, and we propose to proceed on the basis of population on amount of subsidy." (Hansard, 1911-12, p. 2644.)

Mr. Borden also pointed out that the Bill was drafted in the same terms as the railway subsidy acts passed by the Laurier Government.

\$1,000,000 IN THE 1912-13 ESTIMATES.

The estimates for 1912-13 contained a vote of \$1,000,000, *apportioned according to population*. The distribution to Provinces has been set forth already.

RESISTANCE OFFERED ON THIRD READING.

Third reading was given on March 1, 1912. Sir Wilfrid Laurier moved an amendment which he had proposed in Committee of the whole, and Mr. E. M. Macdonald moved to strike out clause 6. Both amendments were defeated, the first by 79 to 50, the second by 85 to 52.

SENATE MANGLES THE BILL.

The Senate made seven amendments to the Bill. Of these five were changes in the wording of the measure which did not tend to defeat the purpose aimed at; these the Government accepted. Two, however, the Government could not accept. One was to insert a subsection that the moneys voted in any year should be apportioned according to population; it was identical in effect with the amendment moved by Sir Wilfrid Laurier in Committee of the whole and on the third reading. The other was to strike out clause 6.

THE BILL KILLED BY THE SENATE.

Both these proposals had been fully and repeatedly discussed in the House of Commons. The Government had refused to accept them. The Government now asked the House of Commons, while accepting

five of the Senate amendments, to decline to accede to these. The House did so. This took place on March 28, 1912. (Hansard, 1911-12, pp. 6397-6401.)

The Senate adhered to these two amendments, and thus killed the Bill. (Hansard, 1911-12, pp. 6731-2.)

Thus the farmers of Canada lost the expenditure of a million dollars on their roads.

SASKATCHEWAN LIBERALS ATTACK GOOD ROADS POLICY.

During the recess of 1912 the Government of Saskatchewan induced the Legislature of that Province to pass a resolution protesting against the Good Roads Policy of the Dominion Government. This resolution denounced the action of the Dominion Government as:—

"1. An attempt to usurp the jurisdiction of the provincial legislatures in a matter of purely provincial concern;

"2. An assumption that expenditures should be made upon the construction and improvement of highways in the various provinces in addition to the amounts which the said provinces are in a financial position to make and consequently that the subsidies granted the several provinces under the terms of Confederation are inadequate for the carrying on of important works of provincial responsibility."

THE HIGHWAYS IMPROVEMENT BILL OF 1913.

When the session of 1912-13 came the Government introduced the Highways Improvement Bill again. It also inserted in the estimates the sum of \$1,500,000 for the purpose, *divided among the Provinces according to population, as already set forth.*

MR. COCHRANE AND THE PROVINCES.

The Hon. Frank Cochrane introduced the Bill on December 11, 1912.

Mr. Cochrane moved second reading on April 21, 1913. In doing this he said:—

I hope to be able to make arrangements with the different provinces, as to what roads we should undertake to construct, and to agree on specifications covering the construction of these roads. Of course, the same specifications could not apply in all cases, because some highways will need different treatment from others, on account of the nature of the soil, the necessity for drainage, and so on. Once we have agreed with the provinces as to the nature of the road to be constructed, I believe tenders should be advertised for and the contracts let. I should expect that the different provinces, in co-operation with the federal authorities, would see that the money was properly expended and the roads well constructed. (Hansard, 1912-13, p. 8183.)

LAURIER AGAIN ATTACKS THE MEASURE.

Sir Wilfrid Laurier at once attacked the Bill on the old grounds, and moved the following amendment to the motion to read it a second time:—

That the Bill be not now read the second time, but that it be resolved: That this House, whilst recognizing the importance of assisting out of the federal treasury in the matter of highways, is of opinion that all appropriations for that object should be allotted and paid to the governments of the respective provinces in proportion to the population of said provinces respectively, as determined by the latest decennial census. (Hansard, 1912-13, p. 8188.)

This is precisely the same amendment as that offered by the Liberal leader on the second reading of the earlier Bill.

BITTER HOSTILITY SHOWN.

In the debate the Liberals showed keener hostility than ever to the prospect of seeing the Government improve the roads of the country. Dr. Neely, a Saskatchewan Liberal, said:—

“I think the terms of the Bill constitute a menace to the rights and authorities of the local legislatures of this country. (Hansard, 1912-13, p. 8193.)

And Mr. Neely described clause 6 as “malicious and absolutely objectionable.”

The Hon. George P. Graham said:—

“I feel I am in duty bound to oppose at every step the carrying out of the details of this Bill by the Minister of Railways.” (Hansard, 1912-13, pp. 8202-3.)

Mr. E. M. Macdonald said:—

The question is whether this Parliament has a right, and what right if any, to deal with this question of roads. I said a moment ago that they had no right. I reiterate that statement. (Hansard, 1912-13, p. 8209.)

The Bill was read a second time on April 24, 1913. Sir Wilfrid Laurier's amendment being declared “lost on division.”

THE AMENDMENTS OF 1912 MOVED AGAIN IN 1913.

The Bill was discussed in Committee of the Whole on April 25, and read a third time on April 29. On third reading Mr. Guthrie moved the same pair of amendments which Sir Wilfrid Laurier and Mr. E. M. Macdonald had moved in 1912.

OPPOSITION VOTED STRAIGHT AGAINST GOOD ROADS.

This amendment was defeated 83 to 43, and the House then voted to read the Bill a third time. *The whole of the Opposition voted against the measure*, the figures being 83 for and 44 against.

NAMES OF THOSE OPPOSED.

Those who stood up and had their votes counted as being hostile to the Good Roads Bill were Messrs:—

Boivin,	McCraney,
Boyer,	McCoig,
Buchanan,	McKenzie,
Bureau,	Marcile (Bagot),
Cardin,	Martin (Montreal, St. Mary's),
Carroll,	Martin (Regina),
Carvell,	Michaud,
Chisholm (Antigonish),	Nesbitt,
Chisholm (Inverness),	Neely,
Dellisle,	Oliver,
Demers,	Pacaud,
Gauthier (St. Hyacinthe),	Papineau,
Gauvreau,	Power,
Graham,	Proulx,
Guthrie,	Richards,
Hughes (King's, P.E.I.),	Sinclair,
Kay,	Tobin,
Kyte,	Turgeon,
Lafortune,	Warnock,
Lanctot,	White (Victoria, Alta.)
Lapointe (Kamouraska),	
Maclean (Halifax),	
Laurier (Sir Wilfrid),	

In addition the following Opposition members were paired as opposed to the Bill:—

Messrs:—

Pugsley,	Marcell (Bonaventure),
Cruise,	Murphy,
Reid,	Cash,
Lemieux,	Champagne,
Pardee,	Lovell,
Molloy,	German,
Wilson (Laval),	McCrea,
Law,	Devlin,
Charlton,	Clark (Red Deer),
Ross,	Fortier,
Turiff,	Bourassa,
Douglas,	Brouillard,
Thomson (Qu'Appelle),	Lapointe (St. James),
McLean (Queens-Sunbury),	Ethier,
Robb,	Seguin,
Clarke (Essex),	Emmerson,
Gordon,	Loggie,
Brown,	Macdonald,
MacNutt,	McKenzie,
Brand,	McMillan,
Bickerdike,	Lachance,

SENATE AGAIN MANGLES BILL.

The Senate made precisely the same amendments as it had in 1912.

YIELD TO THE SENATE, SAYS LAURIER.

The Government could not accept these amendments, and Mr. Cochrane moved that the House dissent from them. Sir Wilfrid Laurier said:—

"It comes down to this, that either one or the other must give way. Which should give way? Should the Senate give way to the House of Commons, or should the House of Commons give way to the Senate? Of course at some time or other, there will be an election upon this point, and it will be decided by the people; but in the meantime, what is to be done? If we are to be moved in this matter by the principles of reason which generally regulate the opinions of men, it seems to me that the House of Commons should give way to the Senate." (Hansard, 1912-13, p. 11975.)

THE BILL KILLED A SECOND TIME BY THE SENATE.

The House of Commons declined to accept the amendments. The Senate refused to pass the bill and so it was killed the second time. Two points of interest came to the front in the debate:

SHOULD THE MONEY ALWAYS BE APPORTIONED BY POPULATION?

1. The Liberals throughout insisted that the division among the provinces must be on a basis of population and on no other basis whatever. The attitude of the Government, as expressed by Rt. Hon. R. L. Borden, was that in ordinary circumstances the Government should make the distribution on this basis, but that occasions might occur which would warrant the Government in departing from it. He said:

"Suppose, for example, some great disaster occurred in one of the provinces, and that there was an urgent need in respect of that province that the population basis should be diverted from in some particular year. Is there any reason why that proposition should not be made and considered in the House of Commons and the Senate?" (Hansard, 1912-13, p. 11983.)

SENATE ACCEPTED LEGISLATION TO THE CONTRARY EFFECT.

Now at the very time when it was insisting so obstinately upon the population basis and nothing else for highways, the Senate accepted a similar bill which expressly departed from the population basis. The Agricultural Instruction Act appropriated for the year 1913-14 the sum of \$700,000 to be divided among the provinces. First, each province is to receive \$20,000, irrespective of population or size; in this

way \$180,000 is appropriated. Then, \$20,000 is to be given to veterinary colleges, irrespective of their location. The \$500,000 which remains is to be divided on a population basis. Thus Prince Edward Island receives four times as much as it would under a strict counting, of heads.

The Senate passed this, thereby stultifying its action in resolutely refusing to allow the Highways Bill to pass.

LAURIER GOVERNMENT BUILT ROADS.

2. It came out that the Laurier Government itself had repeatedly built highroads in provinces.

It took over and maintained a stretch of the "Montreal Road" in the county of Frontenac, near Kingston (Hansard, 1912-13, p. 8598).

It built some 20 miles of road in the constituency of Selkirk, Manitoba (Hansard, 1912-13, p. 8598).

THE TEXT OF THE BILL.

The text of the Bill may be given:—

Clause one gives the title of the act.

Clause two defines the meaning of the word, "Minister".

The rest of the Bill is:—

3. The Governor-in-Council may, in any year, and upon such terms and subject to such conditions as are prescribed by Order-in-Council, grant to the several provinces of the Dominion, in aid of the improvement of existing highways or bridges, or the construction of new highways or bridges, or for all or any such purposes, subsidies not exceeding in the whole such sum as may in such year be voted by Parliament for that purpose.

4. Any highway or bridge for which aid is granted to a province shall be improved or constructed, as the case may be, according to descriptions, conditions and specifications approved by the Governor-in-Council on the report of the Minister, and specified in each case in an agreement between the Minister and the government of the province, which agreement the Minister, with the approval of the Governor-in-Council, is hereby empowered to make.

5. Each highway or bridge to be constructed or improved shall be defined and described in such agreement, and provision may be made therein for the future maintenance of such highway or bridge in good condition according to a specified standard and to the satisfaction of the Governor-in-Council.

6. The Minister, with the approval of the Governor-in-Council and upon such terms and conditions as are prescribed by Order-in-Council, may undertake the construction of any new highway or bridges or the improvement of any existing highway or bridges in any province, and may expend in such improvement or construction the whole or any part of the sums voted by Parliament for such subsidy to that province: Provided, however, that the Minister shall first obtain the necessary authority from the legislature of such province and the consent of the Lieutenant-Governor-in-Council.

THE "IMPLEMENT" CLAUSE

How the Laurier Government Let the Country in for a Huge Cash Loss—Present Finance Minister's Skilful Financing.

fall of the Laurier Government, a judgment of the
Prime Minister brought home to the people of Canada the effects of a
partly skilful blunder which it had made. The "implementing"
of the Grand Trunk Pacific bonds has cost the country already
\$5,000,000 in cash, and, but for skilful financing by the Hon. W. T.
White, would have cost it upwards of \$8,000,000 more.

GOVERNMENT GUARANTEED G.T.P. 3 P.C. BONDS.

The contract made by the Laurier Government with the Grand
Trunk Pacific Company in 1903 contained a stipulation that the Gov-
ernment of Canada should guarantee certain bonds to be issued by
the Company for the purpose of raising money to build the prairie
and mountain sections of the line. These were to be 3 per cent. bonds
and were to be for amounts up to \$13,000 a mile for the prairie section
and three-fourths of the cost of the mountain section, which costs
from \$60,000 to \$70,000 per mile.

THE "IMPLEMENTING" CLAUSE.

In 1904 this contract was revised, and in the revision a new
clause appeared. (Omitting certain phrases not essential for the present
purpose, this clause read:—

"Notwithstanding anything the said contract (i.e., that of 1903) con-
tained, the Government may and shall implement its guarantee of the
bonds of the said company to be issued for the cost of construction of the
said Western Division so as to make the proceeds of the said bonds

• • • • a sum equal to 75 per cent. of the cost of construction • • • • not exceeding in respect of the Prairie section \$13,000 per mile."

The clause is involved and technical in its wording, but the essence is this:—

WHAT IT MEANT.

The Government in 1903 agreed to guarantee bonds to the face value of \$13,000 a mile across the prairies and three-fourths of the cost of the mountain section. If the bonds sold, say, at 90, the railway company would obtain only \$11,700 a mile in cash for construction purposes on the prairie section.

The Government in 1904 agreed to "implement" this guarantee so that the bonds should *produce* their par value, whatever their price of issue.

THE TWO INTERPRETATIONS.

This clause could be read in two ways:—

1. That if the price was low, an additional quantity of bonds would be issued. Thus, if the price were 90, the amount of bonds issued for each mile of the prairie section would be \$14,444; if it were 80, it would be \$16,250; and so on. Under this arrangement there would be more interest to pay; if the bonds sold at par, the annual charge would be \$390 a mile; if at 80, it would be \$487.50 a mile. For this additional interest charge the Government would be responsible as guarantor only. *The Laurier Government thought that this was the meaning of the bargain.*

WHAT IT REALLY MEANT.

2. That for each mile of road bonds to the face value of the cost per mile were to be issued and that the *Canadian Government was to see that they produced their par value. If they produced less on the money market, it must provide cash to make up the deficit.*

This proved to be the real meaning.

LAURIER GOVERNMENT WAS WARNED.

When the contract was under discussion in the House of Commons, the Hon. S. Barker, P.C., M.P. for Hamilton, pointed out that the clause was susceptible of the more serious meaning. The Laurier Government, led by Mr. Fielding, pooh-poohed this warning, which came from a competent lawyer with unusual experience in railway matters.

G.T.P. BONDS SOLD AT A LOW PRICE.

In 1905 the Grand Trunk Pacific executed a trust mortgage, providing for a total authorized issue of these bonds to the face value of £14,000,000—or about \$70,000,000—all to be guaranteed by the Government. These bonds have been issued gradually as the work of the railway made progress. From the beginning, owing to the increasing value of money in the London market, the price of these bonds continued to fall. The earlier history of the issue has been:—

In 1905, £3,200,000 (or \$15,550,000) were sold at 92½, producing \$14,559,674.

