

Sir ROBERT BORDEN: By Canada, with possibly some assistance through the credits obtained in the United States.

Sir SAM HUGHES: Has Canada any control over the Munitions Board with respect to the money advanced by Canada?

Sir ROBERT BORDEN: No. We do not undertake to control that in any way, if I understand my hon. friend correctly. When a request comes from the British Government, we assist in providing advances of money for this and other purposes. We have done so in the past to the utmost of our ability and we shall continue to do it. I may say that the demands upon us in connection with payment for food, munitions and other war necessaries will be very heavy this year.

The Government also took up the question of prohibiting the importation, manufacture and transportation of intoxicating liquors. There is prohibition of the sale in every province of Canada except the province of Quebec, and prohibition will go into force in that province on the 1st of May, 1919. By an Order in Council which was passed on the 2nd of November last, the Governor in Council forbade use in the distillation of potable liquors of grain or any substance that could be used for food. On the 27th of November last an Order in Council was passed restricting the quantity of malt that can be used for brewing. By an Order in Council passed on the 23rd of December, and by amending Orders in Council, the importation of liquors was forbidden unless purchased before the 24th of December, and shipped on or before the 31st of January last. By an Order in Council approved on the 11th of March the manufacture of intoxicating liquors was prohibited in every province in Canada after the 1st of April, except in those provinces where the sale is still permitted and to the extent to which it is permitted; but the manufacture of intoxicating liquors containing more than 2½ per cent alcohol is absolutely prohibited after the 31st of December, 1918. The same Order in Council forbids the transportation of intoxicating liquor into any area where the sale thereof is contrary to law. The use for sacramental, medicinal, manufacturing and commercial purposes is excepted, and appropriate provisions are made for the appointment of licensees from whom liquor for these purposes can be obtained.

I next come to Orders in Council and regulations restricting excessive profits in several industries. A great many hearings were given to the representatives of one of

[Sir Sam Hughes.]

the industries. Very difficult questions arose. The restrictions which have been imposed are pretty severe. So far as the packing houses are concerned, all profit above 11 per cent is taken by the State, and the remaining profit is still subject to taxation under the Business Profits Act. Therefore the highest profit which any packing house in Canada can retain under these regulations is 10 per cent upon the actual capital. Doubtless, these regulations will be the subject of further explanation and discussion before the session is over.

Civil Service reform was taken up immediately after the formation of the Government, and the Civil Service Commission was requested to report the necessary measures for extending the Civil Service Acts to the Outside Service. I returned to Ottawa on the 10th of January, and I ascertained that a great many difficulties had been encountered in proceeding by Order in Council. The Civil Service Act of 1908 provides that the Governor in Council may, by Order in Council published in the Canada Gazette, bring the whole or any part of the Outside Service under the provisions of the law governing the Inside Service. I discussed that provision with the Civil Service Commission, and after very careful consideration they came to the conclusion that it would be absolutely impracticable to proceed in that way. It must be remembered that there are many thousands of employees in the Outside Service. I have a memorandum from the Civil Service Commission under my hand, and if time permitted I would read it to the House. As an illustration of the considerations which it puts forward, I may observe this: The Inside Service is constituted in three divisions—and the salaries are fixed in each division. The duties assigned to each division are also defined. But if you go to the Outside Service you find there is no such classification. For instance, as pointed out in this memorandum, the present scale of salaries for collectors of customs runs from \$300 to \$4,500, and for deputy collectors of Inland Revenue from \$400 to \$1,700. There is no salary in the Inside Service as low as \$300 or \$400, nor as high as \$4,500, and though some officers in the Inside Service receive as much, it has in each such case been specially voted by Parliament. An important part of the remuneration of railway mail clerks is mileage, but there is no provision in the Inside Service scale for any such remuneration. The duties of members of the Outside Service are exceedingly varied. They range from services performed by labouring men to duties of the