

know that a minority, at all events, of the lumbermen in the Province of Ontario were opposed to the action which the majority were urging upon the Government to take. It can be easily understood that the Georgian Bay lumbermen, whose lumber necessarily has to be taken to the United States and is brought into competition with that of the Michigan lumbermen, who take their logs from adjacent limits across to the other side and escape the duty, are at a great disadvantage. That is not the case with the Ottawa lumbermen. They stand in a different position from that occupied by the Georgian Bay lumbermen, in that they are nearer the eastern market. They are in a position to take their lumber into the eastern market and to pay \$1 and even \$2 duty, and although this is a great burden to them they are rather opposed to anything that would have the appearance of retaliation or of meeting the action of the United States Congress by reason of the apprehension that it might lead to further reprisals, and that an absolutely prohibitory tariff might be imposed at Washington. That is the view of the Ottawa lumbermen, or some of them, and therefore we had in dealing with the matter to meet a conflict of interest on the part of those who are specially interested in the whole question. While some argued that the imposition of the manufacturing conditions would be liable to bring about a better understanding and more satisfactory relations with the United States, it was urged with much force on the other hand that it would be attended with greater embarrassment, and no one can deny but that the latter is a possible result, although others may contend that it is extremely improbable. It has been contended, moreover, that such a regulation would be called confiscation, that it would depreciate the value of the timber limits owned by the Crown as well as by Canadians and Americans. The limits owned by Americans have been carried very largely by Canadian banks and Canadian capital. It has been contended that it would mean the practical abandonment of timber operations by American companies, that there would be a consequent loss of work for the men heretofore engaged in the business, that it would mean a stoppage in dealing in supplies, to say nothing of possible further retaliatory measures, and have a very bad effect upon our timber limit operations. It was also urged that our revenue would be disastrously affected.

#### A Justifiable Course.

All these important considerations had to be carefully weighed. We have, however, on the whole, arrived at the conclusion that while these arguments are not without great weight, they are not so forcible as those presenting them appeared to think them to be. While there are, no doubt, risks to be run, the object to be gained, namely, the preservation of our timber supply, decreased annual cuttings of the timber, and the home manufacture, are worth the risk—the two former of these especially. The increasing export of logs to supply mills in another country is becoming formidable, and where a neighboring country so artificially ar-

ranges its tariff that Canadian lumber cannot be cut in Canada, and that it must, in order to find access to their markets at all, be taken from Canada in the raw state and manufactured in another country, disagreeable as the duty is, we are justified in meeting that situation by taking steps to overcome that artificially created difficulty, and to restore and preserve the manufacture in our own country. (Applause.) If it be allowable for the United States to create by legislation this state of affairs, it is permissible for us to overcome it. (Renewed applause.) The form in which the legislation at Washington has been put has been extremely distasteful and offensive to our people. Having practically assumed to legislate for themselves as well as for us, they have provided in the Province of New Brunswick that logs taken from the American side to the Canadian side must be manufactured in Canada by Americans. They have gone the length of providing that

on Canadian soil their logs shall be manufactured by Americans alone. Is there anything more natural than that we should provide, not by way of retaliation I repudiate the term retaliation entirely in connection with any course the Government is now taking—that Canadian logs, whether owned by Canadians or Americans, shall be manufactured by Canadians on Canadian territory. (Loud applause.) If it is fair for the Americans to legislate that the manufacturing of American logs shall be wholly done by Americans in Canada, it cannot be unfair for Canadians to provide that Canadian logs shall be manufactured in Canada. That leads me to remark that some time ago we passed regulations providing that, incidental to the action now being taken, all manufacturing, all work done in the cutting down of the timber, the cutting of it into logs and bringing it to the front should be done by Canadian labor only. (Applause.) Some of the papers in the country have assumed to treat that as a matter of trivial importance. Perhaps it is not a matter of such very immense importance, but nevertheless it is important. (Hear, hear.) I have reason to know that it has had the effect of reserving work in the woods much more largely to our own people than hitherto. I have reason to know that the vigilant officer who was appointed for the purpose of enforcing these regulations has been alive to his duty, and that on some occasions he has—I was going to say had the satisfaction—but he has been compelled in carrying out his instructions to bring to the front quite a number of those who were working in the woods in violation of the order in Council and sent them to their own side of the line. That has been done, and the regulations for the purchase of supplies in Canada have been more thoroughly carried out than hitherto; and, whatever may be said of those provisions affecting alien labor, I am satisfied of this: that they have given the greatest possible satisfaction to the people in the portions of the Province where the labor interests are concerned in this particular matter. I can state, moreover, that the effects of this are that the wages—and perhaps that is the best evidence that there has been something gained by the regulations—the