In 1909, £2,000,000 (or \$9,700,000) were sold at 80, producing \$7,773,495.

In 1910, £2,000,000 (or \$9,700,000) were sold at about £80 13s 9d, producing \$7,856,119.

Total, £7,200,000 (or about \$35,000,000), producing \$30,189,288.

A CLAIM FOR FIVE MILLIONS SUSTAINED.

The shortage was nearly five millions. The Grand Trunk Pacific claimed that the Government should hand over to it this sum in cash, to “implement” the bonds. The Government set up its own reading of the “implement” clause, and in the end the Privy Council held that the clause meant what the railway company had contended.

WHAT THE PRIVY COUNCIL JUDGEMENT MEANT.

This judgment was given after the Laurier Government had gone out of office and Mr. Borden's Government had assumed the reins of power. It meant that the Government was faced with two serious duties:—

1. It had to hand over at once \$4,994,000 of cash to the Grand Trunk Pacific to “implement” the £7,200,000 of bonds already sold.
2. It had to contemplate a similar demand for some eight millions more when the other £6,800,000 of bonds were sold.

Laurier admitted he was responsible.

Accordingly, on February 2, 1912, the Hon. W. T. White, Minister of Finance, brought in a measure to authorize the necessary payments. The Liberal party in the House, as it heard the facts of its carelessness explained, was a picture of gloom. When the bill was read a second time, on February 14, 1912, Mr. White, asked the members

of the late Laurier Government to explain. "The responsibility for this very heavy obligation," he said, "in whatever degree such responsibility exists, must belong to the preceding Government." (Hansard, 1911-12, p. 3061.)

Sir Wilfrid Laurier made a long speech, at the outset of which he said:—

"If blame there be, it ought to attach to the parties who were in office when this legislation took place." (Hansard, 1911-12, p. 3061.)

At the conclusion of the debate, Mr. White said:—

"If ever we attempt to use the word, 'implement', again I think we ought to use it only in its agricultural sense." Hansard, 1911-12, p. 3124.)

\$4,994,000 PAID OVER IN CASH.

In accordance with the Act passed, the sum of \$4,994,000 was paid over in cash to the Grand Trunk Pacific on account of these past bond sales of 1905, 1909 and 1910. This sum was absolutely lost to the country.

HOW HON. W. T. WHITE HANDLED THE SITUATION.

The Minister of Finance then had to consider what would happen when the remaining bonds, to the face value of £6,800,000, were issued. The condition of the money market was such that these bonds could not be expected to bring more than 76 or 77 on the market; allowing for commissions, etc., the company would not realize much more than 75 net; leaving the Government to put up 25 per cent., or £1,700,000, or about \$8,000,000.

Thus the Government in the autumn of 1912 was faced with a total and absolute loss of about \$13,000,000 cash.

To save something out of the situation, Mr. White resorted to an expedient which was a piece of financing as skilful as the Laurier Government's bargaining in 1904 had been unskilful.

BUYING IN THE UNISSUED BONDS.

He induced Parliament to grant him power to buy in these unissued Grand Trunk Pacific bonds at par.

The considerations which moved him were two in number:—

1. Thanks to the abundant revenue, he had a large surplus. The money so in hand could be used to purchase these bonds, which would bring in a revenue of 3 per cent.

2. Even if he had to borrow money for the purpose of purchasing these bonds, it is a fact that on the London money market a Government security fetches a higher price than a company's bond guaranteed by the same Government. After allowing for differences of interest, price of issue and other technical considerations, Mr. White stated that the saving would be 7 points.

In all the sum of \$2,000,000 was saved.

In addition, Mr. White's action prevented further issues being offered of these bonds at prices in the seventies on the London market.

THE FARMERS BANK

How the Pirate Bank was Licensed to Plunder the Community—Extraordinary Tale of Negligence—Relief for Sufferers.

The downfall of the Farmers Bank was one of the great scandals of the concluding years of the Laurier Government.

THE CERTIFICATE WAS SECURED BY FRAUD.

W. R. Travers, the general manager of the bank, secured the certificate which enabled the institution to do business in November, 1906. He did this by fraudulent means; finding it impossible to obtain the necessary capital for a cash deposit of \$250,000, he raised \$100,000 by loans raised on notes for stock subscriptions. The Minister of Finance, Hon. W. S. Fielding, then sanctioned the issue of the certificate.

Mr. Fielding did this in the face of repeated warnings.

MR. LEIGHTON MCCARTHY WARNED HON. W. S. FIELDING.

1. On October 8, 1906, Mr. Leighton McCarthy, K.C., M.P., wrote to Mr. Fielding asking him to stay action on the certificate, as "a number of subscribers will dispute the *bona fide* character of the subscriptions". He informed Mr. Fielding that "grave conditions have arisen which will require careful consideration before the Treasury Board would grant any certificate for the organization of this bank". Later he endorsed a writ of summons in the High Court of Ontario, and sent this statement to Mr. Fielding. This communication contained the following paragraph:—

"I have received information that the alleged subscribers for shares paid a large sum of money in cash, and have signed notes for other large sums of money, and that the persons professing to act in the name of the bank have transferred notes and received the proceeds, and that a deposit either has

been made or will be made of the cash received and the proceeds of these notes, or sufficient amount to make up \$250,000."

CIRCUMSTANCES SHOWN TO BE SUSPICIOUS.

On November 2, 1906, Mr. McCarthy withdrew his protest in the following letter:—

"I am advised by those who are instructing me that the claims made by them in the action brought have been settled by their subscriptions being taken up by some parties interested in the bank and refunding the money paid by the individuals or returning the notes which had been given. The objections which I made on their behalf to the issue of the certificate are therefore withdrawn."

This meant that the claims of Mr. McCarthy's clients had been satisfied. The fact remained that a fraud had been committed and that the promoters were working in a suspicious manner.

WILLIAM LAIDLAW, K.C., ALSO WARNED THE MINISTER.

2. Accompanying Mr. McCarthy's letter enclosing the endorsement upon the writ of summons was an affidavit, sworn to in the High Court by William Laidlaw, K.C., of Toronto, swearing to facts upon information, some of them on personal information, some upon information and belief as a result of personal interviews with some of the subscribers, that the subscriptions were false and fraudulent.

MR. DAVID HENDERSON'S WARNING.

3. Mr. David Henderson, member for Halton, a county out of which the wreckers of the Farmers Bank took nearly half a million, made this statement in the House of Commons, March 15, 1911, dealing with the period prior to the granting of the certificate:—

"I felt very much worried * * * I told him (the Minister of Finance) the reason why I was anxious. That the reason was that many of my constituents were deeply involved in the matter. I said to him: I have personal knowledge of this because I have seen the notes in the hands of the solicitor who was acting for some ten or a dozen of these men, and who had taken proceedings against the bank, and had forced it to give back the money they had paid and the notes they had signed. He had forced the bank to do this because the provisional directors were not carrying out the spirit and intent of the Bank Act. I had seen these notes. They were endorsed by the provisional directors for the purpose of raising money, presumably to provide the necessary deposit of \$250,000 to get the certificate and enable the bank to begin business."

MR. FIELDING WAS ALARMED.

Mr. Henderson stated further:—

"I met the Minister, possibly about two years ago and he confessed to me that he had some alarm about the Farmers Bank, and related to me the

circumstance—which had not then come to my knowledge—that the bank had been peddling in the city of New York a deposit receipt for \$150,000 and could not find a purchaser. . . . I again repeated to the Minister my anxiety over the standing of this bank He very kindly said to me, 'Henderson, I don't see why you should worry over this; you are not responsible; besides, you did warn the Government.'

SIR EDMUND OSLER ALSO GAVE WARNING.

4. Sir Edmund Osler, M.P., warned Mr. Fielding. On July 28, 1911, he said:—

Before I left this country on January, I was present when we were discussing the question of the Farmers Bank.

I then made the statement that I had spoken to the Minister of Finance in reference to the issue of a certificate to this bank. The Minister of Finance said that if I was in the House he was sure I would not make that statement. After the deposit had been made with the Receiver General and before the certificate had been issued, I met the Minister of Finance and had a talk with him about the Farmers Bank. I told him that it was a fraud; that the people connected with it were not worthy, and that the method taken for obtaining the necessary deposit was absolutely illegal. I knew that of my own personal knowledge, because I knew where application had been made to borrow the money on these endorsed notes; I did not know at the time from whom. I saw that the Finance Minister was under a good deal of anxiety about the condition of affairs. The matter ended there so far as I was concerned until some time afterwards, when I learned that a certificate had been issued, and I again spoke to the Minister, and said I was exceedingly sorry that the Government had issued the certificate. The Finance Minister said that so far as he saw, the law had been complied with, and that if the Government had not issued the certificate they would have been open to the charge of protecting the larger banks. Of course, there is a good deal of reason in that, but I think it was a case where the closest scrutiny ought to have been observed. It was notorious that the men at the head of the bank were not worthy. The information I think I was given fairly, and without any prejudice against the establishment of new banks. Further than that, I may say that I had a conversation with my hon. friend from Halton (Mr. Henderson), and he told me he had made the same representation to the Finance Minister.

SIR EDWARD CLOUSTON'S NOTIFICATION.

On the very next day, while there still was time to recall the certificate, Mr. Fielding received a fifth and most impressive warning. Under date of November 30, 1906, the President of the Canadian Bankers' Association, Incorporated, wrote the following letter to him:

Dear Sir.—In connection with the application of the Farmers Bank of Canada for the usual certificate from the Treasury Board, I have reason to believe that the money lodged, or to be lodged, at Ottawa as stock subscriptions, cannot be regarded as paid-up capital, and that a large proportion of the amount necessary to the obtaining of a certificate is a loan made upon the promise of its payment when returned by your Department.

Permit me to request that, if only for the protection of the public, the Treasury Board will exercise its right to refuse to issue a certificate if it thinks best so to do, until a thorough investigation has been made into the circumstances stated therein.

E. S. CLOUSTON, President.

LICENSING THE PIRATE BANK.

Under these circumstances, the Farmers Bank was sent on its course of plunder. It suspended in December, 1910. The General Manager was sentenced to the penitentiary. The loss was great and widespread. Scores of farmers were ruined.

SHOULD SHAREHOLDERS BE REIMBURSED?

Many individuals connected with the Liberal-Conservative party took the ground that this was a case for reimbursement by the Government. When a bank has been started honestly, with the capital which the law stipulates as necessary, no question of liability on the part of the Government arises, because the proper preliminary steps have been taken in accordance with the Bank Act. But in this case the preliminary steps had not been properly taken, and this was, or should have been, known to the Treasury Board, and the bank should, therefore, never have been licensed to do business.

BORDEN GOVERNMENT INVESTIGATED.

When the Borden Government came into power it appointed Chief Justice Sir W. R. Meredith a Commissioner to investigate the matter. Sir William Meredith's report emphasized the fraudulent nature of the enterprise.

LIBERALS DID NOT LIKE INVESTIGATION TO TAKE PLACE.

Displeasure was shown by the Liberals at the undertaking of this inquiry. On March, 13, 1912, Mr. A. K. Maclean (Halifax), said:—

"I am sure that hon. gentlemen on this side of the House, and I think people generally in the country, will agree with me when I say that the appointment of such commission will be both useless, and mischievous, and that it is to be regretted that the Government ever appointed such a Commission for such a purpose." (Hansard, 1911-12, p. 5025.)

Mr. Maclean repeated this assertion on March 30, 1912. (Hansard, p. 6710.)

OFFICIAL STATEMENT BY THE GOVERNMENT.

On June 6, 1913, the Rt. Hon. R. L. Borden made the following statement:—

It appears from the report of the Commissioner appointed to investigate the matter of the failure of the Farmers Bank (a) That the issue of the certificate of the Treasury Board authorizing the bank to commence business,

was procured by false and fraudulent representations on the part of the promoter and subsequent general manager of the bank, W. R. Travers. (b) That in the Commissioner's opinion it was incumbent upon the Treasury Board before issuing its certificate, to have investigated certain charges made to the Department of Finance that the amount required by the Bank Act to be paid in respect of subscriptions, had not in fact been so paid, and (c) That if the true facts had been disclosed, the certificate of the Treasury Board would not have been given, and thus the bank under the management of Travers would not have been authorized to commence business.

The case is of exceptional and indeed unique character, both with regard to the fraudulent means by which the certificate was procured and in respect of the results which followed, involving the ultimate loss of all moneys placed in the bank by the unfortunate depositors. The man who fraudulently procured the certificate in the name of the bank, was enabled to attract those deposits by the unwarranted assumption of powers in violation of plain statutory conditions. While the direct subsequent cause of the loss was the fraud and dishonesty of the bank's manager in the administration of its affairs, there is nevertheless a certain connection between that loss and the power and status with which he became invested upon the granting of the certificate. Having regard to these considerations, the Government consider that the depositors are entitled to a reasonable measure of relief, which will be provided by legislation to be introduced at the next session of Parliament.

THE EXTENSION OF MANITOBA

How the Laurier Government Blocked the Enlargement of the Postage Stamp Province—Refused Proper Financial Terms—Borden Government Effected a Just Settlement.

A great injustice which stood to the discredit of the Laurier Government was its treatment of the Province of Manitoba. The Government of the Rt. Hon. R. L. Borden has remedied that injustice.

WANTED ENLARGED BOUNDARIES.

Known as the "Postage Stamp Province", Manitoba until the accession of the Liberal Conservative party to power had an area of only some 73,000 square miles, while Saskatchewan and Alberta, erected into Provinces in 1905, each had an area of about 250,000 square miles. The people of Manitoba were anxious to add to their area the district between their northern boundary and Hudson Bay. To this the Laurier Government was slow to consent.

ALLOWANCES IN LIEU OF LANDS.

Another question caused still greater difficulty. None of the prairie provinces owned their own public domain; but while the compensation for this was given to Alberta and Saskatchewan from the Dominion Treasury amounting to several hundred thousand dollars a year, the compensation allowed to Manitoba was much smaller. To the end the Laurier Government refused to treat Manitoba in this respect in an equitable manner.

Negotiations in 1905 came to nothing. In 1908 Sir Wilfrid Laurier agreed to the addition of the area since annexed to Manitoba; but the Provincial Government could not obtain from him satisfactory financial terms. A resolution specifying the area to be added was passed by the House of Commons in 1908, but there the matter stood.

RIDICULOUS FINANCIAL TERMS OFFERED BY LAURIER.

In 1909 negotiations took place with regard to the financial arrangements. Sir Wilfrid Laurier offered to increase the Provincial subsidy by \$10,000 a year; the Provincial Ministers felt this to be ridiculous; and Sir Wilfrid Laurier thereupon abruptly closed the conference.

