

to the burdens of the men who have to make the industry pay. One of the most striking results which an analysis of the Besco consolidation yields is the transformation of common into preferred stocks that took place. In the Besco process common stocks were reduced from sixty-three to twenty-four millions while preferred stocks rose from nineteen to seventy-seven millions.

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The result of this transformation process has been the addition of charges of over \$4,000,000 to the annual liabilities of the industry.

These are the statements of Mr. Francis A. Carman, who made a special investigation of the situation.

Now, the claim has been made that higher wages and more satisfactory conditions could not be given because of the financial position of this company. We find in the Montreal papers of February 1922 the annual report of the British Empire Steel Corporation. It reads:

The total earnings of the property, after deducting all manufacturing, selling and administrative expenses, amounted to \$4,444,346.

Mr. R. M. Wolvin, the president, said:

After the provision of amounts required to pay all dividends accrued upon first preference stock of the corporation and the preference and preferred stock of constituent and subsidiary companies outstanding, there remained a balance of \$1,031,031.07 at credit of surplus account on the 31st December, 1923. This amount added to the surplus of constituent companies carried forward \$21,784,870.32 makes a consolidated surplus, \$22,815,901.39.

I would submit, Mr. Speaker, that at least a decent living wage ought to be the very first claim upon the earnings of a corporation of this character.

As late as January 31st our newspapers gave the report of the commission which had been investigating the situation in Newfoundland. At a time when important negotiations were in progress between the Newfoundland government and the company, ex-Premier Squires received \$46,000 from funds of the Dominion Steel Company. The action was approved by Roy Wolvin and other high officials. The people of Nova Scotia are asking: Is the Newfoundland government the only one involved?

Mr. CARROLL: Does my hon. friend not know that Mr. Walker, of England, is investigating that very question in Newfoundland at the present time? The receipt of the \$46,000 does not appear to have been proven yet, and the investigation is about half through.

Mr. WOODSWORTH: Certain admissions have already been made. My point is that this with the other matters which I have mentioned might very well be investigated by a parliamentary committee appointed at this session. When we find these vast natural resources of Canada under the control of an

autocratic company and the large majority of the workers deprived of any voice in the management of their own affairs, I wonder whether we can claim that we have in any measure succeeded in establishing democracy in this country. I venture to quote a paragraph or two from a recent book by Viscount Milner, *The Questions of the Hour*:

The real gravamen of the charge against our present industrial system is not that it involves an unfair distribution of the product, but that it mismanages, misdirects and therefore unduly limits production itself. * * * Such results are inevitable as long as the investment of capital, determining as it does the nature and distribution of employment, is governed wholly by considerations of individual gain. * * * They (the wage earners) have nothing whatever to say as to the direction of capital, upon which their employment depends, yet they may at any moment be reduced to penury by its misdirection. * * * Over at least four fifths of the field of national industry the supreme direction is still exclusively in the hands of the moneyed class, and is entirely out of the control, and indeed beyond the ken, of the great body of producers. * * * There is nothing sacrosanct in the present divorce of the great body of producers from the ownership and control of the instruments of production. . . it is of comparatively recent growth.

Again and again during the past few years the workers of Nova Scotia have attempted to obtain some redress, and I think it perfectly proper to bring their case before this House, which is supposed to safeguard the interests of all the citizens of Canada. They have appealed to the provincial governments; they have appealed to the federal government. Two years ago they asked for a royal commission that would investigate thoroughly the whole situation. Their request was refused. A year ago they came asking for pensions for their aged miners who were helpless after long years of work. I believe that all they carried away from Ottawa was a copy of the Prime Minister's book, *Industry and Humanity*. They have sought to secure representation in parliament, but they claim that owing to gerrymandering, by which two counties were thrown into a two-member constituency, it has been made very difficult for the industrial workers to secure representation. They further claim that owing to a roorback, false appeals which were circulated immediately prior to the election, their candidate at that time, Mr. J. B. McLachlan, was defeated. I am not going into these matters. I should like this House to know that the miners claim that it has been impossible for them to obtain representation on the floor of this House. So they have been driven again and again to the strike as the only weapon which they could use. Their position in this matter has been entirely misrepresented. It was misrepresented by the papers a year ago. In