Early in 1911 the Laurier Government offered in lieu of the public domain, to give to the Province \$200,000 a year until the population of the added territory reached 100,000; \$250,000 a year until it reached 150,000; and \$300,000 a year thereafter.

The Manitoba Legislature, Liberals and Conservatives, without a dissenting voice, rejected this.

EQUALITY OF TREATMENT DEMANDED.

Throughout this controversy the Manitoba Government and the Provincial Legislature regardless of party demanded equality of treatment with either the Provinces of Ontario, Quebec, Nova Scotia and New Brunswick or the Provinces of Saskatchewan and Alberta, that is to say:—

- (a) The control of all the public lands, mines and minerals, or
- (b) Financial and other considerations of a character similar to those given or to be given the said Provinces of Saskatchewan and Alberta.

It was on Sir Wilfrid Laurier's refusal to grant this that the dispute took place. Throughout, Mr. R. L. Borden and the Liberal-Conservative party in Parliament supported Manitoba.

MR. BORDEN SATISFIED MANITOBA.

When the Rt. Hon. R. L. Borden became Premier he at once satisfied Manitoba's just demands. By November 20, 1911, he had agreed to give that Province equality of treatment with Alberta and Saskatchewan. The Resolution to this effect was introduced into Parliament on February 22, 1912. The Bill which followed was read a third time on March 12, after meeting with violent resistance from the Liberal Party.

The arrangements which the Borden Government thus put upon the Statute book gave Manitoba an area of 166,000 square miles of land and 12,000 square miles of water, making the total area of the Province about 250,000 square miles. The financial provisions were:—

FINANCIAL ARRANGEMENTS MADE.

1. The Provincial debt allowance was to be increased, with the addition of the new territory, from \$178,947 to \$381,584.

2. As Manitoba's claim should have been settled in 1908, when the new boundaries were fixed, this additional allowance should have been made in that year. Thus Manitoba was entitled to four years arrears, or \$810,548.

Manitoba's allowance in lieu of public lands had stood at \$100,000 a year, and she had held certain swamp lands. She was to be given the same allowance as Alberta and Saskatchewan, from \$562,500 to \$1,125,000 a year, according to population; but the swamp lands were to be returned to the Dominion and some adjustments effected which made the sum at which the allowances began \$413,270 a year.

4. For this arrangement also arrearages were to be paid as from 1908. This worked out to a lump sum of \$1,368,000.

5. A grant for the construction of public buildings was to be given, amounting to \$201,723. This was in accordance with the financial terms accorded to Alberta and Saskatchewan.

BORDEN AND LAURIER TERMS COMPARED.

Thus Manitoba's revenue under these heads has been increased by \$515,907 a year and she got in a lump sum arrears amounting to \$2,380,371.

Prior to 1911 Manitoba received in subsidies \$833,438 yearly.

If Sir Wilfrid Laurier's offer had been accepted her subsidy would have been \$1,033,438.

Under Mr. Borden's Government her subsidy stands at \$1,349,345.

When Manitoba with 455,614 population was getting \$833,438 subsidy, Alberta with 374,663 population was getting \$1,260,105, and Saskatchewan with 492,434 population \$1,551,820 in subsidy.

OPPOSITION OF THE LIBERALS.

The Liberals objected to Manitoba getting such favourable financial treatment. Here are some of their utterances:—

Sir Wilfrid Laurier:—

“There is no justification that I can see why these four years arrears set forth in the resolution should be given to the province of Manitoba. (Hansard, 1911-12, p. 3844.)

Mr. Pugsley:—

“I quite agree with Sir Wilfrid Laurier that Manitoba having been dealt with not only fairly in the past under conditions existing where previous al-

lowances were made but generously, there is no argument or justice that can be urged in favor of carrying the terms of settlement back four years." (Hansard, 1911-12, p. 3856.)

Mr. Frank Oliver:—

"In my judgment the late Government had good and sufficient reason and was well advised, in not undertaking of its own motion to increase the subsidy account of the Province of Manitoba on debt account as this Government has seen fit to do." (Hansard, 1911-12, p. 3880.)

MR. OLIVER MOVED TO GIVE LESS MONEY.

On March 8 Hon. Frank Oliver moved an amendment to make the financial terms less generous. It was that until the population of the added territory reached 100,000, the Province should be paid \$200,000 a year; when between 100,000 and 150,000, the payment should be \$250,000; when over 200,000, the payment should be \$300,000. This, he said, was the view of the late Government. The amendment was negatived.

Mr. Pugsley also moved an amendment that the Province should not get its debt allowance money until an Interprovincial Conference had been held.

THE BOUNDARY BETWEEN ONTARIO AND MANITOBA.

A second element in the situation was the question of the boundary between Ontario and Manitoba. Manitoba as a Western wheat-growing Province was deeply interested in Hudson Bay, and Ontario, as the owner of the Temiskaming & Northern Ontario Railway, was interested in getting that line to the same body of water and so wanted port facilities. The Borden Government, the Whitney Government and the Roblin Government came to the following arrangement, set forth in an order-in-council of February 20, 1912 (Hansard 1911-12, pp. 3899-3901), which satisfied all parties:—

1. Ontario got an additional piece of territory, west and north of the Albany River, aggregating 146,400 square miles; the addition gives the Province 600 miles of sea-coast. This added region has been named the District of Patricia, in compliment to H.R.H. the Princess Patricia.
2. An arrangement was made whereby the T. and N. O. Railway is to be given access to Nelson, the terminus of the Hudson Bay Railway. A strip of land five miles wide, within 50 miles of the seashore, is to be surveyed across the territory added to Manitoba, to Nelson, and Ontario is to get this as right of way for its railway. Further, on the eastern bank of the Nelson River, at the mouth of that stream, Ontario is to have a strip five miles long and half a mile deep.

LIBERALS HOPED TO SEE PROVINCES QUARRELLING.

The Liberal party received the announcement with a violent explosion of anger which betrayed the intensity of their anxiety to see the two provinces quarrelling. Sir Wilfrid Laurier was quite incoherent in his remarks when the announcement was first made.

LAURIER MOVED SIX MONTHS' HOIST.

Finally, Sir Wilfrid Laurier, on March 5, 1912, moved the six months' hoist to the bill, on the ground that "the terms under which it is proposed to make the said extension, as set forth in this Bill, and in the order-in-council of the 20th February, 1912, are unfair and unjust both to the people of Manitoba as well as to the people of the other Provinces of the Dominion." (Hansard 1911, 12, p. 4375).

THE SCHOOLS DIFFICULTY.

A third difficulty had to be faced. It was maintained by certain Roman Catholics that if territory was added to Manitoba, that addition must be made on condition that separate schools must be legalized in the added territory. The Manitoba Government, for its part, was determined not to accept territory under such conditions. The course pursued was to add the new territory to Manitoba without imposing any stipulation on the subject. The character of the schools to be maintained therein was left within the discretion of the Province. The added territory contained only 165 white persons, the remainder of the population of 5771 being Indians, Eskimos and half-breeds.

Sir Wilfrid Laurier had made no direct reference in his speech to this question, which was arousing great interest in the House and in the country, but had worded his amendment so as to contain a suggestion of it. By so doing he obtained the votes of six Nationalists, Messrs. Bellemare, Delisle, Guilbault, Lamarche, Paquet and Sevigny. Mr. Mondou refused to vote.

Mr. Mondou, on behalf of the Nationalists, moved the following amendment:—

"Section 22 of the Manitoba Act, 1870, 33 Vic., chapter 3, shall apply to the territory added to the province under the provisions of this Act, with the substitution for paragraph 1 of said section 22, of the following paragraph:

"Nothing in any such law shall prejudicially affect any right or privilege with respect to denominational or separate schools, which any class or persons have, at the date of the passing of this Act, by law or practice, in the territory added to the province under the provisions of this Act." (Hansard, 1911-12, p. 4339.)

The government declined to accept this. The legal position was as follows:—

(a) There was no law in force in the territory annexed to Manitoba, creating any such right as assumed in Mr. Mondou's amendment.

(b) If, however, such a right did exist by law, then it was fully protected by Section 22 of the Manitoba Act, 1870.

The Hon. C. J. Doherty set this forth, pointing out that what was claimed was not that Parliament should enact a law creating rights as regards education in favour of a minority in the added territory—that being impossible under the constitution of Canada—but that such rights already were established by law within the region in question. This contention he examined with great care, pointing out the successive steps taken in the administration of the several parts of the district concerned, and saying:—

"I feel bound to say to people who, like myself, feel that, if there was a constitution in force in these Territories that gave a right to any minority for the establishment of a system of separate schools, that right ought to be protected. I have no recourse but to say that I, at all events, cannot find where that constitution exists." (Hansard, 1911-12, p. 4857.)

He then made it clear that section 22 of Manitoba Act, 1870, will apply to the territory to be added, saying:—

"If there be rights in that portion of the Territory such as are contemplated by section 22 of the statute—and it is only such rights that can be preserved as I understand it—those rights would be protected under Section 22 just as fully and effectively as they possibly could be protected under the amendment which is proposed." (Hansard, 1911-12, pp. 4846-7.)

Mr. Doherty further said:—

"I am prepared to say * * * that they have in the provision of the statutes of Manitoba, under whose control this new territory is going to pass, an absolute, an ample, a perfect protection for any right that actually exists within that territory, and I say that while we have a right to expect, and we do expect, from every man in this country that he shall recognize the constitutional rights of those from whom he differs, we have no right to ask, we have at least no right to demand, more than recognition of our constitutional rights. And inasmuch as the constitution of Manitoba gives protection to such rights as may exist and are susceptible of constitutional protection I do not believe it is right that we should ask from those who differ from us with reference to a system of schools, that they should join with us in adding something more than the constitution calls for. If, as I am convinced, the amendment sought to be made to this Bill means nothing more than the constitution of Manitoba means, then it is an absolutely useless procedure." (Hansard, 1911-12, pp. 4861.)

Sir Wilfrid Laurier also declined to support the amendment, saying:—

"There is this objection to the incorporation of the law of 1875 in the present Bill, which would give full separate school rights to that part of the country, that such an enactment would not be worth the paper on which it

was printed, because we cannot impose it on Manitoba. Unless Manitoba agrees to this law this parliament has no authority to force it upon Manitoba." (Hansard, 1911-12, p. 4901.)

Of the twenty-four members who voted for the amendment, eight were Nationalists and 16 Liberals. Among the Liberals so voting were Hon. Charles Murphy, Hon. Dr. Beland, Mr. McCoig, Mr. Molloy, and Mr. Power. Sir Wilfrid Laurier voted against the amendment.

Mr. Beland then moved:—

"That this House is of opinion that negotiations should be reopened with the Government of Manitoba in order to define by amicable conferences the status of minorities, either Protestant or Catholic, with regard to education in the light of existing laws in the annexed territory." (Hansard, 1911-12, p. 4934.)

This was negatived by 108 to 52. This concluded the opposition to the Bill.

THE DOMINION FINANCES

A Tale of Continued Expansion and Prosperity—Generous Expenditures on Needed Works and Yet a Satisfactory Reduction of the Debt—The Bank Act Improved.

The prosperity of Canada has been amply maintained during the two years of the rule of the Liberal-Conservative Party.

TRADE FIGURES.

The total trade of Canada has been as follows:—

Fiscal Year.	Total imports.	Total exports Canadian and Foreign Produce.	Aggregate Trade.
	\$	\$	\$
1908.....	870,786,525	280,006,606	650,793,131
1909.....	309,756,608	261,512,159	571,268,767
1910.....	391,852,692	301,358,529	693,211,221
1911.....	472,247,540	297,196,365	769,443,905
1912.....	559,320,544	315,317,250	874,637,794
1913.....	691,943,515	393,232,057	1,085,175,572

The trade with the United Kingdom (merchandise only) has been:—

Fiscal Year.	Imports for Consumption from the United Kingdom.	Exports to the United Kingdom Canadian and Foreign Produce.	Aggregate Trade.
	\$	\$	\$
1908.....	94,417,314	134,477,124	228,894,438
1909.....	70,682,101	133,745,123	204,427,224
1910.....	95,336,427	149,630,488	244,966,915
1911.....	109,934,665	136,962,971	246,897,636
1912.....	116,906,212	151,833,379	268,739,591
1913.....	138,652,198	177,982,002	316,634,200

The trade with the United States (merchandise only) has been:—

Fiscal Year.	Imports for Consumption from the United States.	Exports to the United States Canadian and Foreign Produce.	Aggregate Trade.
	\$	\$	\$
1908.....	204,648,885	96,920,137	301,569,023
1909.....	170,056,178	91,022,387	261,078,565
1910.....	217,502,415	110,614,327	328,116,742
1911.....	274,844,858	112,208,677	387,053,534
1912.....	330,428,502	112,956,295	443,384,797
1913.....	435,783,343	150,961,656	586,745,018

The value of goods exported from the Dominion has been —

Fiscal Year.	The Mine.	The Fisheries.	The Forest.	Animals and their Produce.
	\$	\$	\$	\$
1908.....	39,177,133	13,867,368	44,170,470	55,101,260
1909.....	37,257,699	13,313,604	39,667,387	51,349,646
1910.....	40,089,017	15,663,162	47,517,033	53,926,515
1911.....	42,787,561	15,675,544	45,439,067	52,244,174
1912.....	41,324,516	16,704,678	40,892,674	48,210,654
1913.....	57,442,546	16,336,721	43,255,060	44,784,593

Year.	Agricultural Products.	Manufactures.	Miscellaneous.	Total.
	\$	\$	\$	\$
1908.....	66,069,939	28,507,124	67,674	246,960,968
1909.....	71,997,207	28,957,050	54,931	242,603,534
1910.....	90,433,747	31,494,916	125,161	379,247,551
1911.....	82,601,284	35,283,118	285,815	274,316,553
1912.....	107,143,375	35,836,284	111,676	290,223,857
1913.....	150,145,661	43,692,708	97,311	355,754,600

IMMIGRATION IS INCREASING.

The amount of immigration has been:—

Year.	Great Britain and Ireland.	Other Countries except United States.	United States.	Total.
1908-09.....	52,901	34,175	59,832	146,908
1909-10.....	59,790	45,206	103,798	208,794
1910-11.....	123,013	66,620	121,451	311,084
1911-12.....	138,121	82,406	133,710	354,237
1912.....	150,542	112,881	139,009	402,432

This prosperous condition of the national business has been reflected in the revenue, while the expenditure has been managed with great skill and prudence.

REVENUE INCREASING ENORMOUSLY.

The Revenue has been as follows:—

1910-11.....	\$117,780,409	
1911-12.....	136,108,217	\$18,327,807
1912-13.....	168,689,903	32,581,686

This revenue has been secured from the tariff which has been in force since 1907, now slightly modified by certain changes made by the last Budget, and principally in the way of reduction. Among these are the reduction in the duty of sugar, and the freeing of type-setting and type-casting machines and traction ditchers for farm use, and cement.

WISE AND COURAGEOUS EXPENDITURES.

The principle followed by the Government has been to spend money courageously upon needed public works and services, with the conviction that such expenditure during the construction era of the Dominion will, if made honestly, meet with the approval of the public. Such a policy would of course do much to mitigate the consequences of any temporary check in general trade.

The Consolidated Expenditure has been:—

		Surplus.
1910-11.....	\$87,974,198	\$30,006,211
1911-12.....	98,161,440	37,946,776
1912-13.....	112,059,537	56,630,366

In the latter years of the Laurier Government the surplus of the total receipts over the Consolidated Fund expenditure was more than swallowed up by the capital expenditure, railway subsidies, bounties, etc.

LAURIER GOVERNMENT INCREASED THE DEBT.

The following increases of net debt took place:—

1907-8.....	\$14,288,999
1908-9.....	45,969,419
1909-10.....	12,338,267
1910-11.....	3,773,505

Or a total during the last four years of the Laurier Government of \$76,370,192.

UNPRECEDENTED DEBT REDUCTION BY HON. W. T. WHITE.

In 1911-12 the Hon. W. T. White met the following disbursements in excess of consolidated Fund expenditures:—

National Transcontinental Railway.....	\$21,110,352
Other railways, canals, and public works.....	9,829,223
Railway subsidies	859,400
Grand Trunk Pacific Railway implementing.....	4,994,416
Charges of management, loan account.....	1,082,121
Various miscellaneous items	1,105,126
	<hr/>
	\$38,980,641

He paid all these and had a surplus of receipts over disbursements of \$122,591.

In 1912-13 the capital expenditure was:—

Public Works, including railways and canals.....	\$27,206,046
Railway subsidies	4,935,507
Miscellaneous	255,786
	<hr/>
	\$32,397,341

The reduction of debt, counting in sinking funds, was \$25,617,835. This is a record debt reduction in the history of Canada.

OPPOSITION NOT QUESTIONING EXPENDITURE.

During the two sessions of the present Parliament not one meeting of the Public Accounts Committee has been called by the Opposition. No question as to expenditure has been investigated by them.

During the session of 1912-13 no less than 61 requests for aid involving increased expenditure were made by members of the Opposition.

THE BANK ACT.

The Bank Act was one of the most important measures of the session of 1912-13. The new Bill was moved a second time on January 21, and was discussed on that day, on January 28 and on January 30. It then went to the Committee of Banking and Commerce, which took it up on February 13, and reported it on May 8, having considered it at 38 sittings. The time occupied was over 87 hours, and each meeting averaged two hours and a quarter. All interests were represented before the Committee by representative men, special attention being paid to

the Western point of view. The bill was considered in Committee of the whole on May 16, and May 20 and was read a third time on May 22.

The principal changes effected in the Bank Act were:—

1. Henceforward the obtaining of a certificate to carry on the business of banking will be more carefully guarded.

2. An external audit of a Bank's affairs is made compulsory. The auditor is to be appointed by the shareholders.

3. Banks are empowered to grant loans to farmers on the security of their grain.

4. Banks must make return as to the interest and discount rates they charge.

5. A central gold reserve is to be established, thereby enabling the Banks to handle the business of the country with greater ease and security.

ENERGY IN THE CUSTOMS DEPARTMENT

**Revenue Increasing Enormously — Convenience of the
Business Public Considered—Yet Proportional Cost
of Collecting the Revenue Lower Than
Ever Before.**

The record of the Department of Customs, under the Hon. J. D. Reid, has been one of energetic administration, and of readiness to meet the convenience of the public.

The record has been one of great and rapid expansion.

The customs revenue from October 10, 1911, when the Borden Government took office, to March 31, 1912, was \$79,392,585.

The customs revenue for the fiscal year 1912-13 was \$115,082,174.

The customs revenue from April 1, 1913, to November 30, 1913, was \$76,499,707.

The expansion in staff has been marked, the total number having gone up from 2,459 to 3,250. The particulars are:—

	Inside.		Outside.		Total.
	Perm.	Temp.	Perm.	Temp.	
Oct. 10, 1911.....	180	13	1671	595	2459
Aug. 12, 1913.....	208	12	2092	938	3250

It is a matter of great importance to the mercantile public to have a wide diffusion of customs offices, as importers naturally prefer to transact their business in their own town. The number of customs offices has been increased from 661 to 705, a net addition of 44. In all 53 new offices have been opened, and nine have been closed. The net result is that in some 50 places the convenience of the public is met.

The number of offices has increased by 6.6 per cent.

The number of employees has increased by 32 per cent.

The revenue has increased by 32 per cent.

While the convenience of the public has been consulted and there has been liberality in the matter of staff, the revenue has been collected in an economical manner. The expense of collection of custom revenue in recent years has been:—

1908-9.....	4.15 per cent.
1909-10.....	3.32 " "
1910-11.....	2.98 " "
1911-12.....	2.78 " "
1912-13.....	2.73 " "

INLAND REVENUE DEPARTMENT.

The Honourable W. B. Nantel, who claimed last year for his Department the largest revenue since Confederation, has been able to show greater progress yet during the last fiscal year ending March 31, 1913.

The total receipts for this Department have increased nearly 25 per cent. over the year 1911, or have given a revenue of \$21,859,034.25 for the year 1913, as against \$17,242,676.00 for the year 1911.

MARINE AND FISHERIES

Energetic Administration of the Hon. J. D. Hazen—Aids to Navigation—Development of the Fisheries of the Country.

The Hon. J. D. Hazen, since becoming Minister of Marine and Fisheries, has pursued a policy of vigorous development, having regard alike to the enormous general marine interests of the country and to the small communities whose welfare often depends upon the policy pursued by the Government.

NEW LIGHTHOUSES ERECTED.

No less than 63 light-houses have been constructed, at a total cost of nearly \$400,000 while a policy has been adopted of authorizing an extra expenditure of \$70,000 per annum to bring the whole system up to the modern standard. This incidentally includes the providing of new reflectors which greatly increase the power of existing lights.

Particulars as to the new construction of lighthouses are:—

Province.	Number.	Cost.
Ontario	13	\$48,500
Quebec	14	51,330
Nova Scotia	9 (including lightship)	172,752
New Brunswick	11	17,700
Prince Edward Island	3	10,900
British Columbia	10	85,900
Manitoba	3	2,500

OTHER AIDS TO NAVIGATION.

Twenty fog alarms have been installed, at a cost of \$228,000. Of these four are in Ontario, two in Quebec, five in Nova Scotia, three in New Brunswick and six in British Columbia.

The Department has installed more than 350 buoys of various sorts—spar buoys, gas buoys, bell buoys, conical buoys, whistling buoys, submarine buoys, etc.

The sum of \$367,000 has been spent on new lighthouse and buoy depots. Expenditure on new steamers, tugs, scows and dredges has been \$884,600. The Department has adopted the policy of stipulating that vessels constructed for it must be built in Canada.

HARBOUR DEVELOPMENT.

Much work has been done in the way of harbour development. In 1912 an Act was passed providing further advances to the Harbour Commissioner of Montreal to the extent of \$6,000,000. The improvements at Montreal included additions to the Grain elevator which cost \$681,000. Another Act allowed the sum of \$3,500,000 to be advanced for the improvements which were executed at that port aggregating \$731,000.

A great many harbours have been proclaimed, these including Sault Ste. Marie, Whitby and Bronte in Ontario; Trois Pistoles, Bic and Rimouske in Quebec; Windsor, Cheboque, Halls, Belliveans Cove, Joggins and Canning in Nova Scotia; and Prince Rupert in British Columbia.

Two harbours have been placed under commissions, Vancouver, British Columbia and Hamilton, Ontario.

An important commission has been appointed to investigate the water levels at Montreal and below in the St. Lawrence River. This is to determine the practicability of a 35-foot channel.

FISHERIES ADVISORY BOARD.

Apart from its fish-breeding operations, the work of the fisheries branch, has in former years been largely of a negative character, in preventing fishermen from doing such things as they should not do.

The Fisheries of Canada are not only prolific; but the fish of the different species are in quality second to none. Notwithstanding this there has on the whole, been a serious lack of progress in the fisheries particularly on the Atlantic Coast.

On looking into the reasons why the Department was not actively engaging itself in encouraging and stimulating development of the fisheries along the most approved lines, the Hon. J. D. Hazen, Minister of Marine and Fisheries, found that proper outside organization and assistance was lacking. To keep it in touch with the changing conditions and requirements of the Fisheries, the Department had to rely altogether on its outside officers; but as these were employed to prevent violations of the law, they in nearly all instances had not the necessary experience or knowledge of the industry to enable them to afford the

Department any valuable assistance in keeping in touch with the industry itself.

To overcome this difficulty a Fisheries Advisory Board has been appointed, consisting of persons representing the different branches of the industry, and proper departmental officers. The outside members were chosen from the leading men engaged in the branches of the industry they represented. Collectively the members of this Board are, therefore, in a position to advise the Department on the best course to pursue in encouraging and stimulating a proper development of the fisheries, and of markets therefor.

RE-ORGANIZATION OF THE OUTSIDE SERVICE.

On assuming office the present Minister found that except in theory there was no organization of the outside service. Hence it was the service was so notably inefficient. Illegal fishing, and particular illicit lobster fishing was rampant on certain portions of the coast.

A complete re-organization was consequently decided upon. It has already been accomplished in British Columbia, Saskatchewan and Alberta, and outstanding weaknesses in the other provinces have been rectified. In view of the intricacies of the service in the older provinces the Minister thought it best to have the advice of the Advisory Board before finally dealing with re-organization there. The recommendations of this Board in the premises are expected at an early date following which the matter will be dealt with.

REFRIGERATOR EXPRESS SERVICE FOR FRESH FISH.

The only Refrigerator Car Service that has been available to the shippers of fresh fish in the past has been by freight. While staple markets can be fairly well supplied by such means, experience has shown that to develop new markets express facilities are absolutely essential. Ordinary express cars are not suitable for carrying fresh fish long distances. Owing to the heat of the atmosphere in the summer and artificial heating in the winter, the ice in which the fish are packed is melted en route, and the fish are, therefore, likely to reach their destination in a damaged condition and can be forwarded to limited distances only. The trade has not been sufficiently large to induce the express and railway companies to put on refrigerator express cars on their own initiative.

As a start in overcoming the difficulty an arrangement has recently been made with the Express Companies and the I.C.R., whereby a refrigerator express car is placed at the disposal of the shippers in the

Maritime Provinces one day each week. While for the present this car does not go farther West than Montreal as the fish arrive there in perfect condition with the ice still in the packages, and are immediately forwarded westward (when so consigned), in ordinary express cars, the shipments are delivered at Toronto and other points in perfect condition.

The usual minimum carload lot is 20,000 pounds. The transportation companies have been induced in this instance to lower such minimum to 10,000 pounds and this Department has guaranteed that the earnings of the refrigerator car on each trip West will be at least those on the latter amount.

The indications are that the service will be more than self-sustaining, so that it is anticipated that in a short time it will be practicable to have it extended to other days in the week, and to run cars right through to Toronto.

FISHERIES EXHIBIT, TORONTO.

There can be no doubt that the reason fish is not more generally used in the interior portions of Canada is that the people have not had brought to their attention the fact that fresh and mildly cured fish, as well as, the pickled or hard cured article, can now be obtained practically in all portions of the country in first-class condition, and at reasonable prices. As the Toronto Exhibition has become the largest Annual Fair in the world, and is visited by people from all parts of the Dominion, it was considered that much would be done to expand the demand for fish, if a thoroughly representative exhibit thereof were made at this Fair. Consequently it was decided to do this, this year. The exhibit was first-class in every particular and was regarded as one of the features of the Fair.

CANADIAN FISHERIES MUSEUM.

The importance of the Canadian fisheries warrants the establishment of a National Museum devoted thereto. When the present Minister came into office there was, in Ottawa, what was styled a Fisheries Exhibit. The few specimens that were therein were old, and very faulty, and the establishment was far from representative of the fisheries, and was quite unworthy of the name it bore.

It was promptly closed down, and the building up of what will be a thoroughly representative Canadian Fisheries Museum has been undertaken. When completed this Museum, will not only be of scientific and historic value; but will be of much importance from a commercial standpoint, as the commercial fisheries, and their value to the country are being made a leading feature.

EXTENSION OF THE FISH-BREEDING SERVICE.

The importance of artificial fish-breeding is now so well known that it need not be emphasized. Suffice it to say, that adequate, efficient fish-breeding combined with the enforcement of reasonably protective regulations, will for all time to come, guard against the depletion of our inland and estuarial, and immediately adjacent fisheries. In view of this, the fish-breeding service has been expanded as rapidly as has been found feasible. During the past two years eleven main hatcheries, and four subsidiary establishments have been placed in commission, or are in course of construction.

When the Minister assumed office, there was no definite organization of the fish-breeding service. The usual practice was, when a new hatchery was established, to place in charge thereof a local man who had not previously gained experience in hatchery work. In such instances successful operation of the hatchery could not be expected.

To assure efficiency the Minister has had the service definitely organized by authority of an Order-in-Council. The hatcheries have been grouped in classes as their importance merits, and a minimum and maximum salary attached to each position, a yearly increase being provided for in each instance until the maximum is reached, in all cases where such is merited. When a new hatchery is established, a capable experienced officer from one of the older establishments is promoted to the position of officer in charge thereof. Under this organization efficient operation of all the hatcheries is assured.

PUBLIC WORKS DEPARTMENT

Enormous Enterprises on Foot From One End of the Country to the Other—Splendid Development of Harbours and Means of Transportation.

The Public Works Department has been the scene of great activity in the last two years, a series of great national undertakings having been taken in hand and pressed with the utmost dispatch.

Beginning in the east, the Department has co-operated with the Department of Railways and Canals in the great series of works by means of which Halifax is being transformed into a modern, splendidly equipped seaport. The Department in particular constructed important improvements at the deep water terminal of the Intercolonial; these included a new wharf, 800 feet long, 255 wide, with two extra freight sheds.

The work at St. John has been pushed ahead with great vigour.

In 1911 the expenditure on the harbour works was \$572,500; about a million yards of material was dredged from the harbour and 460,000 from the harbour channel, and tenders were called for wharves, a break-water and quay wall.

In 1912, the contract, amounting to \$7,500,000, was awarded for the improvement of Courtenay Bay. Another contract for \$760,000 was awarded for wharfage on the west side. During the year, 1,826,736 yards were dredged, and the expenditure was \$697,965.84.

In 1913, a retaining wall was constructed at Beacon Bar: about one-half of the wharfage contract was completed (west side): dredging was done to a depth of 32 feet at low water; the main channel was dredged to a depth of 30 to 32 feet, 600 feet wide and 6,000 feet long, while all works under the comprehensive scheme for improvement of the harbour, were carried on satisfactorily. The expenditure, for the year, was \$977,498.64.

In Quebec extensive harbour improvement works have been taken in hand. Two of these merit special notice.

A new dry-dock, of the largest dimensions, will soon be built at Levis. The contract for it has already been awarded for about \$2,750,000.

The contract has been awarded for the improvement of the River St. Charles. The cost will be about \$3,000,000, and the work will be a great boon to the city and afford ample accommodation for a number of years to the shipping.

Two additional piers also are being built for large liners such as the "Empresses."

In Montreal the Department has made headway with the comprehensive scheme of harbour improvements, which is calculated to cover a period of twelve years. A high level railway has been constructed from Victoria pier to Molsons Creek. A 2,000,000 grain elevator has been placed under contract, in addition to the 1,000,000 bushel elevator, and the Harbour Commissioners have purchased the fleet of floating elevators.

The Department of Public Works also entered into an agreement with the Canadian Vickers Company to instal a floating dry dock. A high level coal terminal is to be erected in the east end, and 4 new steel double-docked freight sheds are to be built.

The City of Toronto, long neglected, is to be made a modern lake port of the largest size, able to accommodate the large vessels which will be brought into Lake Ontario by the construction of the new Welland Canal. The contract for this work, which will be of a comprehensive nature, was let in September, 1913, and is for \$5,371,000. In preparation for this, in 1913, the new Western channel was completed; the walls for 800 feet on the north side and 1,000 on the south side were extended; the approaches to the Eastern channel were dredged to a depth of 23 feet by 400 to 1,000 feet wide. The expenditure for the year was \$109,376.

Work on the lake ports has been extensive. At Fort William nearly two million dollars have been spent in harbour improvements under the present Government. The work of improving the Kamistiquia river, by deepening it to 25 feet, and widening it to 500 feet, has been nearly completed, and improvement on the same scale is in progress in the Mission River. The McKellar River has been reconstructed. It was 93 feet wide and six feet deep and it now is 370 feet wide and 25 feet deep. In 1912 4,000,000 cubic yards were dredged from the harbour and in 1913 4,689,000 yards. The revetment wharfage has been completed. The expenditure in 1912 was \$827,000 and in 1913 was \$903,000.

At Port Arthur over \$600,000 of work has been done in the two years. The Bare Point breakwater has been completed and over a

million and a quarter yards have been dredged. The harbour is to be deepened to 25 feet.

About \$250,000 has been expended in dredging Midland harbour to a depth of 25 feet.

At Collingwood considerable sums have been expended in dredging and in enlarging the turning basin.

Extensive works are in progress on the Pacific Coast. At Victoria a 2,500-foot breakwater is being constructed at Ogden's Point, at a cost of \$1,800,000, to protect the entrance to the inner harbour. Two new piers are about to be built in the outer harbour, furnishing steamer berths enough to accommodate all the shipping coming to the harbour. A great deal of dredging also has been done.

Extensive harbour improvement plans are under way in Vancouver, and in preparation for them much has been done in the way of dredging, deflection of currents, etc. The channel in the First Narrows has been deepened to 30 feet, a 15-foot channel has been dredged into Coal Harbour, and the Perthia shoal has been deepened.

RAILWAYS AND CANALS

Energetic Work Done Under the Hon. Frank Cochrane— Vast Projects Being Carried on by the Department —Excellent Progress Made.

Under the Hon. Frank Cochrane the Department of Railways and Canals has been the scene of great activity and numerous national enterprises have been pushed forward with great energy. Following are some of the performances of the Department.

HUDSON BAY RAILWAY.

The first contract was let just before the Laurier Government went out. It was 185.5 miles and the amount was \$3,078,354.50. The original time for completion of that section was December 1st, 1912. That has been extended to December 1st, 1913; the delay was due to the failure of the Bridge Company to throw the large and expensive bridge across the Saskatchewan at Le Pas. The bridge was completed in April last and since then very satisfactory progress has been made. On July 23, 1913, the contractor had reached Cormorant Lake Narrows at Mile 40 with the steel, and it is hoped to reach Mile 80 by December, 1913. Grading is well advanced, the contractors are putting up over a mile a day and it looks like one hundred and forty or one hundred and fifty miles of completed grading this fall. There are 1,200 men on the work and the only serious difficulty at the present time is the short supply of ties. J. D. McArthur was the successful tenderer on the first occasion.

NELSON CHOSEN AS THE PORT.

The late Government left it an open question as to which port, Nelson or Churchill, the road should be built to. In order to look personally into the matter, Mr. Cochrane made a 500-mile canoe trip in the summer of 1912, visiting both Port Nelson and Fort Churchill, and coming out through Hudson Bay and the Straits and the Labrador route to Sydney. As a result of this visit, and subsequent investigation

by engineers, Port Nelson was selected. Previous to his departure the contract for the second section of the railway, 68 miles, from Thicket Portage to Split Lake Junction, was let to J. D. McArthur; amount, \$1,811,285. Since his return the final contract from Split Lake Junction to Fort Nelson, 165 miles, was also let to McArthur, \$3,688,128.

The time for completion of these two latter sections is December 1st, 1914.

WORK ON THE TERMINAL IS ADVANCING.

The total appropriation on account of the Hudson Bay Railway this year is \$4,500,000, of which \$1,000,000 is on account of terminals at Port Nelson. At the present time there are 130 men employed at the terminals, and it is expected that by autumn there will be 250 men on the work. Five steamers were chartered in the summer of 1913 for the carrying in of supplies, and the following plant has been purchased for delivery this season: steel screw sea-going tug, \$43,250; steamboat "Kathleen", \$10,000; one steel tow-barge and two steel sectional scows, \$18,561.50; dredging machinery, \$29,020. There has been built by the Polson Iron Company, Limited, a 1200-ton 24-inch suction dredge, 180 feet long by 43 foot beam. The cost of the dredge was \$270,000 and it is one of the most complete ever built in Canada. The same company has also delivered the hull and machinery of a stern-wheel tug at a cost of \$32,000. With this plant and staff, work on the harbor terminals will be rushed with the utmost dispatch, and it is hoped that the harbor work will be sufficiently developed to be of assistance in the construction of the last section of the road.

THE NEW WELLAND CANAL.

Several contracts for different sections of the new and enlarged Welland Canal have been let and others will be advertised as quickly as possible, so that before a great while work will be under way on all of the nine sections. The total cost of the undertaking will be in the neighborhood of fifty million dollars. The new canal follows the course of the present canal from Port Colborne, on Lake Erie, to Allanburg, Ont., half-way across the peninsula. From this point an entirely new cutting is to be made. The new canal will be entered from Lake Ontario at the mouth of Ten Mile Creek, about three miles east of Port Dalhousie, the entrance to the present canal. The total length of canal from lake to lake will be 25 miles, and the difference in level between the two lakes, 253½ feet, is to be overcome by seven lift locks, each having a lift of 46½ feet. These locks are to be 800 feet long

by 80 feet wide in the clear, and with 30 feet of water over the mitre sills at extreme low stages in the lakes. The width of the canal at the bottom will be 200 feet and at first the canal reaches will be excavated to a depth of 25 feet only, but all structures will be sunk to the 30 feet depth, so that the canal can be deepened at any future date by the simple process of dredging out the reaches.

A new western breakwater, extending some 2,000 feet farther out in the lake than the present breakwater, will be built to insure quiet water in Port Colborne harbor during storms, which is not the case now, the present breakwater not being far enough out in the lake to deaden the swells. The inner harbor at Port Colborne will be deepened to the 30-foot depth.

THE INTERCOLONIAL RAILWAY.

Mr. Cochrane is making every effort to introduce more business-like methods in the management of the Dominion Government Railways. The Management Board with its divided responsibility and necessarily slow action has been abolished, and Mr. F. P. Gutelius, a man with a first-class-reputation both as an operating and construction engineer, secured from the C.P.R. A number of changes are being made among the executive officers and superintendents with a view to greater efficiency, and whenever it has been felt that new blood was required in the interests of the road the best available man has been secured, without thought of political consideration. In no instance, however, has the management gone outside the Intercolonial Railway staff where proper material was available for promotion from within, as Mr. Cochrane has firmly laid down the policy of promotion by seniority and fitness, believing that only by these means could the whole-hearted co-operation of the employees be secured. Since he has assumed office there has been absolutely no political discrimination. Some criticism has been offered by Eastern Liberal members on account of dismissals which followed the change of Government, but the fact remains that over the entire Intercolonial Railway system, nearly two thousand miles, the dismissals have numbered very few more than were made on Prince Edward Island alone following the return of the Liberal Government in 1896.

NEW MOTIVE POWER AND ROLLING STOCK.

The Intercolonial Railway has been badly handicapped by lack of motive power and rolling stock for the proper handling of its freight business, and the entire profits of operation during the last year, about \$800,000, went into new rolling stock and locomotives.

DOUBLE TRACKING AND GRADE REDUCTION.

Extensive improvements are in contemplation. Surveys are now being made with a view to a general grade reduction, and it is expected that in the course of a very few years the grade of the Intercolonial Railway will be equal to the standard of any other road on the continent, with the consequent saving in operating expenses. The Sydney end of the line, on which there is so much heavy traffic in connection with the Cape Breton iron and coal industries, will be the first to receive attention.

Certain busy sections will be double-tracked without delay, and the ultimate aim will be a complete double-tracked road.

THE HALIFAX TERMINALS.

Extensive terminal improvements are under way at Halifax, which will make that port one of the most complete on the North American continent. Six piers, 1,250 feet long and 300 feet in width, are to be built, with a capacity sufficient to dock at least thirty ships. There will be one bulkhead landing pier, 2,000 feet in length, at which the ocean greyhounds will land. This pier will be equipped with immigration building, sheds and a grain elevator. A new union passenger station will be erected at the head of Hollis Street, in the south end of the city. This will be approached by a double-tracked railway, which will branch off the present main line at Three Mile House and extend through the low divide between Bedford Basin and the head of the North West Arm and then through a deep cutting through the residential section to the harbor front. The streets in the residential district where the railway is submerged will be carried over the cutting on artistic bridges in keeping with the surroundings, and electricity, oil or coke will do away with any possible objection on account of smoke. The contract for the building of this extension, which is known as the Halifax Terminal Railway, has been awarded to the Cook Construction Co., of Sudbury, Ont., and Alexander Wheaton, of Amherst, N.S., at approximately a million and a half dollars. The date set for the completion of the railway is July 1, 1915.

TRANSCONTINENTAL RAILWAY.

From Cochrane to Winnipeg. The work is progressing very satisfactorily, there being one lift of ballast over the whole line and half of the line in very excellent running condition. Except for a few soft spots, which may cause temporary delays, the roadbed is in condition

to help relieve any congestion there may be of the Western wheat crop. Temporary trestles are rapidly giving way to permanent steel structures, station and divisional buildings are nearing completion, and final ballasting operations are well under way.

From Cochrane to Quebec. Track laying on this section of the road was finally completed late in November, 1913. Work is progressing on the steel bridges and it is expected that the road will be ready for operation early in the summer of 1914.

QUEBEC TERMINAL IMPROVEMENTS.

Extensive terminal plans have been made for Quebec. The road will ultimately have its entrance by tunnel to the site of the proposed union station (the present C.P.R. Palais Station), the C.P.R. and Transcontinental Railways having made a joint arrangement.

Contracts have been let for extensive shops to be located at St. Malo, and for a large car ferry to transfer Transcontinental railway trains between Quebec and Levis until the Quebec bridge is ready for traffic, some years hence. The contract for the dredging of the slip has been let and plans are being drawn for a station on the Champlain market site for the accommodation of the river traffic.

In Quebec, on the St. Lawrence side, the Transcontinental has secured three miles of water front and the Quebec Harbor Commission is already constructing docks on a portion of it. These docks will be increased as fast as the business of the port develops.

East from Levis to the New Brunswick boundary the road is under operation, with the exception of about 12 miles. The New Brunswick section to Moncton is already completed and being operated temporarily by the Intercolonial.

PROGRESS ON THE G.T.P.

On the Grand Trunk Pacific there remained, in December, 1913 miles of track yet to be laid in the mountain section. Mr. Collingwood Schreiber, Chief Engineer of the Western Division, who represents the Government, estimates that the road will be in condition for through operation by the 1st of June, 1914.

It will, therefore, be seen that the work on the entire line is very well advanced.

PRINCE EDWARD ISLAND CAR FERRY.

It remained to Mr. Cochrane to give effect to the agreement reached when Prince Edward Island entered the Dominion, whereby through connection will be provided between the Island and the mainland, and the delays which have occurred during the winter seasons, and the expense of trans-shipment, will be overcome.

A contract has been let for an ice-breaker car ferry, costing \$600,000. Work is active in progress on the car ferry terminals at Cape Tormentine on the mainland. The contract figure for the terminals at that point is \$1,048,540.

In August, 1913, the contract was let for the Carleton Point terminals on the Island end at \$950,000. There has been a couple of months' delay on the latter work owing to the failure of the company which was successful on the first call for tenders to undertake the work.

The original expectation was that the car ferry would be ready for operation in September, 1914. Every effort will still be made to have the work completed, at any rate, before the close of navigation next year.

As a corollary to the car ferry the railway on the Island will require to be changed from the present narrow to the standard-gauge. Railway connection must be provided from the Cape Traverse branch on the Island end, and the N. B. & P. E. I. Railway already connects the Intercolonial Railway with Cape Tormentine, the site of the mainland terminal.

TRENT VALLEY CANAL.

The completion of this now historic project is within sight. Mr. Cochrane in July went over the canal from Trenton, on Lake Ontario, to Orillia, and proceeded from Orillia over the proposed route of the Georgian Bay section as far as Ragged Rapids on the Severn River. That portion of the canal between Trenton and Hastings is rapidly nearing completion and it is expected will be finished in 1914 and ready for use in 1915. That will give complete water connections between Lake Ontario and Orillia.

The contract for the Port Severn section at the Georgian Bay end has been let. The balance of the work between Port Severn and Lake Couchiching will be advertized in three sections very shortly, and, it is hoped, will be completed in 1915. The work has been very actively pressed since Mr. Cochrane took charge.

THE DEPARTMENT OF AGRICULTURE

Two Great Acts Passed by the Present Government— Splendid Work in Aiding Instructional Efforts of the Provinces—A Progressive Administration.

The insistent appeal from all parts of Canada for adequate recognition of the requirements of the agricultural industry found a ready response in the present Administration.

The following interesting comparative table will show the total expenditures connected with agriculture by the Federal Government in the years mentioned:—

1911.	1913.	1914.
\$1,143,246	\$2,703,400	\$3,183,725

Thus, in the first year of the Liberal-Conservative rule, the appropriations increased by \$1,560,154, or 136%, and in two years the increase was \$2,040,479, or 178%.

HON. MARTIN BURRELL'S TWO GREAT ACTS.

The two outstanding acts of the Hon. Martin Burrell have been the two Acts of Parliament, the Agricultural Aid Act, 1912, and the Agricultural Instruction Act, 1913.

AGRICULTURAL AID ACT, 1912.

By the Agricultural Aid Act of 1912, half a million dollars were set apart to assist Provincial Departments of Agriculture to improve and extend their work. Subject to an agreement between the Federal Minister of Agriculture and the respective Provincial Ministers of Agriculture as to the purposes for which the money would be used.

By this distribution the weak points in the agricultural machinery

and rural life of each province were strengthened. The work done in each province may be summarized thus:—

Prince Edward Island:—A building for the holding of live stock shows, demonstration work, etc., was procured and equipped. Amount given, \$6,529.

Nova Scotia:—A much-needed extension was added to the Agricultural College buildings. Amount given, \$34,288.

New Brunswick:—Aid was given to horticulture, dairying, stock-raising, field husbandry, rural school instruction, and women's work. Amount given, \$25,509.

Quebec:—Fruit growing, poultry keeping, swine raising, tobacco raising and dairying were helped. Under-draining and the growing of clover was encouraged. Co-operation among farmers was assisted and agricultural schools were helped. Amount given, \$138,482.

Ontario:—A field husbandry building was erected at the Ontario Agricultural College. Additional district offices were organized throughout the province and the work of other offices was increased. On behalf of the poultry industry an expert was sent to Ireland and Denmark to study co-operative work. Demonstration in drainage were carried out and surveys made for further work. Amount given, \$175,733.

Manitoba:—Demonstration farms are aided and special courses of lectures were provided by this grant. Amount given, \$31,730.

Saskatchewan:—Live stock associations were generously assisted; courses were held to bring about a suppression of farm weeds, to encourage improvement in live stock and better farming generally. Dairying and poultry raising were specially helped. Competent instructors were kept in the field during the summer visiting farmers, advising them as to what methods to pursue to improve their dairying operations. Amount given, \$34,296.

Alberta:—Milking shorthorn and other dairy cattle were imported and a live stock demonstration train was conducted over the province. Domestic science and dry farming were encouraged. Amount given, \$26,094.

British Columbia:—Pure-bred stock was imported and work was done with demonstration farms. The fruit industry and women's work were helped. Amount granted, \$27,334.

DR. C. C. JAMES' TOUR OF INSPECTION AND INVESTIGATION.

Following the Agricultural Aid Act, which was admittedly a temporary assistance to agriculture, Dr. C. C. James was appointed by the Government to investigate the general agricultural conditions of

the various provinces. As a result of the investigation and report, the Minister recommended to the Government the introduction of a bill embodying provisions by which \$10,000,000 would be distributed, practically according to population, amongst the provinces during the present and following nine years. This is to be used to increase the efficiency and equipment of agricultural colleges, and other institutions engaged in imparting instruction in rural pursuits, including the various branches of agriculture and domestic economy.

THE AGRICULTURAL INSTRUCTION ACT, 1913.

This year \$700,000 is being allotted, this amount being increased \$100,000 per year until 1917, from which year \$1,100,000 will be provided annually until 1923.

SMALLER PROVINCES TREATED GENEROUSLY.

The distribution was rearranged so as to give specially generous assistance to the smaller and poorer provinces, it being arranged that each province shall receive a flat grant of \$20,000, making \$180,000 so spent; that \$20,000 shall be spent in aiding veterinary colleges; and that the remaining \$500,000 shall be divided according to population. Thus the sums granted in 1912 and 1913 compared as follows:—

	1912.	1913.
Prince Edward Island	\$ 6,529	\$ 26,529
Nova Scotia	34,288	54,288
New Brunswick	25,509	45,509
Quebec	138,482	158,482
Ontario	175,733	195,733
Manitoba	31,730	51,730
Saskatchewan	34,296	54,296
Alberta	26,094	46,095
British Columbia	27,334	47,335

HOW THEY ARE SPENDING IT.

Prince Edward Island will this year conduct short courses in agriculture, increase the agricultural instruction given in Prince of Wales College, give demonstrations in horticulture, sheep and poultry husbandry, establish district offices and carry on Women's Institute work.

New Brunswick will equip and carry on two agricultural schools at Woodstock and Sussex. Dairy schools are also being opened. Instruction in agriculture and domestic economy will be provided in public schools and by travelling teachers. School gardens are being organized, and demonstration trains run.

Nova Scotia will improve the Agricultural College, introduce agricultural teaching into the public schools, carry on summer schools, increase instruction by travelling dairymen, form Women's Institutes, and start investigational and educational work in connection with fruit growing.

Quebec will spend \$60,000 this year in equipping and manning agricultural schools. District representatives will be placed at various places. Fruit culture, the poultry, maple sugar and bacon industries and land drainage demonstration will receive liberal grants. Other things to be encouraged are the growing of alfalfa and clover, bee-keeping, tobacco-growing and dairying.

Ontario will spend \$80,000 in carrying instruction to the doors of the farmers by means of district representatives. Ten thousand dollars will be used to encourage the teaching of agriculture in public schools. Buildings at the Agricultural College will be improved and new ones erected. Short courses, women's institutes and demonstrations in drainage, fruit culture, etc., will be materially aided.

Manitoba will establish several demonstration farms and run demonstration trains. She will conduct educational work in connection with co-operative marketing of farm produce.

Saskatchewan will spend her money largely in lectures and demonstrations. District representatives will be kept at work and a considerable sum will be devoted to college buildings at Saskatoon.

Alberta will spend \$35,000 in operating schools of agriculture and demonstration farms. Special attention will be paid to dairying.

British Columbia will spend much of her money on demonstration work. Short courses on household science and agriculture will be carried on. School gardens will be organized and equipped, and the live stock and fruit industries encouraged.

WORK ON THE LIVE STOCK BRANCH.

Until recently the Health of Animals and Live Stock divisions were under one officer, but the rapid growth of both divisions made it very desirable to separate them and appoint an officer to give his attention solely to live stock problems.

An important work being done by the Live Stock Branch is the distribution of pure-bred male animals to districts in need of them to improve their stock. To secure these, farmers are required to form societies and to carry out certain reasonable requirements. The animals, which remain the property of the Department, have to be properly maintained by the societies. Because of the extreme shortage of stock in the western provinces, and the abundance of feed each year allowed to waste, the distribution was commenced in these provinces and in

Northern Ontario. Organization is to work eastward and ultimately to cover the whole of Canada. Already sufficient associations have been formed to require about 90 bulls, 8 stallions, 15 boars, and a number of rams. During the autumn it is expected that a number of hogs will be distributed in the Province of Quebec.

EGG CIRCLES.

Poultry raising has suffered through haphazard methods of breeding, rearing and marketing. To improve the industry the Live Stock Commissioner has set out to assist farmers to organize poultry and egg circles. Ten of these have been formed in Ontario and Quebec and several in Prince Edward Island. By systematic co-operation a number of these circles have increased the selling price of their eggs from 3 to 5 cents per dozen, while their poultry values have been correspondingly raised. Members are required to gather their eggs regularly, keep them clean, and turn them in to a central station to be marketed to best advantage.

COMPENSATION FOR DESTROYED ANIMALS.

The Health of Animals Branch has worked hard for years to suppress glanders in horses, especially in the West, where it keeps coming in with new settlers. Until this year the compensation has been so low as to discourage owners of inflicted animals to announce the disease. This year the valuation was raised from \$150 to \$200 for grade horses and from \$300 to \$500 for pure-breds.

In addition to the various features already mentioned, the Minister has greatly strengthened and extended the Experimental Farm system, the various lines of work connected with the Dairy and Fruit industries and the work of encouraging the production and sale of pure seeds.

MILITIA AND DEFENCE

Twelve Thousand More Militia Trained Under Control of Colonel Sam. Hughes, With Less Cost Per Head— Rifle Ranges and Drill Halls Being Provided.

The administration of the Militia by Colonel the Hon. Sam Hughes has been a record of great activity, progress and efficiency.

TWELVE THOUSAND MORE MILITIA TRAINED.

In 1910 the Liberal Government trained 44,000 Active Militia.

In 1911 it trained 44,000 Active Militia.

In 1912 the Liberal-Conservative Government trained 49,000 Active Militia.

In 1913 the Liberal-Conservative Government trained 56,000 Active Militia.

MANY THOUSANDS MORE READY.

In addition to the 56,000 trained in 1913, there are thousands of other Canadians connected with the defence system of the country in one way or another. These include:—

Regularly enrolled militiamen not trained.....	17,000
Cadets, regularly organized and officially inspected.....	85,000
Men who have made application for enrollment and recognition...	71,000
	<hr/>
	123,000

Thus the grand total of men and boys reached by the defence system of the country is no less than 179,000.

COST PER HEAD GREATLY REDUCED.

This has been done at a great lessening of the cost per head. Under Liberal rule the cost of each man trained was \$190. Under Conservative rule it has fallen to \$150.

EXPENSE OF THE MILITIA SYSTEM.

The following are statements of the cost of the Militia at certain periods:—

UNDER CONSERVATIVE RULE.

1890.....	\$1,287,000
1895.....	1,574,000

UNDER LIBERAL RULE.

1899-1900.....	\$2,077,000
1909-10.....	6,133,000
1910-11.....	7,321,000
1911-12.....	8,200,000

UNDER LIBERAL ESTIMATES WHICH THE CONSERVATIVES SPENT.

1912-13.....	\$9,376,000
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UNDER FULL CONSERVATIVE RULE.

1913-14.....	\$10,953,905
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From 1909-10 to 1911-12 the estimates increased by over \$2,000,000. The Liberal Government arranged for a further increase of over \$1,000,000. The present Minister increased the expenditure in two years by about \$2,700,000, or by about the same as in the increase in the last two years of Liberal administration. This includes expenditures on drill halls formerly charged to Public Works, and expenditures on cadets.

Further, it must be observed that the present Minister of Militia and Defence inherited from his predecessor, departmental debts aggregating nearly three millions of dollars, for war material, *delivered* to the former Minister before the present one assumed office; besides many other enormous sums for material ordered by the former Minister for delivery during 1912, 1913, 1914 and even 1915.

Therefore, from the estimates of the last two years must be deducted almost one million dollars yearly, which have gone in payment of the back debts of the Militia Department for material ordered by and delivered to the former Minister of Militia and Defence.

The situation, in brief, is that there has been a great increase in the men trained, a certain increase in the bulk expenditure, and a drop in the cost of each man trained. Details may now be given.

REASONS FOR COST OF PRESENT SYSTEM.

Reference sometimes is made to the cheapness of the old-time Militia, as organized before Confederation. Several things should be remembered.

1. Service was *compulsory*, and the men were *unpaid*. Even when payment of men was begun, the rate was only 50 cents per day. Today the pay is \$1 per day. Over \$2,000,000 goes in pay alone at present.

2. Little or no uniform was provided. What was furnished was very cheap. Today the clothing provided is more complete and more expensive.

3. Formerly the weapons were usually provided by the Imperial Government. When the colony did provide rifles, they were far cheaper than those of today. Today the rifleman has an exceedingly complicated, expensive arm. Formerly ammunition cost less than one cent per cartridge. Today the cost is 4½ cents per cartridge.

4. Then the food, etc., provided was of the cheapest. Today the men are better fed and better cared for.

5. In former times the force consisted purely of combatant troops, no attempt being made to provide in advance for their being fed or clothed or supplied when on service. For lack of such arrangements the volunteer nearly starved in 1866. Departmental corps, as they are called, are provided now.

6. Formerly such drill halls as existed were built by local enterprise. Today the expenditure comes out of the Federal Treasury. In the United States, Switzerland, and other countries, the cost of all drill halls and kindred expenditures is borne by the States or Cantons, and not by the Federal Treasury.

GOOD SERVICE IS RENDERED.

In short, there is no branch of the public service, where the money is better distributed, or more readily finds its way back into the pockets of the people, than in the Militia. More than two millions of dollars go in the pay of the men. Millions more reach the people through workmen manufacturing clothing, equipment, harness, saddlery, rifles, ammunition, etc. Very little, except for heavy artillery, is spent outside of Canada, or is spent in large sums.

So much for general considerations. Now let us look at details.

NEW TROOPS RAISED.

Since September 21, 1911, the following units have been added to the Militia Force:—

Cavalry: Six regiments, comprising 145 squadrons. Two of these regiments formerly existed as independent squadrons, making a net gain of 12 squadrons.

Artillery:—Three field artillery brigades, comprising seven batteries.

An independent battery.

Two heavy artillery brigades, comprising four batteries, with ammunition columns.

Two siege companies.

Total, 12 batteries, 2 companies, 2 ammunition columns.

Engineers:—Seven companies, troops and detachments.

Corps of Guides:—One mounted company.

Canadian Officers' Training Corps:—Five companies.

Infantry:—Five battalions, one independent company, also seven companies to increase existing regiments. Total, 48 companies.

Canadian Army Service Corps:—Four Companies.

Canadian Ordnance Corps:—Three detachments.

In addition, there has been much organization. For instance, three new infantry brigades have been formed, and a fourth is about to appear in orders.

ENTHUSIASTIC SERVICE RENDERED BY THE MILITIA.

Many corps drill without pay; such is the enthusiasm. Many more are largely outfitted from the private purses of the officers and the friends of the regiments. Others are drilled in camp and at the expense of their officers.

PROGRESS IN PROVIDING RIFLE RANGES.

Rifle ranges are being constructed for the service rifle everywhere possible, but owing to the tremendously long range of the modern rifle, the cost of such ranges, in the purchase of necessary land, is large.

Miniature rifle ranges are being established at every company headquarters all over Canada. These are comparatively inexpensive.

INSTRUCTOR CARRIED TO THE MILITIAMEN.

Instructors from the Permanent Service, the Militia Service, the Cadets, and the School of Instruction, Canada, are being trained in enor-

mous numbers. There are now upwards of 9,000 school teachers qualified as instructors.

Provisional military schools, as well as the permanent military schools, are being carried on. These provisional schools are established at the towns and villages throughout the country wherever a sufficient number of militiamen can be found who wish training. The policy is to bring the instructor to the locality rather than to bring the officer to a large centre. Each system has advantages, but in a young and busy country, such as Canada, it is deemed wise, as far as possible, not to take the young men too much away from their business.

TRAINING UNIVERSITY STUDENTS TO BECOME LEADERS.

University training corps are being established in connection with each and every university in Canada. It is the intention of the Department of Militia and Defence to give to each such university suitable drill halls and provide the necessary instructors. The first year would be devoted to squad company and battalion drill and kindred subjects. Each year thereafter, greater scope would be added to the training until, at the end of the fourth year, these young gentlemen, whether regularly enrolled in the Militia or not, would have splendid military training.

At the end of each year, the plan is, to furnish each such student with a certificate, not of rank, but of training. It would be thus possible for a young gentleman to have the highest qualification and still be a private in the ranks. But, as these young gentlemen would be scattered over the country, in life, as lawyers, doctors, teachers, etc., etc., there would be ready to take commissions and to assist in the upbuilding of the militia forces of the country, thousands of the brightest and best men of the nation.

While there is no intention of interfering with the present training for ordinary certificates in the Militia, the same facilities as are granted these university men, will be open, at the various centres throughout the country, for officers and men of the Militia, or for those who have not already become enrolled in the Militia, to acquire a military education.

It is the purpose to establish a Board of Examiners to conduct these examinations, wherein special attention will be given both to the practice and theory of the subject.

MANOEUVRE AREAS BEING OBTAINED.

Large manoeuvre areas are being secured as rapidly as possible, in various parts of Canada. One upwards of one hundred square miles has been secured in New Brunswick. Besides Petewawa, one large area is being arranged for in Saskatchewan, another in Alberta, while four

areas, each six miles by ten miles, have been secured in British Columbia. Each division and district is being examined with a view to finding suitable areas. It is the purpose to utilize these, not for the ordinary routine drill and training, but for practical field manoeuvres.

In the seasons when not wanted for drilling troops, it is the purpose to utilize them for the raising of horses for the service.

RAPID ERECTION OF DRILL HALLS.

Drill halls, suitable to the needs of the locality, are being erected all over Canada, and are proving most useful, not only for the militiamen, but for the Cadets, the Boy Scouts, the Veterans, as well as for patriotic and philanthropic objects, and for other purposes.

One great object is to afford a central point for the youth of the towns and villages whereby they will be subjected to proper influences, rather than running the streets not always under the best conditions. In short, the plan is to encourage controlled development, rather than uncontrolled development.

Experience has proven that the young man, or the young woman, trained in physical and military drill, is greatly strengthened physically, mentally and morally.

SALE OF LIQUOR PROHIBITED IN CAMPS.

It may be noted that the sale of liquor, in any form, has been prohibited in training camps. It is not a question of prohibition, or non-prohibition; it is simply a question of training.

Concerning the Permanent Forces, there are three thousand in all ranks.

CADET MOVEMENT ENCOURAGED.

Great attention has been paid to the Cadet movement. A special staff has been created to develop and direct it, and within the past year and a half 35,000 cadets have been regularly organized and officially inspected in connection with Militia corps, individual organizations, and schools. Nearly eight thousand of these were drilled in manual camps in 1912. Many of these cadets showed as great proficiency as did some of the regular regiments.

AID TO FENIAN VETERANS.

The Borden Government has to its credit the granting of the Fenian Raid bounty. The Laurier Government was repeatedly asked by the Veterans for some recognition, and invariably refused. The Borden Government, soon after entering office, passed an Act giving \$100 to each man who turned out in the Fenian raids to defend his country.

DEPARTMENT OF LABOUR

Direct Action by Hon. T. W. Crothers — Disputes in British Columbia Composed—Protection Afforded to Immigrants.

The present Minister of Labour has the habit of taking a direct course to effect a desired end, and that method has enabled him to do a good many things for workmen during his term of office. A few days after being placed in charge of the Labour Department, with the assistance of his colleague, Mr. Rogers, he effected an amicable settlement of a strike which had existed among the coal miners of Alberta for eight months. And no further serious trouble has been there since.

He at once saw that it would be a great advantage to have an officer of his Department permanently stationed in Western Canada, and transferred a capable and experienced man to Vancouver. On the whole, this step has thus far proven very satisfactory.

A few months ago discontent existed among the miners of 20 metal mines in the Kootenay district, and from five came applications for as many boards of conciliation, each naming a separate member. The Vancouver officer was at once despatched to the district and succeeded in inducing the miners and operators to agree upon one Board to act for the 20 mines. The members of the Board chosen by the operators and the miners, respectively, agreed upon a chairman, and an unanimous award was made. While providing that one Board should investigate the whole matter probably \$5,000, at least, was saved in expenses.

A few weeks ago an application from the British Columbia Telephone Company was received for a Board of Conciliation to investigate a dispute with their electrical workers, who had gone on strike. The Vancouver officer was instructed to take up the matter, with the result that the dispute was forthwith adjusted, and the men returned to work.

A few days after the Minister was placed in charge of the Labour Department the Longshoremens at Montreal went on strike, which, at his instance, was settled within 48 hours. He made personal inspection of conditions there and induced desired reforms.

Owing to his direct and energetic action, the G.T.R. conductors, who had been out of work for 18 months, were reinstated and received the back-pay to which they were entitled. Again, when he took charge of the Department, the G.T.P. machinists and boilermakers at and west of Winnipeg were on strike, and through his influence an agreement was reached and they have returned to work.

The Minister does not confine his energies to matters strictly within his own Department, as the following lines in a letter written to an officer not connected therewith shew:—"It may occur to you that I am dealing with a matter that does not directly concern me. That, however, I do not admit. In any event, I am determined, so far as in me lies, sweeping aside all forms, to secure for the wage workers of this country a square deal."

Female correspondents for the Labour Gazette have recently been appointed at Montreal, Toronto, Winnipeg and Vancouver, with the view to improving conditions of women and child labourers. If the experiment is successful, similar representatives will be appointed at smaller points.

Many factories have been inspected and material improvement suggested accomplished.

In such success the Minister has insisted upon Government contractors adhering strictly to the fair wage schedules prepared in his Department.

A short time ago, of his own motion, the Minister took up the cause of three miners who had been imprisoned for a period of three months for alleged violations of the Industrial Disputes Investigation Act, and, being satisfied that they had been harshly treated, secured their release.

In many instances he has taken up with private interests what he considered ill-treatment of workers, and a remedy, in almost every case, has been cheerfully applied.

Speaking generally, industrial peace obtains throughout the country. The number of days lost in strikes last year was 932,000 less than during the previous year.

About six months ago complaints were made that certain employment agents were making exorbitant charges for securing work, and he at once had one of his officers investigate the matter, with the result that he found the complaints were well founded, one agent having secured from working men \$10,000 in a period of three months.

With a view to preventing such treatments, of immigrants in particular, regulations have been prepared under the Immigration Act for

the protection of immigrants, under which no employment agent may now deal with immigrants without having first taken out a license issued by the Immigration Department. The fee fixed for directing men to employment is confined to \$1.00, and the agent must keep a detailed record of the names, etc., of the men supplied with work and of employers to whom they are sent. Inspectors of such agencies were appointed for the different provinces, and many convictions have already been secured for non-observance of these regulations.

The Minister sympathizes neither with the greedy employer nor with the indolent workman, and stands unflinchingly for the one who gives the other a square deal.

TRADE AND COMMERCE DEPARTMENT

Vigorous Development Under the Hon. George E. Foster —Terminal Elevators, Interior Storage Elevators and Other Great Works Initiated—The West Indies Agreement.

The Department of Trade and Commerce has experienced reorganization and vigorous development under the Hon. George E. Foster.

It had been an imperfectly composed Department, with so incongruous a branch as Old Age Annuities tacked on to it; this was transferred to a more suitable department, and the Census Branch brought over from the Department of Agriculture to form part of a Department which all along had much to do with statistics. A departmental Commission has made a thorough examination of the existing method of collecting and publishing statistical information by the various departments, and has recommended substantial improvements which are now under consideration.

THE BOARD OF GRAIN COMMISSIONERS.

A feature of the management of the internal organization of the Department by Mr. Foster was the appointment of several important new offices. The West was served by the appointment of a Board of Grain Commissioners, with Dr. Magill as chairman.

A COMMISSIONER OF COMMERCE.

Mr. Richard Grigg, an experienced and able officer of the British Board of Trade, whose reports on Canadian trade conditions to that body had attracted much attention, was appointed Commissioner of Commerce.

Other appointments were those of a supervisor of steamship services, and additional Trade Commissioners at great European ports like Hamburg and Rotterdam.

GOVERNMENT TERMINAL ELEVATORS.

The Department has energetically carried out Mr. Borden's promise to the West with regard to the grain trade. The Grain Act was perfected and passed. The Board of Grain Commissioners was appointed. The sum of \$4,000,000 was appropriated to carry out the Western farmer's dream of Government terminal elevators. A site was purchased at Port Arthur and a great elevator has been erected there, with a capacity of 3,500,000 bushels, and is now in operation. A policy of interior storage and terminal transfer elevators has been adopted. On July 30, 1913, the call for tenders was issued for elevators at Moose Jaw and Saskatoon, and these are now under construction. A third elevator will soon be erected in Alberta, and tenders will shortly be invited for the building of a transfer and storage elevator at Hudson Bay. A transfer elevator is also to be erected on the Pacific coast.

THE WEST INDIAN TRADE AGREEMENT.

Mr. Foster took up and concluded the Trade Agreement with the West Indies. A considerable trade is opened to Canada, in a region which specially needs her products. To effect this it was necessary to hold a Conference at Ottawa with the representatives of the Islands.

MR. FOSTER'S VISIT TO AUSTRALASIA AND THE FAR EAST.

In pursuance of this policy of extending Canada's trade with other parts of the Empire and with portions of the world whose products are complementary to those of Canada, not identical with them, Mr. Foster made an extended journey to Australia, New Zealand, China and Japan. In part this visit was made as a member of the Dominion's Royal Commission appointed by the Government of the United Kingdom; in part it was for the purpose of obtaining new avenues for Canadian trade. Progress was made towards obtaining extended reciprocal trade arrangements with Australia; the negotiations were hampered by the uncertain state of domestic politics in the Commonwealth, a general election having taken place during Mr. Foster's stay, followed by a deadlock. Mr. Grigg, the Commissioner of Commerce, visited the Far East and Asiatic Russia in order to study trade conditions in advance of Mr. Foster's visit.

OCEAN FREIGHT RATES.

An important step taken under the auspices of the Department was the investigation into ocean freight rates, noticed elsewhere, in connection with which Mr. Drayton is making a visit to England.

THE CONSULAR SERVICE.

Arrangements have been made whereby the facilities afforded by the British Consular Service are placed more effectually at the disposal of Canadian trade. Information on commercial questions collected by this service, with its ramifications extending into every corner of the world, has been made accessible to Canadians, and entrance to the service by Canadians has been effected.

STEAMSHIP SERVICES.

Activity has been shown by the Department in regard to steamship services. The British mail service has been greatly improved, and a fast tri-weekly service is now being carried on. The service between Newfoundland, and Sydney, Nova Scotia, has been improved, and a new contract concluded by which an up-to-date freight and passenger service is provided from Canadian ports to the West Indies. A number of new local coastal services have been instituted.

POST OFFICE ADMINISTRATION

Enormous Impetus to the Free Rural Mail Delivery— Numbers of Post Offices Being Opened—Improvements in Cable Rates and Ocean Mail Service.

The Postmaster-General, the Hon. L. P. Pelletier, has shown great energy and a most progressive spirit. In particular his administration thus far has been distinguished by activity along five or six special lines:—

LINES OF PROGRESS.

1. He has passed through Parliament a Bill for the organization of Parcel Post Delivery. The Department is now busily working on the details of this and hopes to have it inaugurated and successfully in operation by the first of January.
2. He put great energy into the movement for Rural Mail Delivery. This had been advocated for years by the Liberal-Conservative party; it had been one of the planks in the Halifax Platform, and it had been hastily taken up by the Liberals in the heat of the election of 1908. In three years the Liberals had opened some 600 offices, serving 16,000 boxes. In two years Mr. Pelletier has increased the number to 2,400, serving nearly 90,000 boxes.
3. He has obtained sweeping reductions of cable rates, thereby greatly facilitating commercial intercourse between Canada and Great Britain, and encouraging the transmission of news between the several parts of the Empire.
4. He effected great improvements in the ocean mail service.
5. He has consulted the convenience of the public in other directions, opening many new post offices, money order offices, postal note offices, and other conveniences.
6. He has shown great solicitude for the welfare of the employees of the Department, has gone thoroughly into the needs and requirements of the work, and has seen that the indemnity and comfort of the men have in every way been promoted, with the result that there

is at the present time a spirit in the service which has been absolutely foreign to it for many years. The letter-carriers and railway mail clerks in particular have had their pay increased.

RURAL MAIL DELIVERY.

The work done in developing rural mail delivery has been very vigorous. The Postmaster General on assuming office at once put fresh life into the movement. He thoroughly organized the service, more especially by appointing to the different inspector's offices men of long experience in the service, and making it their duty to give their whole time and attention to the development of this work. The public were not slow to respond to this interest in them on the part of the Postmaster General, and the result is that there has been a very large increase in the number of rural mail delivery services throughout the country to the comfort and convenience of the rural population, as the following figures will show:—

GREAT INCREASE OF THE SERVICE.

On October 1, 1911, the number of rural mail delivery routes in operation throughout Canada was 614; serving 16,015 rural boxes.

Since that time up to September 1, 1913, there has been 1,061 additional rural routes established; serving 53,831 additional rural boxes.

Besides these, there were early in September under tender 511 rural mail delivery services which, when inaugurated, will result in the erection of over 19,035 more boxes.

Thus the situation has been:—

October 1, 1911.....	614 routes	16,015 boxes
September 1, 1913.....	1,675 "	69,846 "
End of 1913	2,286 "	85,861 "

In other words, nearly 90,000 farmers' families will have their mail brought to their doorstep, and nearly 73,000 of them will owe it to Mr. Pelletier.

MORE POST OFFICES OPENED.

On March 31, 1911, there were 13,324 post offices in operation, the net increase in the year having been 437.

On March 31, 1912, there were 13,859 post offices in operation, the net increase in the year having been 535.

On March 31, 1913, there were 14,178 post offices in operation, the net increase in the year having been 319.

The increases in the last few years have been accompanied by the compulsory closing of a number of offices as a part of the institution of rural mail delivery. The number of new offices actually opened in 1911-12 was 721 and in 1912-13 was 755. In 1910-11 the number opened was 575.

Altogether under the present Government from October 1, 1911, to September 1, 1913, 1390 new post offices have been opened. From October 1, 1909, to September 1, 1911, 1248 new post offices were opened.

CONVENIENCES TO THE PUBLIC.

Since October 1, 1911, the Department has opened 67. new money order offices and 509 postal note offices.

The amount remitted by money orders since the 1st October, 1911, as compared with the previous 18 months, shows and increase of	\$28,880,757, or 33%
The amount remitted by postal note during the same period shows an increase over the previous 18 months of	\$1,809,261, or 19%
During the same period there has been and increase in the number of money orders issued over the previous 18 months of	\$2,709,648, or 36%

The whole tenor of the Postmaster General's attitude since accepting office has been one of alertness to the public interests, and of the greatest possible sympathy in having those interests provided for by efficient and energetic service.

LOWER CABLE RATES.

On the 1st December, 1911, the cable rates were, without exception, twenty-five cents a word. There were no rates for deferred cablegrams, nor for night messages nor for week-end letters.

Since then the following progress has been made: From the 11th December, to the 1st January, 1913, the rates in force were as follows: Ordinary rate, 25c per word; deferred rate, 12½ per word, delivered within 24 hours; cable letters, \$1.50 for the first 20 words or less, 30c for each additional five words or less, delivery the second day after; week-end letters, \$1.50 for the first thirty words, plus 25c for each additional five words or less, delivery Tuesday; press rate, 10c a word.

Rates in force since January, 1913, are: Ordinary rate, 25c per word; deferred rate, 9c per word, delivered within 24 hours; cable letters, 75c for twelve words, with 5c for each excess word, delivered following day; week-end letters, \$1.15 for 24 words, with 5c cents for each excess word, delivered Monday morning; press rates, ordinary rate

7c a word; between midnight and 6 a.m. or between 1 p.m. and 4 p.m.,
5c a word.

OCEAN MAIL SERVICE.

The country had been clamoring for an improved ocean mail service for a considerable time, and promise after promise had been made, but nothing had been done. However, the Postmaster General and the Minister of Trade and Commerce immediately upon accession to office took hold of the question in earnest and entered into negotiations with a view to seeing what could be done. As a result, Canada is today in possession of a tri-weekly service both to and from England, the mail steamers leaving Canada Tuesdays, Thursdays and Saturdays of each week, and leaving England every Wednesday, Friday and Saturday. Thus, instead of one mail per week by the Canadian line, there is at present a tri-weekly service which will steadily improve. One of the companies is putting on immediately two additional steamers which will be very much faster than anything which has yet carried the mails for Canada, and up-to-date in every possible way, developing not only the trade and commerce of the country, but also the passenger service, by the Canadian route. The other companies are building boats which will have all the modern advantages possessed by steamship lines.

THE DEPARTMENT OF THE INTERIOR

Care Taken to Guard the Settlers — Public Domain Protected and Speculators Discouraged—Energetic Encouragement of Immigration.

The policy of the Department of the Interior, under the Hon. Dr. Roche, has been so to modify the regulations as to benefit the settler and at the same time to safeguard the public interest. An early reform carried through by Mr. Rogers was to change the regulation regarding the nature of the house which homesteaders are required to erect. Formerly the homesteader was obliged to build a house worth \$300; now it is described as "habitable", the thing desired being the establishment of a settler in a house, rather than the pedantic insistence on the spending of a fixed sum.

Dr. Roche, in pursuing this policy of solicitude for the settler and guarding of the public interests, has taken an advanced position with regard to fractional areas bordering on lakes and streams. He has laid down the policy that in future no portion of these areas shall be disposed of except to the adjoining owner after a careful inquiry has been made on the ground by an officer of the Department specially deputed for that purpose. In this way there will be no danger of these lands passing into the hands of speculators, and the *bona fide* settler, who has located on a homestead in the vicinity of a lake or a river, will have an opportunity of acquiring the strip opposite his holding to which he is rightly entitled. In the past, many of these fractional areas have been acquired for purposes of speculation.

DISPUTES AS TO HOMESTEADS.

Another feature of the policy initiated by the present Minister of the Interior and which is indicative of his spirit of fairness towards the settler, has been his endeavour, in contentious cases between conflicting claimants, to make an equitable division of the holding involved between

the settlers concerned. Where two settlers have made improvements on the same quarter-section, and when the merits of each case are about evenly divided, it seems fair that instead of allowing outside influence to outweigh the merits of one of the claimants a division of the land should be made between the two settlers so as to protect their respective interests.

HALF-BREED SCRIP.

Another departure is the fact that the indiscriminate local of Half-breed Scrip upon newly-entered land has been discontinued, so that it is not now possible for a speculator to arrange with an entrant so that the latter will agree to forego his right to the land so that the former may have an opportunity of acquiring it at a much lower price than it would be. In future the location of Half-breed Scrip on a homestead will only be permitted where it is shown that the homesteader has performed reasonable residence and has substantial improvements upon the place, or that he is prevented for some good reason from completing the same.

Dr. Roche has arranged for the issue of a new edition of the Land Regulations. Every effort is being made so to consolidate and simplify the regulations as to afford intending settlers the best opportunity possible of acquainting themselves with the requirements of the Department insofar as the acquiring of free homestead land is concerned.

DEALING WITH THE WEST

The Minister has arranged that the chief officers of the various branches of the departmental service should take summer trips during the summer months in order to keep in touch with the Western conditions. The Department has been represented at the large conventions, notably that of Forestry at Winnipeg, and of the Irrigation Congress at Lethbridge, by the officers in charge of those divisions.

The Minister has arranged to have the officers of the Water Power Branch of his Department co-operate in every way possible with the Public Utilities Commission of Winnipeg in connection with the establishment of a permanent water supply for the City of Winnipeg.

He is also arranging for the immediate inspection and classification of swamp lands which were recently revested in the Dominion by the Province of Manitoba, so that these lands may be turned over as soon as possible to actual settlers and thus be made productive for the general good of the Province.

THE DOMINION PARKS.

Large appropriations have been made by Parliament for Dominion Parks this year. The work in connection with this service was in its infancy at the change of administration, and is being laid down on large comprehensive lines. While the work of beautifying and developing the parks is being carried out, at the same time a campaign of publicity is being conducted in regard to the parks which will result in the encouragement of tourist traffic.

The vexed question of disposing of lands in the British Columbia Railway Belt has been settled in a manner satisfactory to all concerned. The lands were recently made available for settlement, after due publicity had been given to the regulations, and although the greater portion of the entries have been granted, there practically have been no complaints.

THE IMMIGRATION SERVICE.

The immigration to the Dominion now represents something more than a new settler for every minute of our waking hours, for every day of the year. The future of our citizenship depends on the present selection of the raw material. In this problem Dr. Roche has taken special interest. During the early summer he visited Europe to look into the work of his Department and to examine the sources from which our immigration comes. His visit has resulted in further extension of the Department's efforts to obtain a still larger share of the emigration from the Mother Country. A new agency has been established in Wales, with Mr. Sidney Pugh in charge. In addition to this, Mr. Pugh has been appointed Inspector of Agencies in Great Britain and in Europe, a position which became necessary owing to the extension of the general work of the Department on the other side. An officer performing similar functions has for a number of years past been employed by the Department in the United States, where the work has been so eminently successful, and there is no doubt that similar beneficial results may be expected in the Old Country and in the European countries where the Department is now conducting its propaganda. Agencies have also been opened at Peterborough and Carlisle in England. In order to further encourage work on the Continent, an agency is being established for Scandinavian countries. The appropriation for general advertising has been increased, and prospects are good for a larger immigration of the blood and brawn of Britain as well as increased results from the Continent. In the United States a forward step has been taken in the methods of advertising, and, although Canada can scarcely expect to always maintain the present high-water mark in numbers, especially

when the free lands become more and more occupied, yet the possibilities of the West will continue, when intelligently advertised, to draw largely from the wide-awake American farming community.

IMPROVEMENTS IN CANADA.

In Canada the immigration movement has undoubtedly undergone improvement. The inspection on the International Boundary has been strengthened, and a moment's consideration will reveal the tremendous task of guarding the thousand and one highways and byways through which the undesirable seeks to gain admission. An additional travelling inspector has been appointed to oversee the work, while at ocean ports the examination continues to receive careful attention, with the result that at no time in Canada's history has it been more difficult for undesirables to gain admittance than at present.

PROTECTING THE NEWCOMER.

For years complaints were common that the new arrival, especially the foreign-speaking, was taken advantage of by unscrupulous employment agencies. This condition has now been met by a new regulation, making it necessary for all those engaged in the employment agency business to secure from the Immigration Branch a license, and to observe certain rules, principal among which are a maximum charge to the immigrant of one dollar for employment, and, Government inspection of all employment agencies.

THE MARRIAGE ACT

Proceedings in Parliament Relating to the Bill to Deal With the Subject—Judgment of the Courts on the Powers of the Dominion and the Provinces.

On January 22, 1912, Mr. E. A. Lancaster moved the second reading of a Bill "to amend the Marriage Act." The effective paragraph of this was:—

Every ceremony or form of marriage heretofore or hereafter performed by any person authorized to perform any ceremony of marriage by the laws of the place where it is performed, and duly performed according to such laws, shall everywhere within Canada be deemed to be a valid marriage, notwithstanding any difference in the religious faith of the person so married and without regard to the religion of the person performing the ceremony.

Doubts having been raised as to the legal power of the Dominion Parliament under the British North America Act, 1867, to enact such a measure, the Government referred the Bill and the general question to the supreme court of Canada, under section 60, of the Supreme Court Act. Accordingly, a case was prepared in which three questions were put in the following form:—

1. (a) Has the Parliament of Canada authority to enact, in whole or in part, Bill No. 3 of the first session of the twelfth Parliament of Canada, entitled, "An Act to amend the Marriage Act"?

(b) If the provisions of the said Bill are not all within the authority of the Parliament of Canada to enact, which, if any, of the provisions are within such authority?

2. Does the law of the Province of Quebec render null and void, unless contracted before a Roman Catholic priest, a marriage which would otherwise be legally binding which takes place in such Province—

(a) between persons who are both Roman Catholics, or

(b) between persons one of whom, only, is a Roman Catholic?

3. If either (a) or (b) of the last preceding question is answered in the affirmative, or if both of them are answered in the affirmative, has the Parliament of Canada authority to enact that all such marriages whether

(a) heretofore solemnized, or

(b) hereafter to be solemnized shall be legal and binding?

This case was argued before the Supreme Court on May 27, 1912. A large number of counsel represented the several parties interested. Judgment was delivered on June 18, 1912. To all three questions a majority of the five justices present returned a negative answer.

The Dominion Government appealed the case to the Privy Council, argument beginning on July 22. Judgment was delivered on July 29, 1912, its effect being to uphold the decision of the majority of the Supreme Court with regard to the first of the questions. On the other questions it declined to give an opinion. One paragraph in the decision was:—

Notwithstanding the able argument addressed to them, their Lordships arrived at the conclusions that the jurisdiction of the Dominion Parliament does not, on a true construction of Sections 91 and 92 of the British North America Act, cover the whole field of validity of marriage. They considered that the provision of Section, conferring on Provincial Legislatures exclusive power to make laws relating to the solemnization of marriage in the Provinces, operates by way of exception to the powers conferred, as regards marriage, by Section 91, and enables the Provincial Legislature to enact conditions as to solemnization, which may affect the validity of the contract.

THE TRANSPORTATION PROBLEM

How the Borden Government is Linking Together a Series of Great Works to a Common Purpose.

The magnitude of the Transportation Policy now being pressed by the Dominion Government is most impressive when viewed in the inter-relation of its several parts. It is designed to serve the products of the Canadian farm from the prairie to the wharf in Great Britain. Let us trace the several links in the chain.

1. On the prairies the Borden Government is vigorously pressing forward a scheme of Interior Terminal, Storage and Transfer Elevators. The construction of two of these great central storage places is being pushed ahead, at Saskatoon and at Moosejaw. A third is to be erected in Alberta. Long desired by the farmers of the West, these have been granted by the present Administration; they should do much in steadying the movement of grain outwards after the harvest.
2. At Port Arthur a great Government Terminal Elevator is under construction, designed to serve as a regulator of the process of forwarding the grain from the farmer to the consumer. This also is a step long desired by the West. The money for it was voted in 1912, on the initiative of the Borden Government.
3. The National Transcontinental system is rapidly nearing completion; the gap between Cochrane and Quebec will be filled this year.
4. The work of providing 20-foot canal navigation has been taken in hand in earnest. The New Welland, with its capacity for vessels drawing 20 feet, has been commenced. The French River, part of the Georgian Bay Waterway, is being deepened. The Trent Canal, so long the plaything of the politician, is being finished.
5. The Hudson Bay Railway, another public work for which the West long has clamoured, is being built with such vigour that it should be finished by the end of 1914. The port of Nelson is being developed

to serve as a terminal, so that the capabilities of Hudson Bay as a grain route to Great Britain can be tested.

6. The work of deepening the St. Lawrence Channel is being pushed. In particular, a scientific survey is at work on the problem of the future of the works and of how deep a channel can be excavated in view of conditions of water-supply, etc.

7. Immense harbour works are prosecuted with great vigour. Halifax is being transformed into a great modern sea-port at a cost of some ten millions. St. John is receiving the equipment of a great port. Both these cities are having modern dry-docks built, of the largest size. At Quebec great harbour works are under way, and a large dry-dock is being built at Levis. The Montreal harbour is being transformed, at a total cost of some eighteen millions. On the Great Lakes Toronto harbour is to be modernized at a cost of six millions and great works are in progress at Port Arthur and Fort William. On the Pacific Coast immense works are in progress in Vancouver and Victoria, ports which had been long neglected.

8. The work of controlling freight rates on the ocean has been taken up. Mr. H. L. Drayton, Chairman of the Railway Commission, has been dispatched on a mission to Great Britain to arrange for an investigation of the recent heavy increases.

SUMMARY OF THE BORDEN GOVERNMENT'S RECORD OF LEGISLATIVE MEASURES AND ADMINISTRATIVE PROGRESS IN TWO YEARS.

Extension of boundaries of Ontario, Quebec and Manitoba.

Highways Bill, appropriating \$2,500,000 for road construction in two years. (Defeated by the Senate.)

Branch Railway Bill, providing for the acquisition of branch lines in Quebec and the Maritime Provinces to the advantage of the Inter-colonial Railway. (Killed by the Senate.)

Agricultural Aid Bill, appropriating \$10,000,000, spread over a period of 10 years for agricultural instruction in the various Provinces.

Development of national ports at Halifax, St. John, Quebec, Montreal, Vancouver and Victoria.

Harbour development at Toronto, Hamilton, Port Arthur, Fort William and other ports.

Parcel post system.

Revision of the Bank Act.

British West Indies Trade Agreement.

Work on the National Transcontinental Railway pushed with vigour.

Construction of Hudson Bay Railway so far advanced that 150 miles have been graded and one-half of the work will be finished early in 1914, the road to be completed in 1915.

Work upon Quebec bridge proceeding with expedition and thoroughness.

Contracts awarded for several sections of the Welland Canal.

Terminal and transfer elevator of 2,500,000 bushels built at Port Arthur.

Tenders called and contracts awarded for two large interior elevators, one at Moose Jaw and the other at Saskatoon; construction to be rushed.

Terminal and transfer elevators on the Pacific and on Hudson Bay under construction.

Reduction of cable rates to the British Isles.

Inauguration of a greatly improved mail service between Canada and Great Britain; tri-weekly in summer and bi-weekly in winter.

Reduction of cable rates to the West Indies.

New arrangements in regard to marine insurance to the St. Lawrence and reduction of insurance to Halifax.

Magnificent dry dock under construction at Quebec. -

Similar dry dock proposed at Halifax and on the Pacific Coast.

Pensions for veterans.

Naval Aid Bill. (Defeated by the Senate.)

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